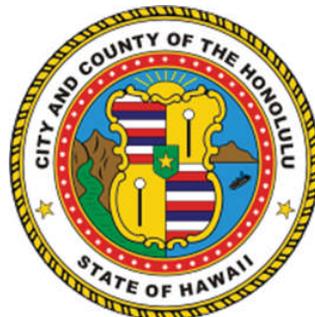




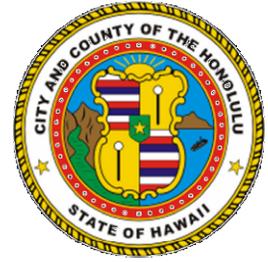
Status of the City's Finances



17th Edition







March 14, 2017

Dear Council Chair Menor and Councilmembers,

We are pleased to transmit to the Honolulu City Council the *Status of the City's Finances* for 2017. Each year, the Office of Council Services (OCS) prepares this brief to aid Councilmembers during the City's annual budget cycle. The 2017 report presents the following: (1) a historical and comparative overview of city financial and budgetary trends; (2) details about the status of the operating budget for the prior fiscal year; and (3) status of capital projects for the most recently ended appropriation period, including a trend of lapsing appropriations for Council-added projects. This year's Special Focus sections include discussions of road rehabilitation spending and affordable housing initiatives.

On behalf of the report team, we thank the Council for your support and hope you find the information useful during your deliberations on the FY 2018 budgets.

Sincerely,

Office of Council Services



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Executive Summary

This report presents a historical and comparative overview of City financial and budgetary trends, details about the status of the operating and capital budgets from the fiscal year 2016, and a brief review of prior HART budgets. The data used for this report include information from various City and State sources, including City budget bills and details, Budget and Fiscal Services Director's reports, the Comprehensive Annual Financial Reports, the Hawaii State Data Book, and reports from the City and County of Honolulu Enterprise Resource Planning System.

Highlights:

- *The average ten year encumbered/expenditure rate for monies appropriated by the Council to rehabilitate City roads continues to be high at 98.8 percent.*
- *The City continues its general trend of low per-person spending as compared to the other three counties.*
- *Employee costs continue to rise while the number of City employees increased slightly.*
- *The balances of the Affordable Housing Fund, Clean Water and Natural Lands Fund, and Grants in Aid Fund continue to rise as the funds go mostly unspent.*
- *Debt service costs increased modestly.*
- *Property tax revenue growth is comparable to pre-recession growth rates.*
- *The carry-over amount decreased slightly but remained high at \$170 million.*
- *The largest operating budget lapse was \$52.3 million for debt service.*
- *In percentage terms, the largest operating budget lapse was from the Provision for Energy Costs activity at 100 percent.*
- *The budget function that experienced the highest rate of capital budget appropriation lapses, excluding federal funds, was Public Safety where 38.9 percent lapsed.*
- *In the capital budget the Capital Projects Fund had the largest lapse rate at 33.3 percent.*



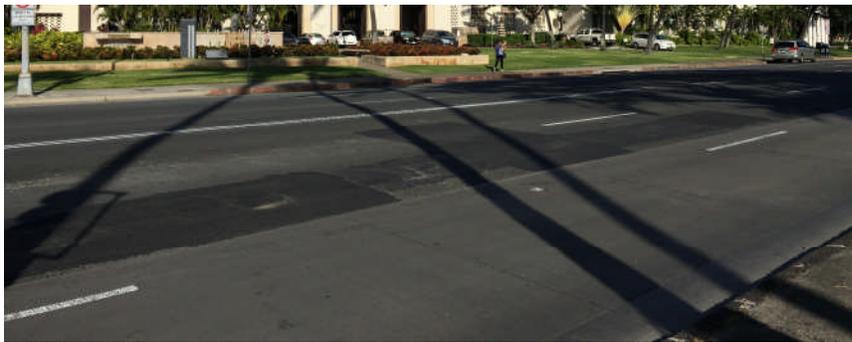
CHAPTER ONE

SPECIAL FOCUS

REHABILITATION OF ROADS AND AFFORDABLE HOUSING

This section 1) reviews the trend of monies appropriated and spent for the rehabilitation of roads; and 2) discusses the historical trend of the City's affordable housing initiatives.

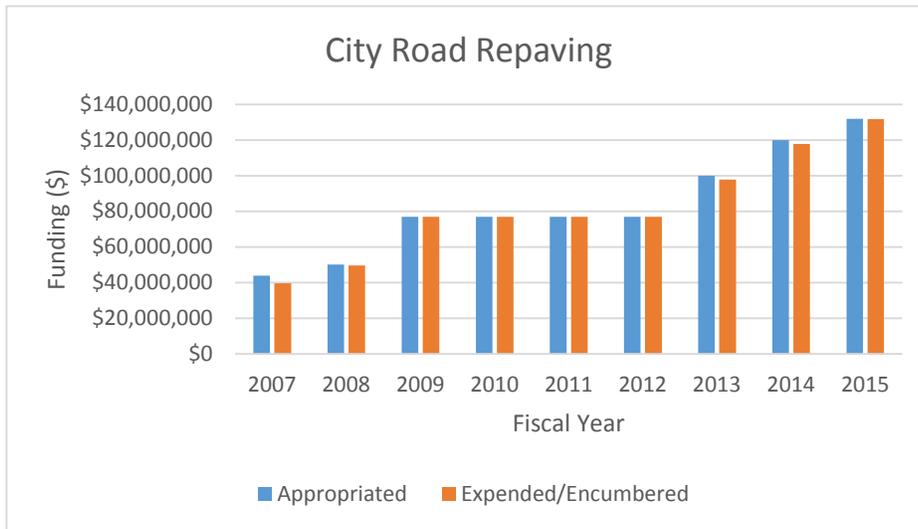
A. REHABILITATION OF ROADS



The City and County of Honolulu has approximately 3,517 lanes miles of roads under its jurisdiction. The maintenance and care of these roads are primarily funded through the capital project entitled "Rehabilitation of Streets." The following chart illustrates a comparative trend of Council-adopted appropriations and the Administration's encumbrances and/or expenditures of this capital project. An additional chart has been provided to show the trend of total reported lane miles repaved annually.



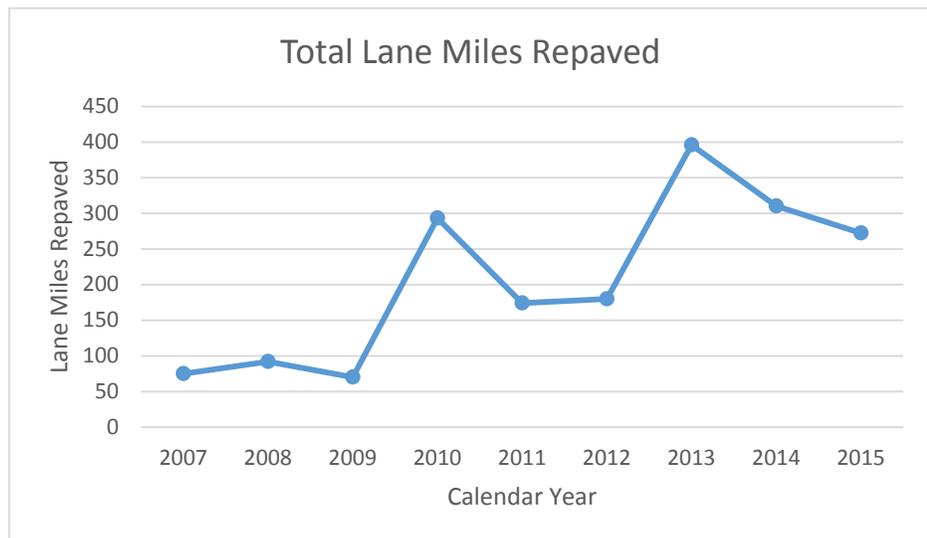
Figure 1A-1: Nine-Year Appropriations and Expenditures Trend



Capital appropriations and encumbrances/expenditures for the Rehabilitation of Roads project have steadily increased over the past nine fiscal years. The average lapsing appropriations rate for the time period spanning FY 2007 through FY 2015 has been 1.2%.

Figure 1A-2: Miles Paved Per Year

Total annual miles repaved over the past nine years have ranged from a low of 75 miles in 2007 to a high of 396 miles in 2013.



B. AFFORDABLE HOUSING

In the 1980s, both the City and the State embarked on programs of developing and using City properties for the development of residential for-sale housing. City examples include West Loch and Harbor Court, while a major State initiative was the Villages of Kapolei. The City also sought to soften the blow plantation workers would feel from the closing of two major sugar plantations by acquiring the land under the Kahuku Villages and the Ewa Villages and offering the plantation homes for sale to the residents. At the same time, the City developed a number of rental housing projects such as Chinatown Gateway Plaza, Marin Tower, and West Loch Villages.

This emphasis on the provision of housing was consistent with the City's policy on the use of federal Community Development Block Grant (CDBG) funds, as established in Resolution 87-125, CD1 ("First Priority – Housing"), adopted in May of 1987. However, the adoption of Resolution 03-343 in January of 2004, moved housing to the City's second CDBG priority, and with the adoption of Resolution 09-206, CD1, in July of 2009, housing dropped out of the City's CDBG priority list altogether.

Resolution 09-206, CD1, set "Public Service Needs" as the City's new first priority for the use of CDBG funds. This category, which includes programs for vulnerable "special needs" populations such as seniors, persons with disabilities, children, and victims of domestic violence, has included some funding for special needs housing for people in these vulnerable populations, but has not exclusively been used for housing.

Between 1987 and 1997, when housing was the City's top CDBG priority, several significant events occurred which affected the City's housing efforts. First, was a scandal involving fraud and embezzlement of public funds by a supervisor in the City's Department of Housing and Community Development and second was Mayor Harris' 1998 reorganization (with Council-approval) of City agencies and their functions, resulting in the renaming of the Department to the Department of Community Services ("DCS") and the dispersal of housing-related functions among several different City agencies, while retaining in DCS the function of implementing federal- and State-aided housing

Figure 1B-1: Council-Approved Affordable Rental and For-Sale Housing Units

YEAR	≥ 60% AMI	≥ 80% AMI	≥ 100% AMI	≥ 120% AMI	≥ 140% AMI	Totals
2009	149	25	-	-	-	174
2010	-	-	-	-	229	229
2011	300	-	-	-	35	335
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	25	25
2015	84	164	36	36	-	320
2016	154	20	98	246	-	518
Totals	687	209	134	282	289	1,601

Figure 1B-2: How Units Built from 2010-2014 Have Affected Excess Market Capacity

DP Area	Excess Market Capacity (2010-2040)	Units Built (2010-2014)	Excess Market Capacity (2015-2040)
Oahu	-10,800	7,400	-3,400
PUC	-14,900	2,100	-12,800
EWA	10,500	4,200	14,700
CO	-1,200	100	-1,100
EH	-1,100	0	-1,100
KP	-1,700	100	-1,600
KL	-900	0	-900
NS	-600	0	-600
WA	-900	800	-100

*** Excess market capacity means housing units available to accommodate new households based on current population projections**

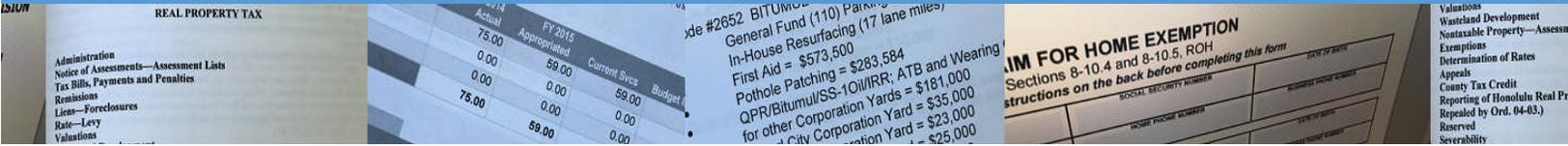
Since the 1998 reorganization, the City's focus for housing has been on the provision of special needs housing. Although the City has constructed some new special needs housing projects, its support has generally been through the provision of City land, sometimes with existing buildings, for lease to entities providing housing, often in conjunction with supplemental social services, to persons with special needs.

Although not directly constructing much housing over the past ten years, the City has, during this period, incentivized the private sector to provide affordable housing through the City Council's granting of waivers, under Hawaii Revised Statutes (HRS) Chapter 201H (and its predecessor chapters) and HRS Section 45-15.1, from the strict application of planning, zoning, subdivision, and other development-related requirements. See Figure 1B-1.

The Council has also generally required developers of residential housing projects to provide a certain percentage of the housing units built for sale or rent to families with

incomes below certain percentages of the area median income (AMI). The requirement has been imposed as a condition on the rezoning of the property to its current zoning class (often from AG-1 or AG-2 Agricultural or P-2 General Preservation zoning to either Residential or Apartment zoning) and is documented in a Unilateral Agreement (UA) executed by the owner of the affected property. According to the City Administration's draft Affordable Housing Strategy, approximately 300 homes have been produced annually pursuant to UAs, but a year-by-year breakdown was not provided.

Despite these efforts to provide housing for persons with special needs and to spur private sector development of affordable housing for Honolulu's general population, under current conditions the City is anticipated to have a negative excess capacity for housing units by 2040 of 3,400 units and that, except for the Ewa Development Plan Area, all other Development Plan areas on Oahu are anticipated to have a deficit of units needed to house the projected populations in these areas. See Figure 1B-2.



CHAPTER TWO

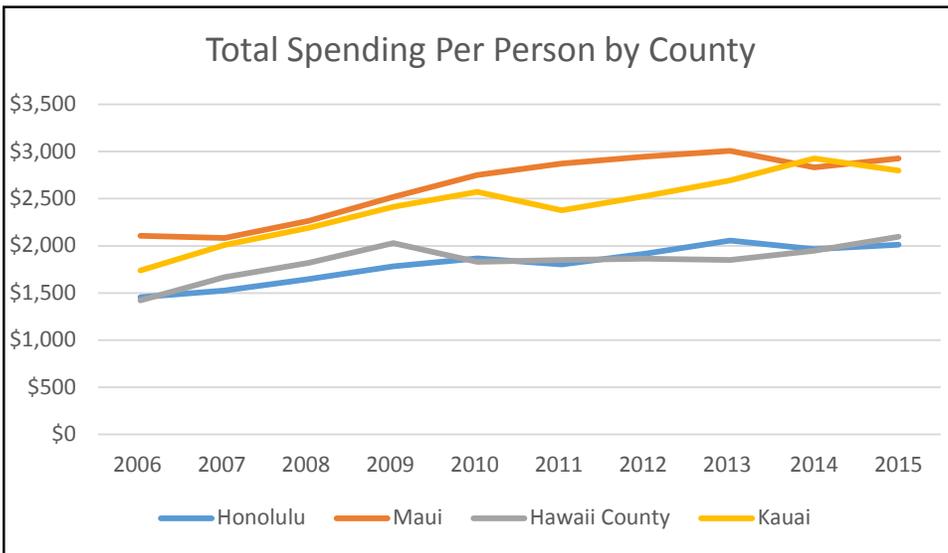
SIZE OF THE CITY BUDGET

One way to measure the size and level of activity of a government entity is by examining the amount of its spending and taxation. Spending and taxation can be viewed as the most basic measures of government since the level of spending drives tax policy, debt policy, and employment policy.

City spending on operations is controlled through the operating budget. In this section, spending on operations is examined to see how the City and County of Honolulu's spending and taxation have grown over time, and how that growth compares to the growth in income of City residents and to the spending of other State of Hawaii political subdivisions.

The continued growth in the cost of employee salaries and benefits is matched by the increases in revenues from property taxes.

Figure 2-1: Total Spending Per Person by County



In FY 2015, Maui continued its general trend of higher per-person spending for a second fiscal year. The spending trends of Maui and Kauai remained substantially higher per resident than those of Hawaii County and Honolulu. Honolulu's curve remained relatively flat and Hawaii County experienced a slight increase.

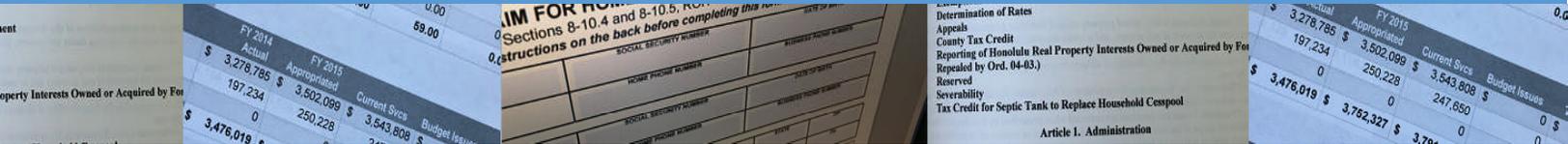
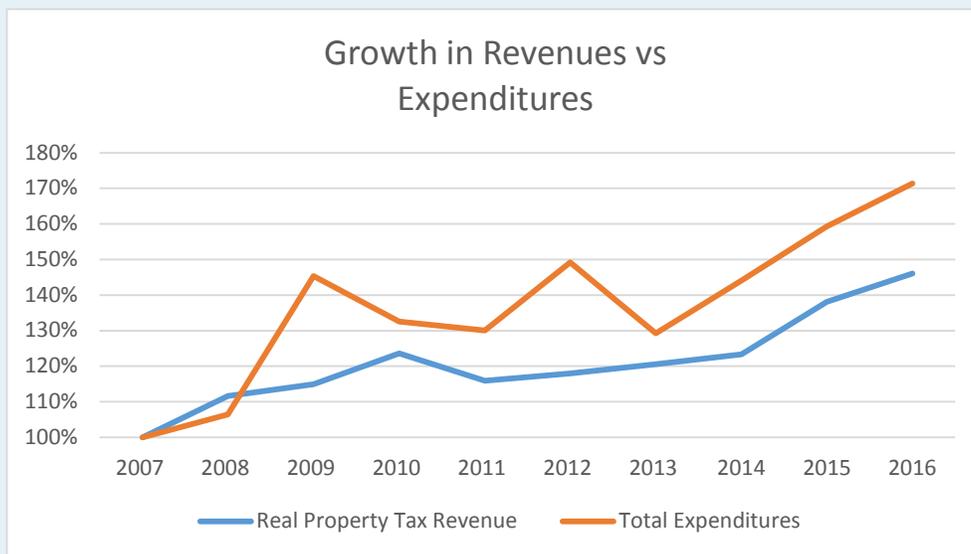
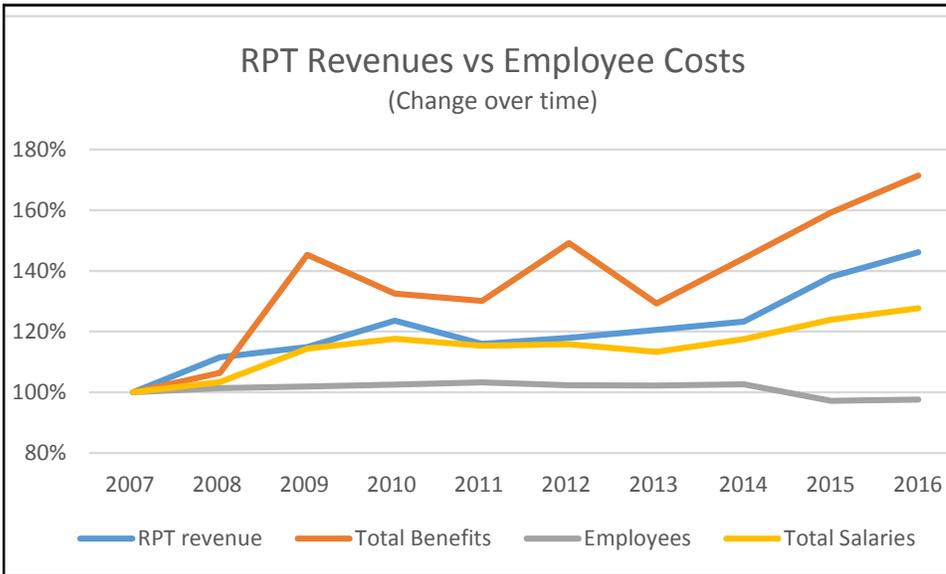


Figure 2-2: Revenues vs Expenditures



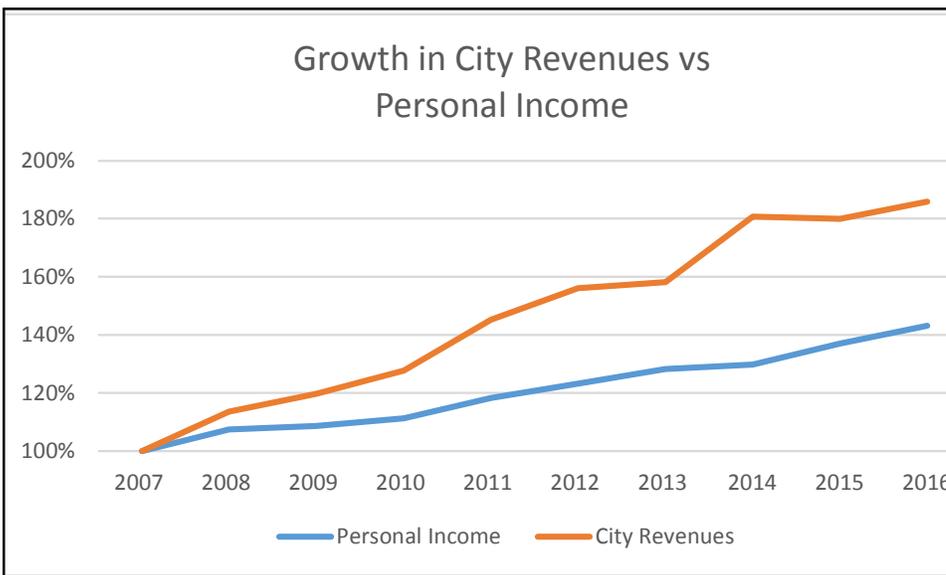
The City's operating expenses largely reflect the cost of salaries and employee benefits (including benefits for retired employees). The City's largest single revenue source is the real property tax, which accounts for over a third of operating budget resources. In the past ten years property tax revenues have increased at a higher rate than spending, but only slightly. Spending growth stalled in 2010 and 2011 but has since resumed its upward trend. Compared to 10 years ago, spending and tax revenues have both increased by over 150 percent.

Figure 2-3: RPT Revenues vs Employee Costs



While the number of City employees has been held in check, employee benefit costs have increased along a similar trajectory as property tax revenues. Total benefits are 171 percent of 2007 levels, compared to tax revenues at 146 percent.

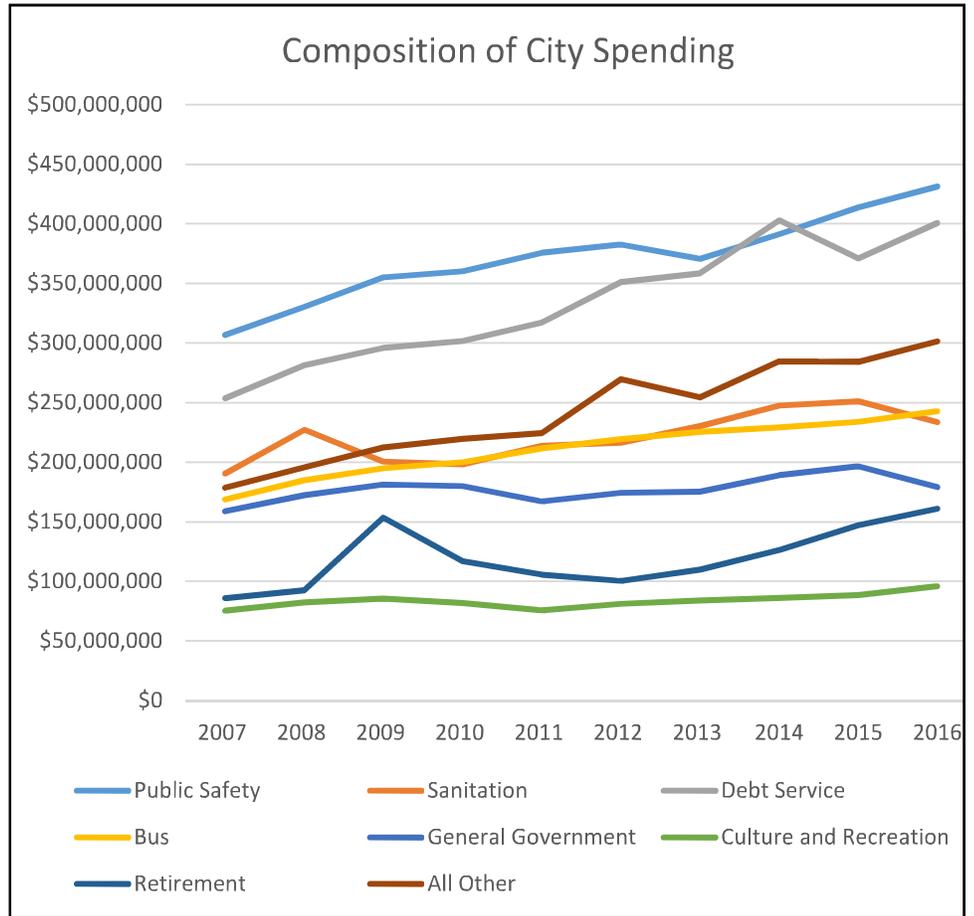
Figure 2-4: Growth in City Revenues vs Personal Income



One way to measure the cost of government is to see how its revenues (city taxes and fees excluding transfers from the State and federal governments) compare over time to the incomes of the people it serves. Revenues levelled off but continued to outpace the more modest increases in personal income in 2016.

Figure 2-5: Composition of City Spending

Over the past 10 years, most of the major components of City spending have shown substantial consistency in their share of the budget, with public safety representing the single largest spending component every year except FY 2014. Consistent growth in debt service has led to that component recently matching public safety as a major spending area.





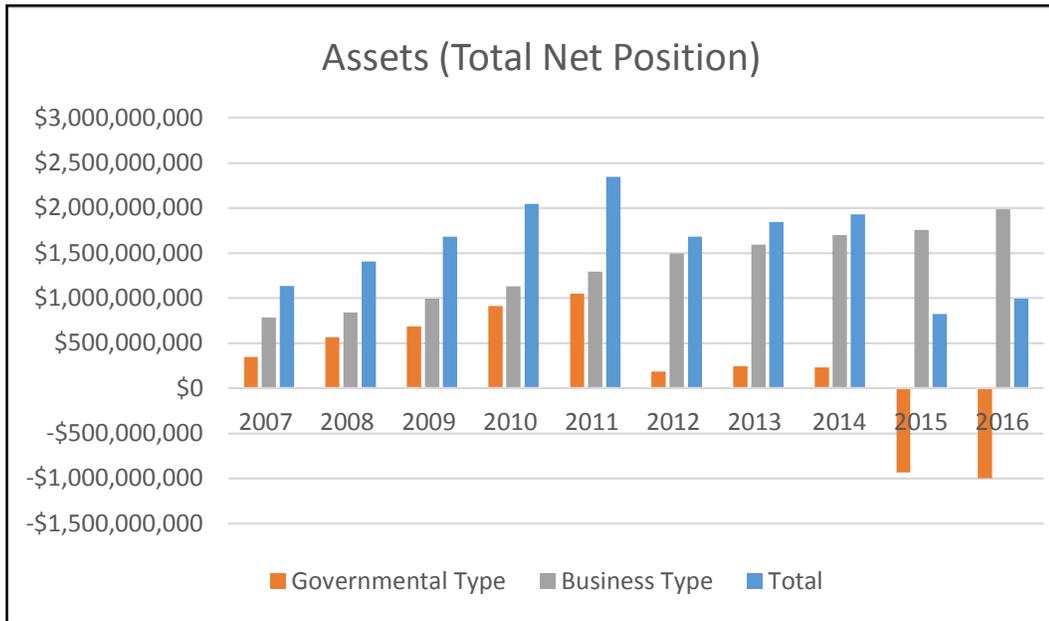
CHAPTER THREE

FINANCIAL POSITION

In its annual accounting reports, the City's financial position is reported as a computation of "net assets". The amount of net assets is what results after subtracting what the City owes (termed "liabilities", such as outstanding bills, bonds, and claims and judgments against the City) from what it owns (termed "assets", such as cash, investments, and the value of land, buildings, and infrastructure). The size of the net asset figure can be interpreted

Government assets remained at a negative net value in FY 2016.

Figure 3-1: Assets - Total Net Position



In FY 2016, the City's total net assets grew by 20.7% or \$169.9 million. While government assets declined for a second year in a row, business assets continued their steady growth over the 10 year period.



The City's
business
assets grew
by 13.1% in
FY 2016.

as representing the City's ability to cover its costs and continue to pay for services in the future. Increases or decreases in net assets over time indicate

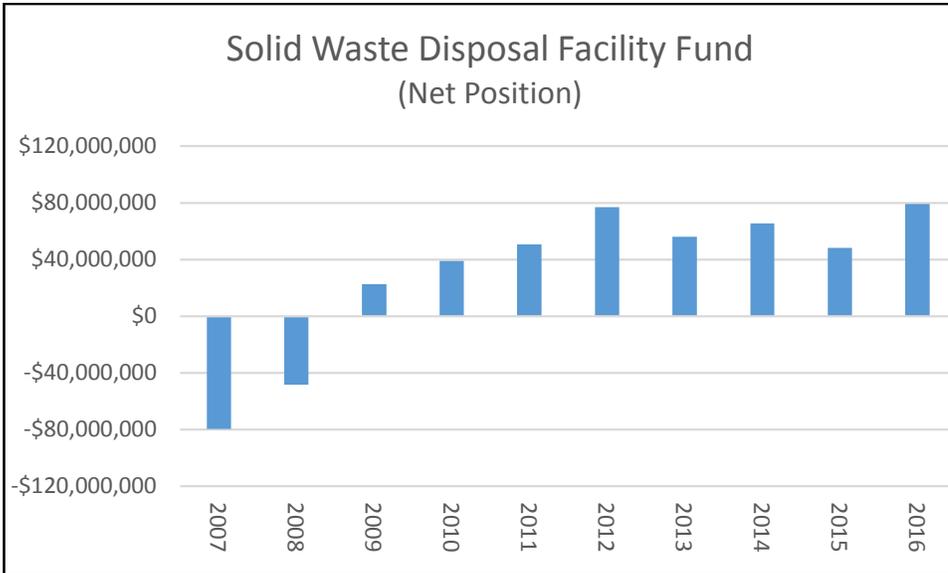
whether the City's financial position is improving or deteriorating.

The City's net assets are divided into those supported primarily by taxes, governmental activities, versus those that are supported at least to some extent

by user fees, termed business activities. The City's enterprise funds for housing and the bus, solid waste, and sewer systems are classified as the business activities of the City. In FY 2012, the considerable funds and assets for rail previously included in the City's financial report moved to the newly established Honolulu Authority for Rapid Transportation and, from that point forward, have been reported separately.

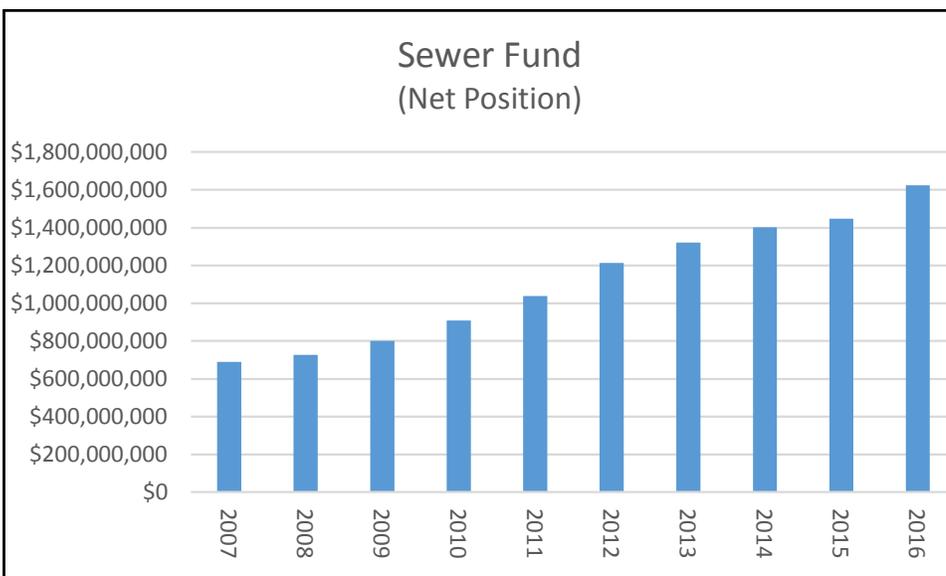
Enterprise funds are used to account for certain government activities that are run like businesses and charge fees to offset operating costs. The City has four enterprise funds: one each for the bus system, the solid waste collection and disposal system (including the H-Power waste to energy facility), housing projects, and the sewer system. The significance of an enterprise fund's net asset amount is that it shows the financial position of the activity if operations ceased at the end of the period. For example, a positive net asset amount for the fiscal year ending June 30 would indicate that as of that date, the City could repay all outstanding debts of the activity and still fully own the buildings and equipment used by the activity. In contrast, a negative net asset amount would indicate that if operations ceased as of that date, the City would owe money to others. The annual change in net assets shows whether the fund financially improved or deteriorated during the subject year.

Figure 3-2: Solid Waste Disposal Facility Fund



Over ten years the Solid Waste Disposal Facility Fund has gone from a negative position to a relatively stable positive balance. FY 2016's net position of \$79.2 million is the Fund's highest in the past ten years.

Figure 3-3: Sewer Fund



Since the implementation of sewer fee increases, the Sewer Fund has seen consistent growth even as it is used for capital and operating costs to improve and maintain the City sewer system. Assets in FY 2016 continued to increase in value.

Figure 3-4: Bus Transportation Fund

The Bus Transportation Fund balance has remained relatively stable with an increase of approximately \$81.8 million over ten years.

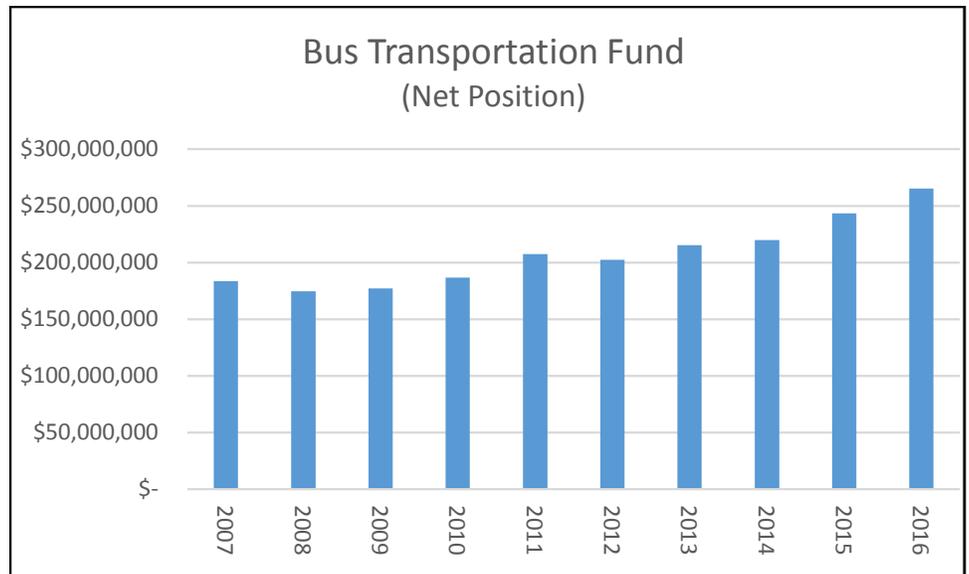
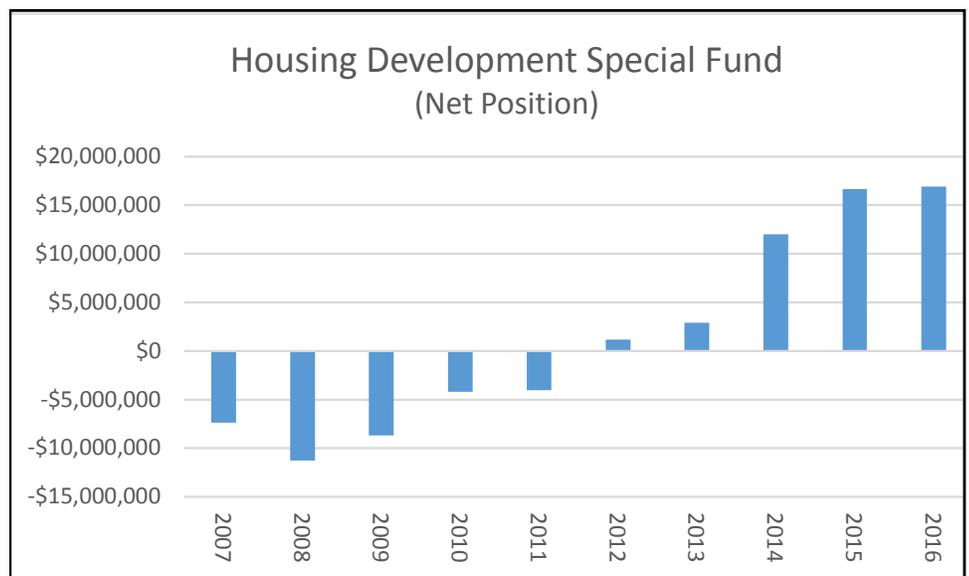


Figure 3-5: Housing Development Special Fund

The Housing Development Special Fund has come out of a period of consistent negative balances and in the past five years has posted a positive balance. FY 2016's net position remained stable over the prior year.





CHAPTER FOUR

CHARTER MANDATED SPECIAL FUNDS

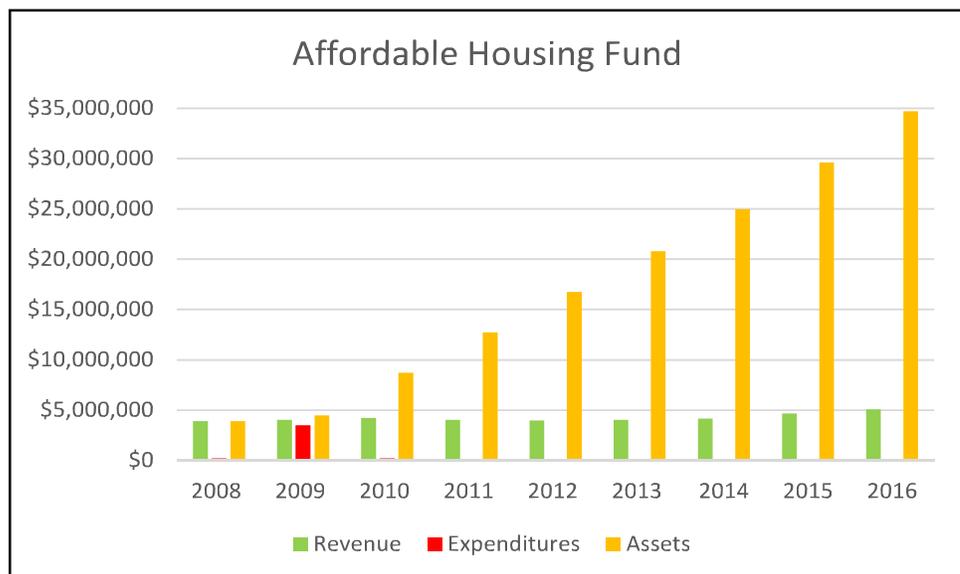
AFFORDABLE HOUSING FUND

In the 2006 General Election, Honolulu voters approved a Charter Commission proposed charter amendment to set aside one-half of one percent (0.5%) of real property tax revenues to be deposited into the newly established Affordable Housing Fund. Section 6-63.2, Revised Ordinances of Honolulu (ROH), and Section 9-204(3), Revised Charter of the City and County of Honolulu 1973 (2000 ed.) as amended (RCH), both specify that the purpose of the Affordable Housing Fund is to provide and

maintain affordable housing for persons earning less than 50 percent of the median household income in the City for the following purposes: provision and expansion of affordable housing and suitable living environments principally for persons of low and moderate income through land acquisition, development, construction, and maintenance of affordable housing for sale or for rental, provided that the housing remains affordable in perpetuity.

Figure 4-1: Affordable Housing Fund (2009 to 2016)

Affordable Housing Fund assets continued to grow at a steady rate with minimal spending. The Administration projects a FY 2017 ending fund balance of nearly \$26.5 million.



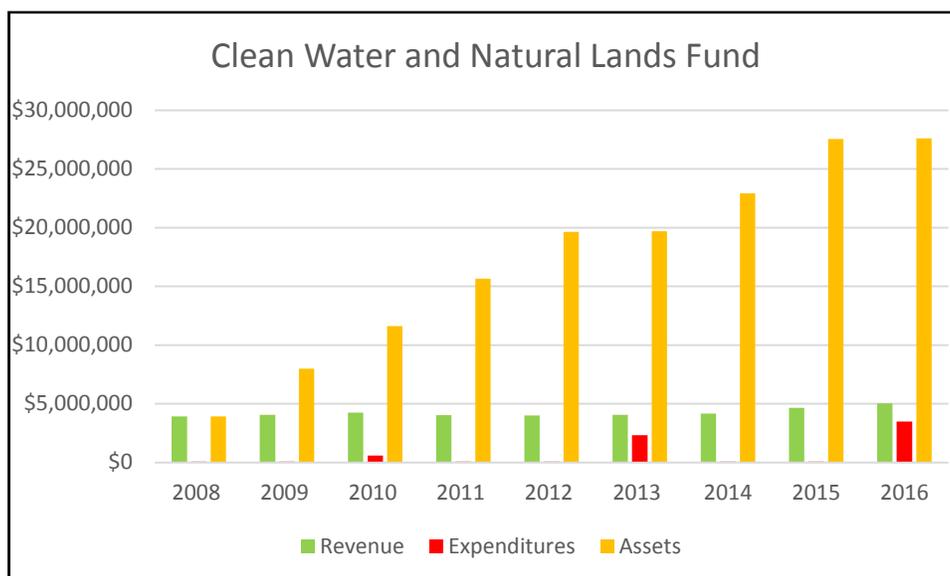


CLEAN WATER AND NATURAL LANDS FUND

Alongside the Affordable Housing Fund, the voters approved the 2006 establishment of a Clean Water and Natural Lands Fund, which also receives one-half of one percent of real property tax revenues. The charter amendment, now codified as Revised Charter Section 9-204, further stated that the Council shall by ordinance establish procedures for the administration and expenditure of moneys in the fund. In 2007, pursuant to the Charter amendment, the City

Council passed Bill 9 (2007), CD2, (Ordinance 07-18), which established the Clean Water and Natural Lands Fund and stated that expenditures from the fund are to be made consistent with the priorities established by a Commission created by Council resolution. The Clean Water and Natural Lands Commission provided the Council with yearly recommendations for funding of projects consistent with the Charter.

Figure 4-2: Clean Water and Natural Lands Fund (2009 to 2016)



In FY 2016, the Clean Water and Natural Lands Fund balance grew to over \$25 million, with the bulk of the Fund going unspent. The Administration projects that the Fund will have a FY 2017 ending balance of \$21.8 million.

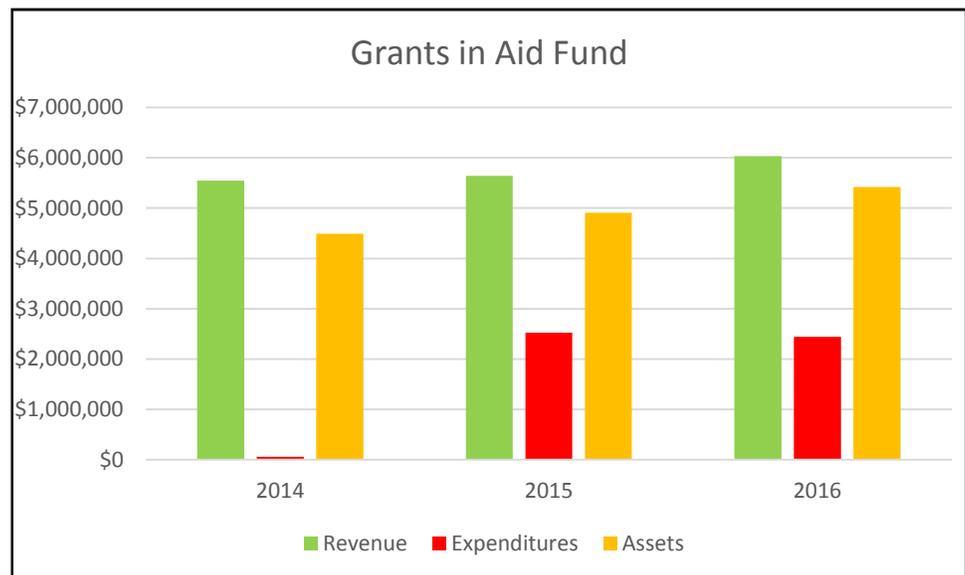
GRANTS IN AID FUND

Pursuant to a 2012 Charter amendment, the Grants in Aid Fund was created by Section 9-205 to be used “by the City to award grants in aid to federal income tax exempt non-profit organizations that provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment.” Each fiscal year, the Council is required by the Charter

to appropriate a minimum of one-half of one percent of the City’s estimated general fund revenues into the Grants in Aid Fund. The first year of the program was FY 2014. For each of the past two fiscal years the Council has appropriated on average approximately \$6.5 million to the Grants in Aid program, which is administered by the Office of Grants Management housed in the Department of Community Services.

Figure 4-3: Grants in Aid Fund

In FY 2016, the Grants in Aid Fund balance grew to over \$6.0 million, with a majority of the Fund going unspent. The Administration projects that the Fund will have a FY 2017 ending balance of \$6.4 million.



2015 - 2016 CHARTER COMMISSION

Article XV of the Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, (RCH) requires periodic review of the Charter by an appointed Commission. Over a period of two years, the most recent Charter Commission reviewed 154 proposals and developed a final package of 20 proposed charter amendments which was put forth to Honolulu’s electorate at the latest election.

In the 2016 General Election, Honolulu voters approved three charter amendments that will affect existing charter mandated special funds and one amendment that creates a new special fund.

Highlights include:

1) RCH Section 9-204(3) is amended to provide that the Affordable Housing Fund is to provide affordable housing for persons earning less than 60 percent (rather than 50 percent) of the City’s median household income and the timespan that funded housing must remain affordable is shortened from “in perpetuity” to at least 60 years;

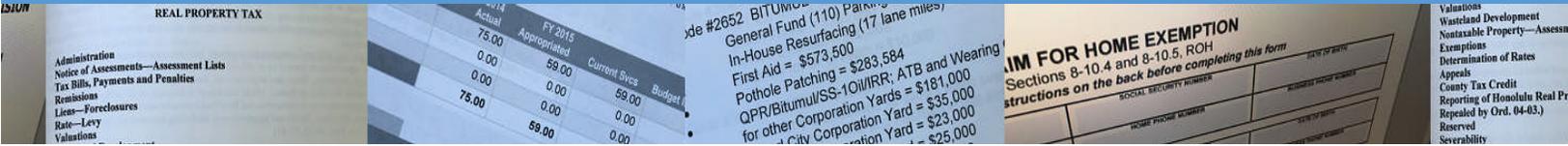
2) RCH Section 9-204 is amended to provide that all proposals to use monies from the Clean Water and Natural Land Fund must be initially received by the Department of Budget and Fiscal

Services, which will then submit all qualified proposals for consideration by the Clean Water and Natural Lands Advisory Commission (The Commission is codified in this same charter amendment) for consideration and provision of recommendations to the Council;

3) RCH Section 9-205 is amended to specify that the Grants in Aid Fund will be used by the City as the sole source of City funds, excluding all federal monies, State monies, and City matching monies used by the City, City monies for grants under City loan programs and City Affordable Housing Fund monies, to award grants in aid to federal income tax exempt non-profit organizations that provide services to economically and/or socially disadvantaged populations or provide services for public benefit in the areas of the arts, culture, economic development or the environment; and

4) Establishment of a new Honolulu Zoo Fund, which will be funded each fiscal year by a minimum Council appropriation of one-half percent (0.5%) of real property tax revenues to fund the operation, repair, maintenance, and improvement of the Honolulu Zoo (Zoo), Zoo employee salaries and related expenses, acquisition of Zoo animals, and debt service owed for capital improvements at the Zoo.





CHAPTER FIVE

DEBT SERVICE AND TOTAL DEBT

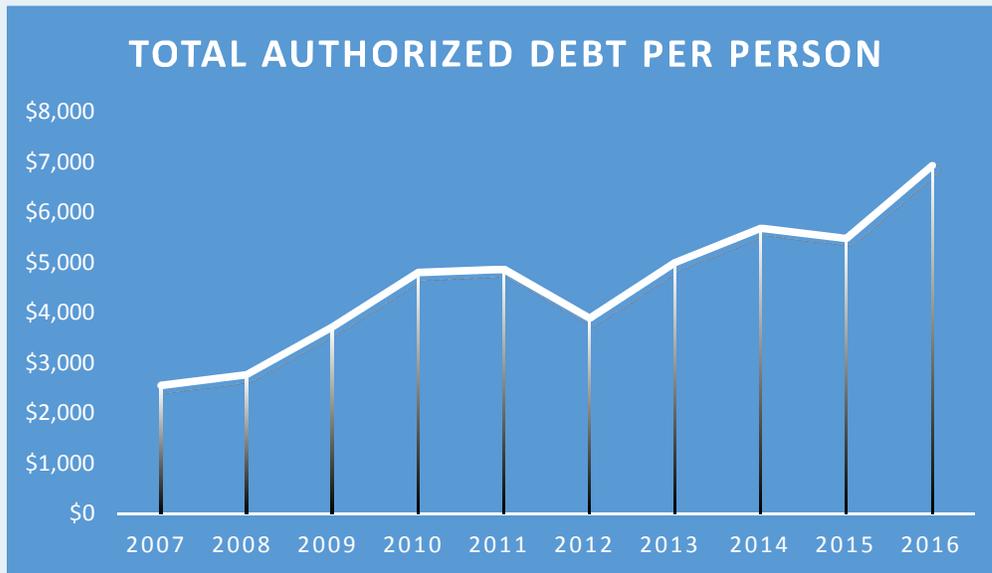
DEBT OVERVIEW

Most spending on construction and other long-lived City assets in the capital budget is financed by bonds and other debt instruments. The repayment of the principal and interest on those debt instruments is called debt service.

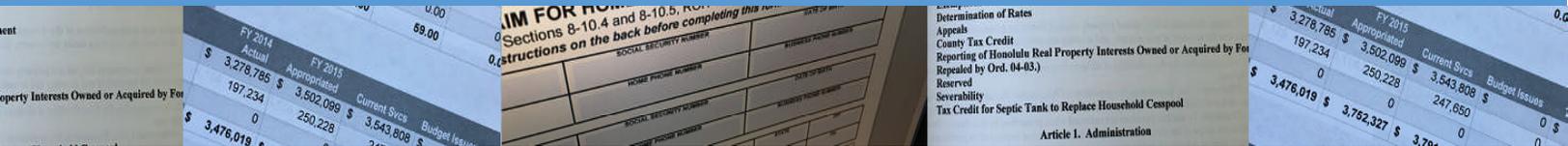
Typically, most of the monies appropriated in the capital budget are expended. The rest, usually between 10 and 20 percent, lapses,

meaning certain projects or part of the appropriations therefor were not implemented because priorities changed, projects were found to be unaffordable, or actual spending requirements were less than expected. Of the amount that is expended, the money usually comes from the issuance of bonds and other debt instruments. A portion of the rest of the budget is funded by cash from federal or State

Figure 5-1: Total Authorized Debt Per Person



The chart reflects the total amount of general debt authorized per Honolulu resident. In 2016, authorized debt climbed to a record \$6,904 per resident. The trend of growing debt is ongoing despite the fact that no long-term bonds for the rail project have yet been issued.



grant funds, sewer fees deposited in the sewer fund, or from other special purpose cash sources.

The amount of debt that is authorized to be incurred by the City is made up of bonds already issued and bonds not yet issued. The amount of unissued bonds represents past capital budget appropriations that have not lapsed and are to be financed by bonds that have not yet been issued. It thus represents a backlog of debt to be incurred if the capital projects they have been issued to fund move forward.

The City's
debt service
projections
remain under its
debt policy limit

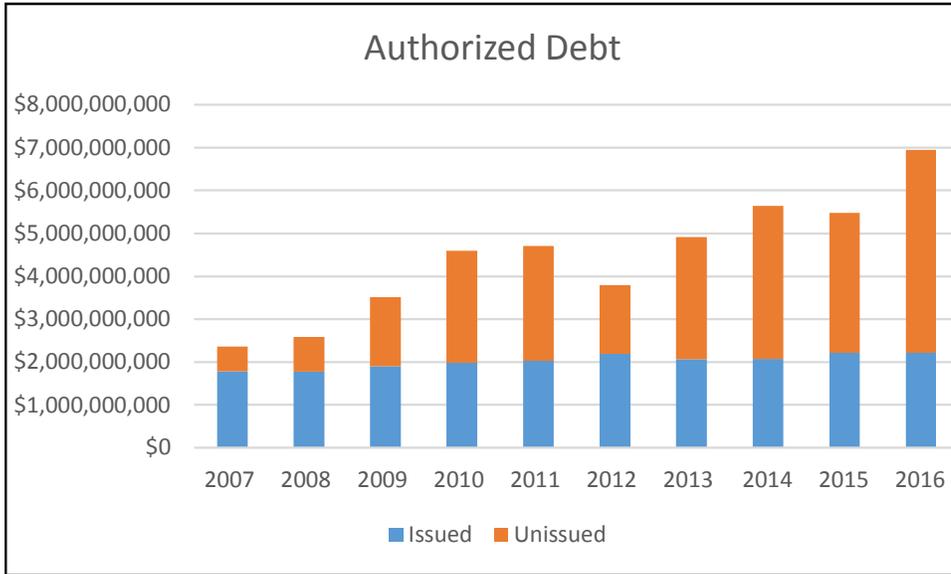
RELATIONSHIP TO CONSTRUCTION SPENDING

Spending on debt service as part of operations is distinct from, but related to spending on construction projects.

Construction spending occurs first, and is authorized in the capital budget. That expenditure is mostly financed by incurring debt in the form of bonds, notes and commercial paper. After the capital budget takes effect and the debt instruments have been issued, repayment of the principal amount of the debt issued to finance the budget and of the interest on that debt begins. These principal and interest payments are referred to as “debt service” and are made from the operating budget. The debt service for any particular municipal bond issued by the City is paid over a long period, typically 20 years or more.

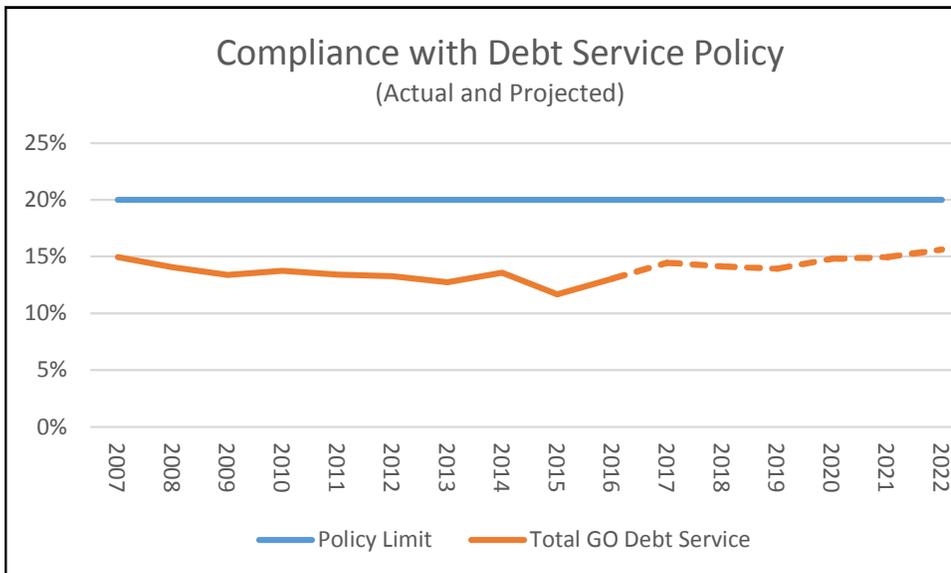
Construction spending information is recorded and reported in the City’s financial reports in several ways: as an initial capital budget appropriation, as expenditures made pursuant to the appropriation, as a yearly stream of repayments included in the operating budget to retire the debt that financed the initial outlay, and as an addition to the City’s capital assets when a facility is completed, followed by annual reductions thereto to record depreciation of the facility. Care must be taken to avoid confusing these numbers.

Figure 5-2: Authorized Debt



This chart shows the annual change in the amount of debt authorized for the City over the last ten years. In 2016, the amount of debt authorized but unissued grew to a peak of \$4.7 billion. Compared to unissued debt authorized by the Council, issued debt appears to have remained relatively stable during the same time span.

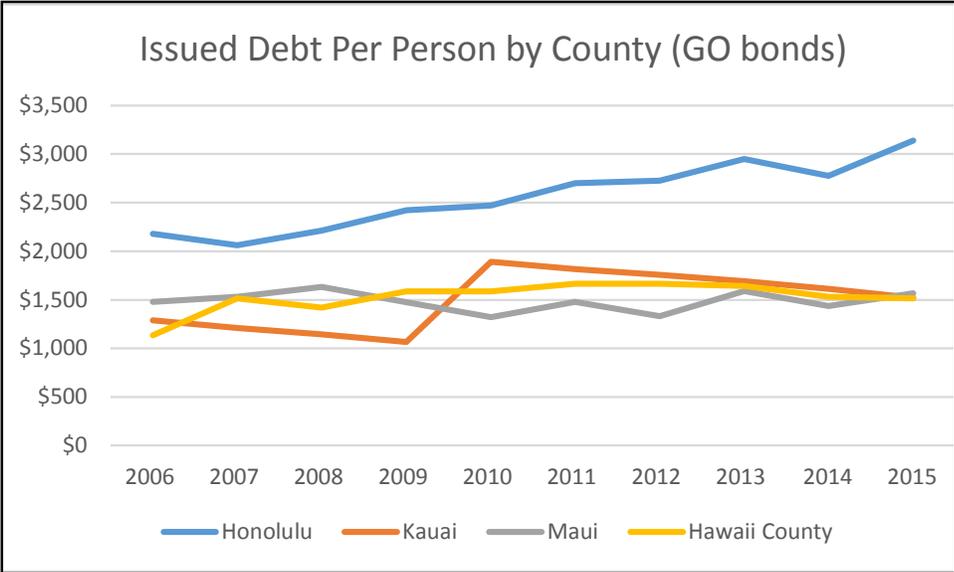
Figure 5-3: Compliance with Debt Service Policy



The City's current debt and financial policies, adopted in 1996, sets forth two debt affordability guidelines. One specifies that gross general debt service be less than 20 percent of the operating budget, the other that net general debt service be less than 20 percent of general revenues. The data show that the net general debt service limit is not likely to be breached in the near future, but may be a concern for the City in the 2020s.

Figure 5-4: Issued Debt Per Person by County

Issued debt whose debt service payments are to be paid with property tax revenues is called general bonded debt. The trend has been for the City to maintain a debt burden higher than that of the other counties and it continues to do so. In 2015, Honolulu's \$3,139 of issued debt per resident far surpassed that of Kauai at \$1,523, Hawaii County at \$1,517, and Maui at \$1,565.



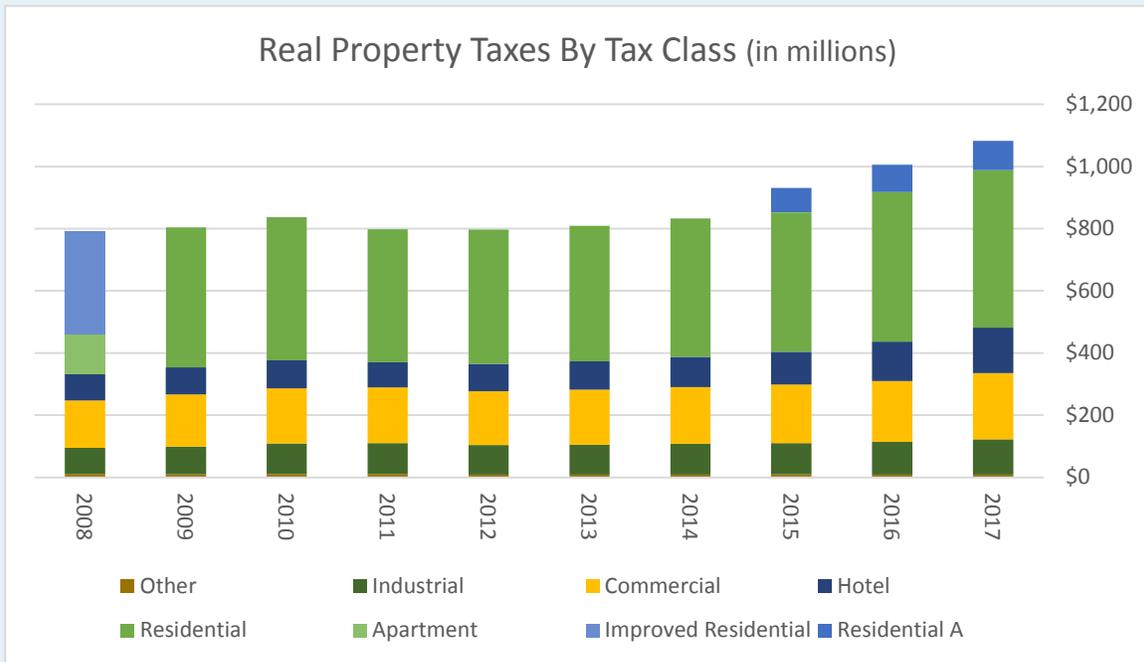


CHAPTER SIX REAL PROPERTY TAXES

At just over a third of operating revenues, real property taxes remain the City's largest single source of revenues. Property tax revenues are generated by applying tax rates, which are set annually by the City Council for each of the

classes of real property, to the assessed value of each parcel of taxable real property, net of any applicable exemptions. That value is established by the City's real property assessment division according to prevailing market values.

Figure 6-1: Real Property Taxes by Tax Class



After remaining relatively steady at around \$800 million from FY 2008 to FY 2014, property tax revenues are projected to reach over \$1 billion in FY 2017. All of the larger tax classes saw revenue gains. The creation of the Residential A class, taxed for FY 2016 and FY 2017 at the rate of \$6.00 per \$1,000 of net taxable real property, is responsible for the bulk of the residential property tax revenue gains in FY 2016, and continues to be a significant source of revenue gains in FY 2017.



Figure 6-2: Ratio of Tax Revenues to Values by Property Class

In FY 2017 residential properties (excluding Residential A properties) produced a revenue to value share ratio of 63 percent. While the Residential A class has a share ratio over 100 percent, it is still far below that of the Hotel (240 percent), Commercial (230 percent), or Industrial (231 percent) properties.

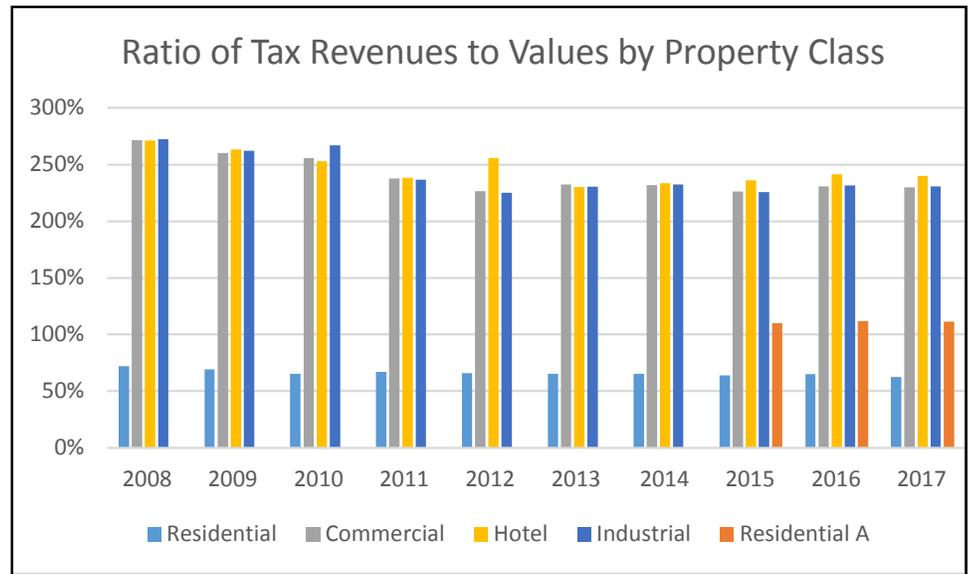


Figure 6-3: Value of Tax Exemptions

As with values in the overall real estate market and property tax assessments, the rise in the value of property tax exemptions (i.e. value of exempt properties multiplied by the otherwise applicable tax rate) has picked up in FY 2017. Nearly all tax exemptions benefit the residential and commercial classes of properties, with residential accounting for by far the greater share. In FY 2017, property tax exemptions for all taxable properties represented forgone revenues of over \$100 million, or approximately 10 percent of anticipated property tax receipts.

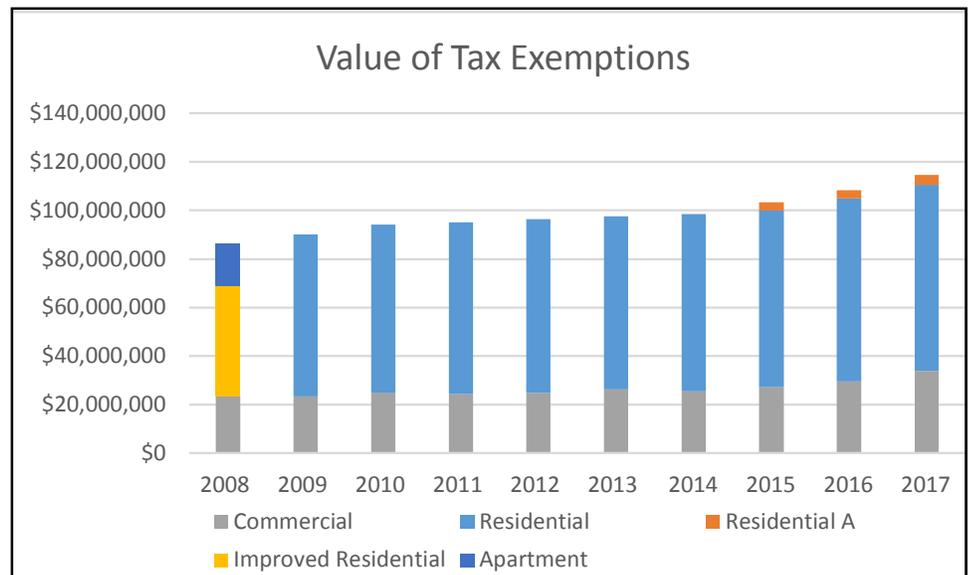
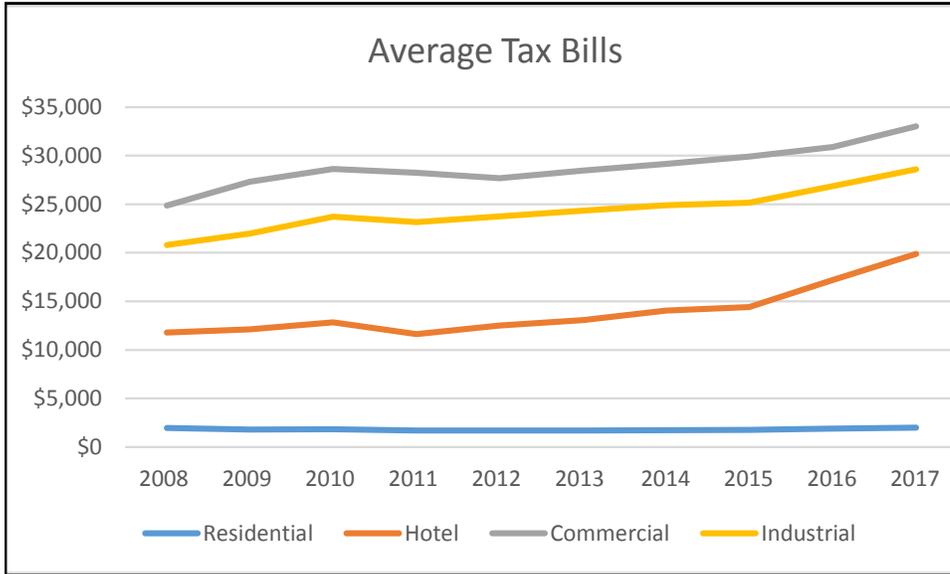
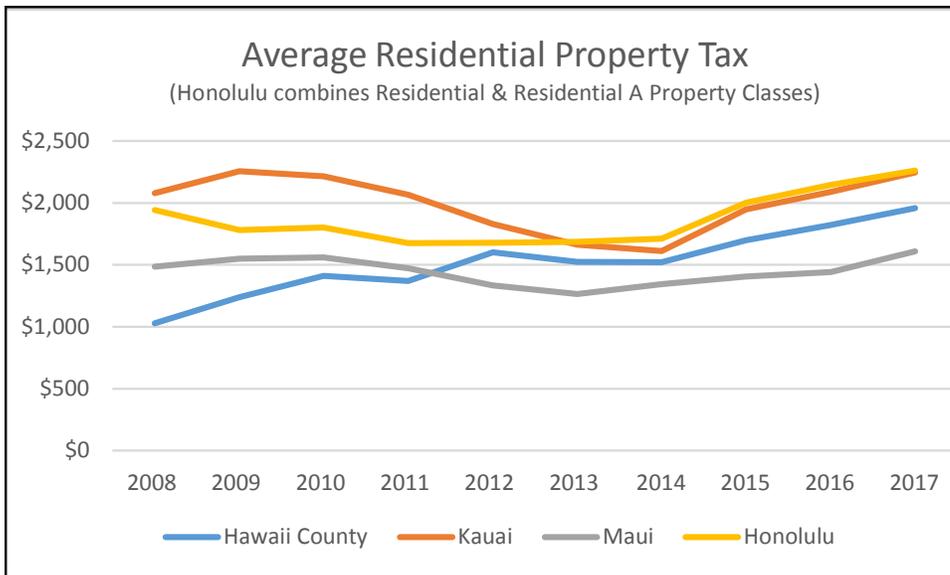


Figure 6-4: Average Tax Bills By Class of Property



The average tax bill for residential properties increased in FY 2017 compared to the prior year, averaging \$1,978, up about \$103 from the prior year. (Note that the calculation for residential properties does not include the higher "Residential A" rate.)

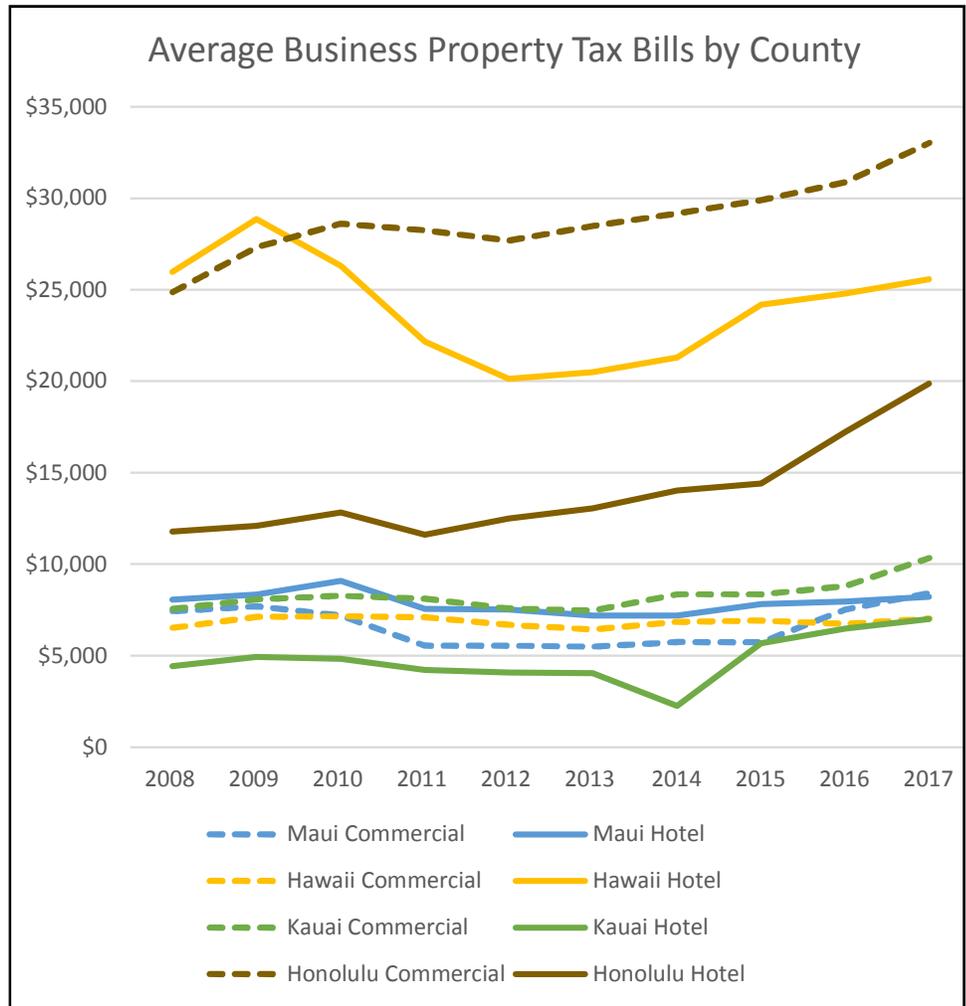
Figure 6-5: Average Residential Property Tax By County

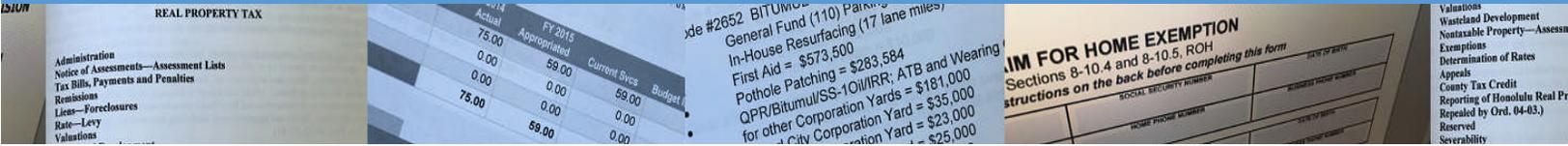


County residential taxes are gradually recovering after the recession. Honolulu "Residential A" property owners pay an average of \$9,697 per qualifying property. Average combined Honolulu residential tax bills are the highest at approximately \$2,260 per residential property. Kauai has the second highest average residential property tax at approximately \$2,245 per residential property.

Figure 6-6: Average Hotel and Commercial Property Tax Bills by County

Average FY 2016 tax bills of commercial and hotel properties continued their recent climb for most counties. Hotel property tax bills increased for all counties while Commercial property tax bills went up for all but Hawaii County. Compared to the other counties, Honolulu has significantly higher average Commercial property tax bills. Hawaii County's average Hotel property tax bills continue to be higher than Honolulu's and much higher than Kauai's and Maui's.





CHAPTER SEVEN FUND BALANCE

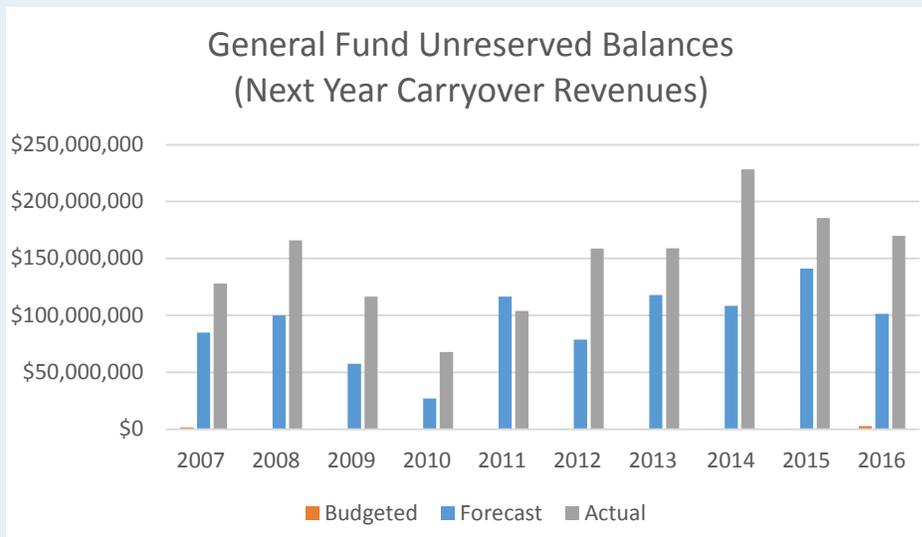
The general fund is the primary fund from which appropriations are made in the operating budget. It is a recommended budget practice and advantageous for bond ratings that there be a reserve amount in the general fund to pay for unexpected costs. The Government Finance Officers Association recommends a minimum unrestricted fund balance of about 17 percent of annual revenues or expenditures, whichever is more predictable. Other sources recommend a range of 5 to 15 percent.

The City's practice has been to budget practically all of the anticipated revenues of the general fund, including the carryover from the prior year, for expenditure each fiscal year, thereby leaving no budgeted fund balance. Yet by year's end, the

City's general fund often has a large balance that is carried over to the next fiscal year. In fact, this carryover amount from the previous year is usually one of the largest anticipated revenue sources for the operating budget.

While positive and reasonable balances in the general fund are desirable, wide disparities between budgeted and actual balances in the general fund are not. They point to a breakdown in budget planning; either substantial amounts of appropriations in the operating budget are not being expended, or revenues are being substantially under-estimated, or both. While some level of over-estimation of expenditures and under-estimation of revenues is prudent, processes that lead to substantially

Figure 7-1: General Fund Unreserved Balances



The actual unreserved general fund balance recorded at the end of FY 2016 was \$170 million in spite of all available moneys having been budgeted. As shown in the chart, it is a longstanding practice of the City to budget all available moneys, planning to have zero (or near zero) funds remaining and leaving no fund balance at the end of a fiscal year. Forecasts are from the budget details submitted by the Administration.

and systemically skewed results can be problematic. Thus, although conservative estimation helps to avoid mid-year deficits, taken too far it means that City services that were budgeted were not provided funds despite the availability of resources, or that projections of resources were found to be unreliable.

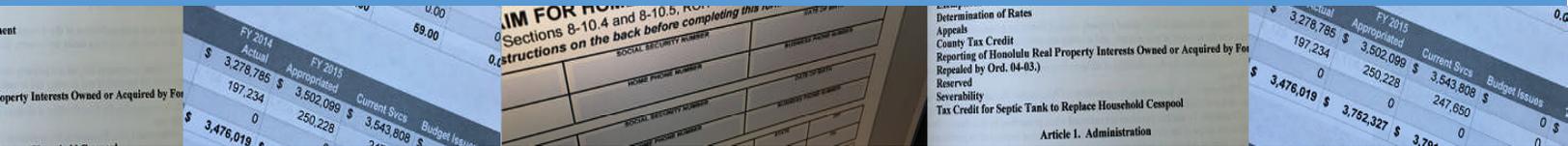


Figure 7-2: Variances in RPT Actual vs Budget

In FY 2016, actual real property tax receipts were underbudgeted by \$1.3 million. The last instance of underbudgeted actual property tax revenues occurred in FY 2011 in the amount of \$7.6 million.

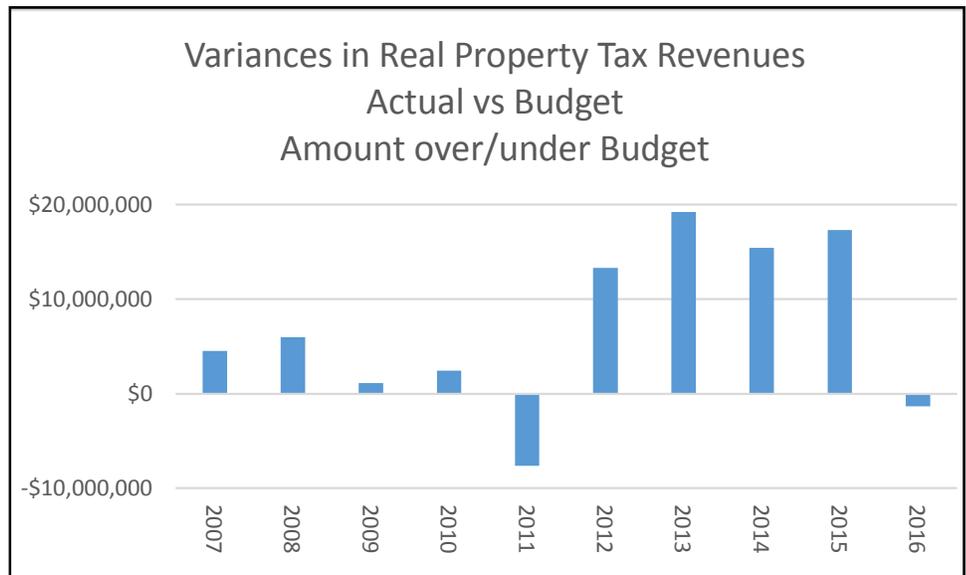
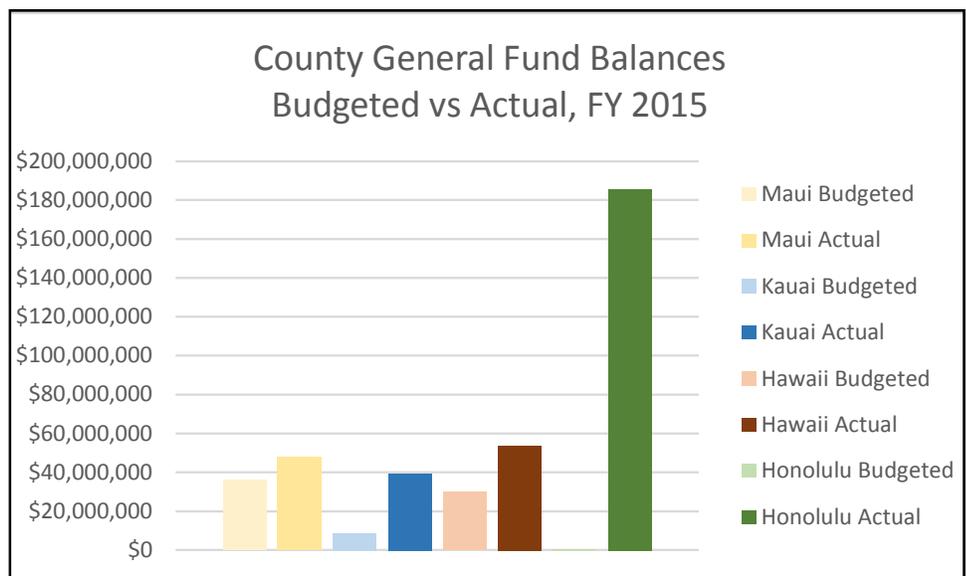


Figure 7-3: County General Fund Balances

The City's practice of budgeting the entire amount of general funds is not a generally recommended budget practice, and not a practice usually shared by the neighbor island counties. For FY 2015, in contrast with the City, each neighbor island county budgeted for a general fund balance at the end of the year ranging between \$12 and \$30 million.





CHAPTER EIGHT

OPERATING BUDGETS

This chapter compared actual versus budgeted revenues and expenditures for the City's executive operating budget. This review covers all of FY 2016 (ending on June 30, 2016) and six months of FY 2017 through December 31, 2016, and is based on the information in the FY 2016 and FY 2017 Executive Program and Budget documents, the executive operating

budget ordinances (Ordinance 15-25 for FY 2016 and Ordinance 16-14 for FY 2017), unaudited financial statements for FY 2016, and the December 2016 accounting reports for FY 2017 from the Department of Budget and Fiscal Services. The review of expenditures includes all fund sources, while the review of revenues only covers the general fund.

Overview

- *In FY 2016, the largest general fund revenue variance was because over \$8.6 million in repayments of debt service from the highway fund was not collected.*
- *Also in FY 2016, the largest appropriation lapse was over \$52.3 million lapsing from the \$452.5 million appropriation for the payment of debt service on City and County Bonds activity. In percentage terms, the largest lapse was from the \$4.5 million appropriation for the Provision for Energy Costs activity, for which 100 percent of the appropriated amount lapsed.*



CHAPTER EIGHT

A. REVIEW OF FY 2016

GENERAL FUND OVERVIEW

Overall, for FY 2016, actual City general fund revenues were \$22.8 million more than the \$1.496 billion estimated in the budget (these figures include revenues, other financing sources (e.g. sale of assets), transfers in, and unreserved fund balance from prior year). Actual general fund expenditures for executive and legislative departments, miscellaneous expenses and debt service totaled \$100 million lower than the \$1.492 billion budgeted (these figures include

expenditures from departments, miscellaneous expenditures and debt service; other financing uses; and transfers out). The actual unreserved and undesignated fund balance at the end of FY 2016 totaled \$122.8 million more than the budgeted fund balance of \$2.7 million. The \$125.5 million ending fund balance computes to a favorable ratio of 9.0 percent compared to FY 2016 expenditures.¹

SIGNIFICANT REVENUE VARIANCES FOR GENERAL FUND

The following figure shows general fund revenue sources with a variance of both \$1 million and five percent or more between actual and

budgeted revenue amounts for FY 2016. Negative amounts, indicated by parentheses, mean actual revenues were below the amounts budgeted.

Figure 8-1: FY 2016 Major General Fund Revenue Variances

General Fund Revenue Source	Variance From Budget	Percent of Budgeted Amount
Reimbursement from State: Emergency Ambulance Services	(\$4,025,000)	-10.3%
Sundry Refunds	\$1,234,000	75.6%
Recovery of Debt Service Charges (Highway Fund)	(\$8,635,000)	-8.3%

¹ The Government Finance Officers Association, a standard-setting professional association, recommends an unreserved fund balance in the general fund of no less than five to 15 percent of operating revenues.

DETAILED EXPENDITURE RESULTS BY ACTIVITY

Figure 7-2 displays expenditure results of activities in the FY 2016 executive operating budget ordinance, listed by agency. Figure 7-3 displays expenditure results of activities in the FY 2016 legislative budget ordinance, listed by agency. In addition, if accounting reports show that an activity received State or federal funds that were not appropriated by the City, that funding is shown in the "Other Grants" line-item for the appropriate agency. For each activity, the amounts appropriated, expended/encumbered,

and lapsed in the fiscal year are shown. Included is the percentage of the activity's appropriation that the lapsed amount represents. Activities where the lapsed amount equaled or exceeded both \$1 million and five percent of the adjusted appropriation are highlighted, but only if the lapsed amount and percentage continue to meet the criteria after excluding grant funds from any source.² For each activity, the following information is provided regarding its status at the end of the fiscal year:

- *Total appropriated amount as shown in the budget ordinance.*
- *The total appropriated amount as it may have been adjusted by any transfers and grants, from either State or federal sources. The adjusted amount may be higher than the initial appropriation if a transfer or grant added to the amount appropriated. Alternatively, the adjusted amount may be lower than the initial appropriation if a transfer reduced the amount appropriated to that activity or if a grant to the City was less than budgeted.*
- *The amount of the adjusted appropriation that was expended or encumbered during the fiscal year.*
- *The amount that lapsed at the end of the fiscal year and its percentage of the adjusted appropriation.*

² Unbudgeted federal grants and special projects funds are excluded.

Figure 8-2: Executive Operating Budget, Appropriations for FY 2016

Budgeted Activity	Approp.	Net Approp.	Expend./ Encumb.	Lapsed	% Lapsed
Mayor					
Administration	695,628	695,628	662,628	33,000	4.7%
Contingency	24,741	24,741	13,376	11,365	45.9%
Other Grants*	-	10,000	-	10,000	100.0%
Managing Director					
City Management	1,947,439	2,066,289	1,937,014	129,275	6.3%
Culture and the Arts	585,913	585,913	579,873	6,040	1.0%
Neighborhood Commission	763,946	763,946	688,998	74,948	9.8%
Office of Housing	178,928	178,928	142,953	35,975	20.1%
Royal Hawaiian Band	2,086,056	2,173,947	2,158,930	15,017	0.7%
Other Grants*	-	521,835	476,400	45,435	8.7%
Department of Customer Services					
Administration	407,296	587,919	584,141	3,778	0.6%
Public Communication	1,353,976	1,413,931	1,302,642	111,289	7.9%
Satellite City Hall	4,212,036	4,305,548	4,183,901	121,647	2.8%
Motor Vehicle, Licensing and Permits	17,466,236	17,767,926	16,505,463	1,262,463	7.1%
Department of Budget and Fiscal Services					
Administration	787,134	909,186	904,374	4,812	0.5%
Internal Control	537,288	589,212	574,811	14,401	2.4%
Fiscal/CIP Administration	1,351,232	1,351,232	1,173,308	177,924	13.2%
Budgetary Administration	829,080	987,294	977,640	9,654	1.0%
Accounting and Fiscal Services	4,728,911	4,919,196	4,383,760	535,436	10.9%
Purchasing and General Services	1,704,774	1,746,030	1,715,587	30,443	1.7%
Real Property	5,885,533	6,113,103	5,702,787	410,316	6.7%
Treasury	2,378,470	2,692,598	2,639,021	53,577	2.0%
Liquor Commission	3,965,742	3,965,742	3,060,410	905,332	22.8%
Department of Information Technology					
Administration	11,787,563	11,801,791	10,537,972	1,263,819	10.7%
Applications	2,265,746	2,432,957	2,391,407	41,550	1.7%
Technical Support	1,457,408	1,491,908	1,489,183	2,725	0.2%
Operations	1,228,089	1,326,313	1,275,130	51,183	3.9%
ERP-CSR	2,207,618	2,410,923	2,397,645	13,278	0.6%
Radio and Network	905,924	966,157	966,155	2	0.0%
Other Grants*	-	2,500,000	1,010,895	1,489,105	59.6%
Department of the Corporation Counsel					
Legal Services	8,125,618	8,609,088	8,379,165	229,923	2.7%
Ethics Commission	424,263	424,263	375,231	49,032	11.6%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2016 (continued)

Budgeted Activity	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
Department of the Prosecuting Attorney					
Administration	6,710,176	6,806,851	6,078,032	728,819	10.7%
Prosecution	14,465,526	14,620,510	13,106,774	1,513,736	10.4%
Victim/Witness Assistance	2,500,085	3,367,961	2,413,761	954,200	28.3%
Department of Human Resources					
Administration	1,274,134	1,274,134	1,143,911	130,223	10.2%
Employment and Personnel Services	1,863,338	1,905,338	1,783,289	122,050	6.4%
Classification and Pay	624,920	624,920	611,980	12,940	2.1%
Industrial Safety and Workers' Compensation	1,252,752	1,252,752	1,251,145	1,607	0.1%
Labor Relations and Training	1,254,024	1,254,024	1,122,246	131,778	10.5%
Department of Planning and Permitting					
Administration	3,254,876	4,004,876	3,578,572	426,304	10.6%
Site Development	3,791,458	3,859,678	3,743,001	116,677	3.0%
Land Use Permits	1,278,677	1,324,144	1,159,130	165,014	12.5%
Planning	2,863,377	2,604,977	2,154,238	450,739	17.3%
Customer Service Office	3,351,526	3,621,009	3,171,073	449,936	12.4%
Building	5,005,924	5,758,067	5,594,484	163,583	2.8%
Other Grants*	-	35,873	22,719	13,154	36.7%
Department of Facility Maintenance					
Administration	8,030,469	8,398,355	7,969,017	429,338	5.1%
Road Maintenance	26,433,002	27,164,733	25,314,880	1,849,853	6.8%
Public Building and Electrical Maintenance	33,327,299	33,756,584	26,274,958	7,481,626	22.2%
Automotive Equipment Services	17,931,776	18,251,178	17,963,094	288,084	1.6%
Other Grants*	-	419,103	-	419,103	100.0%
Department of Design and Construction					
Administration	925,297	935,997	904,577	31,420	3.4%
Project and Construction Mgmt	12,092,758	12,819,538	12,204,923	614,615	4.8%
Land Services	2,550,893	2,661,305	2,617,099	44,206	1.7%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2016 (continued)

Budgeted Activity	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
Police Department					
Police Commission	559,525	617,121	511,598	105,523	17.1%
Office of the Chief of Police	6,840,927	7,432,763	7,365,202	67,561	0.9%
Patrol	142,856,358	145,445,758	143,114,957	2,330,801	1.6%
Specialized Field Operations	13,994,793	14,021,493	13,631,329	390,164	2.8%
Investigations	38,952,759	39,353,464	38,318,487	1,034,977	2.6%
Support Services	32,935,637	33,960,648	29,615,637	4,345,011	12.8%
Administrative Services	23,411,498	24,598,025	23,009,464	1,588,561	6.5%
Other Grants*	-	7,802,610	6,752,904	1,049,706	13.5%
Fire Department					
Fire Commission	18,894	18,894	5,140	13,754	72.8%
Administration	3,185,148	3,484,350	3,252,420	231,930	6.7%
Fire Communication Center	2,996,924	2,996,924	2,758,210	238,714	8.0%
Fire Prevention	4,699,587	4,741,599	4,310,974	430,625	9.1%
Mechanic Shop	2,457,933	2,637,933	2,535,931	102,002	3.9%
Training and Research	3,186,148	3,186,148	2,979,081	207,067	6.5%
Radio Shop	721,080	721,080	308,726	412,354	57.2%
Fire Operations	102,010,217	101,602,924	95,620,235	5,982,689	5.9%
City Radio System	265,500	270,500	255,003	15,497	5.7%
Other Grants*	-	1,259,878	805,230	454,649	36.1%
Department of Emergency Services					
Administration	557,438	598,344	589,438	8,906	1.5%
Emergency Medical Services	29,899,749	29,899,749	26,579,399	3,320,350	11.1%
Ocean Safety	10,092,387	10,444,216	10,356,076	88,140	0.8%
Health Services	619,167	733,771	711,791	21,980	3.0%
Other Grants*	-	71,838	19,317	52,520	73.1%
Department of Emergency Management					
Emergency Management Coordination	1,372,202	6,797,548	2,962,834	3,834,714	56.4%
Other Grants*	-	187,954	60,231	127,722	68.0%
Department of the Medical Examiner					
Investigation of Deaths	1,995,358	2,072,348	2,020,140	52,208	2.5%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2016 (continued)

Budgeted Activity	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
Department of Community Services					
Administration	550,626	696,978	685,351	11,627	1.7%
Office of Grants Management	10,844,637	10,870,637	8,186,574	2,684,063	24.7%
Oahu Workforce Investment Board	257,471	257,471	204,354	53,117	20.6%
Community Assistance	54,150,306	58,256,306	54,552,181	3,704,125	6.4%
Elderly Services	7,159,672	9,969,639	9,475,543	494,096	5.0%
Community Based Development	13,520,467	14,611,288	12,422,161	2,189,127	15.0%
WorkHawaii	10,173,160	12,332,932	6,097,724	6,235,208	50.6%
Other Grants*	-	52,882	-	52,882	100.0%
Department of Parks and Recreation					
Administration	3,763,132	4,040,660	4,036,229	4,431	0.1%
Urban Forestry	9,592,730	10,328,532	9,789,505	539,027	5.2%
Maintenance Support Services	7,083,717	7,265,332	6,457,396	807,936	11.1%
Recreation Services	23,688,165	23,910,851	21,146,260	2,764,591	11.6%
Grounds Maintenance	28,495,456	30,558,912	29,855,853	703,059	2.3%
Other Grants*	-	603,848	98,155	505,693	83.7%
Department of Enterprise Services					
Administration	609,468	863,206	792,275	70,931	8.2%
Auditoriums	5,817,134	6,132,444	5,476,238	656,206	10.7%
Honolulu Zoo	6,043,856	6,521,309	6,058,096	463,213	7.1%
Golf Courses	10,338,262	10,572,838	10,024,750	548,088	5.2%
Other Grants*	-	300,596	6,421	294,176	97.9%
Department of Transportation Services					
Administration	2,803,324	2,835,784	2,815,948	19,836	0.7%
Transportation Planning	1,475,518	1,720,785	1,509,059	211,726	12.3%
Traffic Engineering	2,352,182	3,560,173	3,156,286	403,887	11.3%
Traffic Signals and Technology	5,192,574	5,417,358	4,709,754	707,604	13.1%
Public Transit	251,322,924	251,690,803	238,001,250	13,689,553	5.4%
Other Grants*	-	540,000	540,000	-	0.0%
Department of Environmental Services					
Administration	10,391,988	10,391,988	9,285,950	1,106,038	10.6%
Refuse Collection and Disposal	162,116,502	163,652,947	143,106,615	20,546,332	12.6%
Environmental Quality	7,795,510	7,795,510	5,229,158	2,566,352	32.9%
Collection System Maintenance	23,538,657	23,538,657	16,647,435	6,891,222	29.3%
Treatment and Disposal	80,514,166	80,514,166	59,215,916	21,298,250	26.5%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2016 (continued)

Budgeted Activity	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
Debt Service and Miscellaneous					
City and County Bonds	452,494,000	452,494,000	400,174,332	52,319,668	11.6%
Other Than Bonds	360,000	360,000	359,220	780	0.2%
County Pension Retirement System	10,000	10,000	8,964	1,036	10.4%
FICA	135,705,000	135,705,000	135,165,983	539,017	0.4%
Hawaii Employer-Union Health Benefits Trust Fund	29,777,000	29,777,000	25,920,206	3,856,794	13.0%
Workers' Compensation	112,214,000	112,214,000	111,550,166	663,834	0.6%
Unemployment Compensation	19,220,000	19,220,000	14,760,721	4,459,279	23.2%
Salary Adjustments and Accrued Vacation Pay**	800,000	800,000	466,618	333,382	41.7%
Provision for Overtime Pay	14,099,000	9,601,903	4,497,097	9,601,903	68.1%
Provision for Other Post-Employment Benefits	500,000	500,000	-	500,000	100.0%
Provision for Vacant Positions**	51,517,000	51,517,000	33,706,215	17,810,785	34.6%
Provision for Grants, Partnerships and Security**	30,273,234	13,569,489	16,703,745	13,569,489	44.8%
Provision for Judgments, Settlements and Losses	1,500,000	694,472	805,528	694,472	46.3%
Risk Management	13,000,000	13,000,000	7,156,262	5,843,738	45.0%
Provision for Energy Costs**	9,051,000	9,051,000	8,959,446	91,554	1.0%
	4,500,000	4,500,000	-	4,500,000	100.0%
TOTAL EXECUTIVE APPROPRIATIONS	2,269,315,942	2,300,832,026	2,045,634,028	255,197,998	11.1%

* Other Grants reflects single purpose monies received from the State and federal governments. Although they are allocated for specific activities within the department, they are broken out into the Other Grants separate line item if those activities did not have any state or federal grant appropriations in Ordinance 15-25.

** Unlike other activities, for these line items the difference between the original appropriation and the adjusted appropriation is treated as the amount expended because it is the amount transferred to other line items for expenditure. The lapsed amount, then, is the adjusted appropriation. The percent lapsed is computed based on the budgeted appropriation, rather than on the adjusted appropriation.

Figure 8-3: Legislative Budget, Appropriations for FY 2016

Budgeted Activity	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
City Council					
Administration	5,123,417	5,123,417	4,518,960	604,457	11.8%
Council Allotment	275,000	275,000	187,763	87,237	31.7%
Salary Commission	600	600	541	59	9.9%
Charter Commission	308,268	308,268	266,473	41,795	13.6%
Office of Council Services					
Administration	594,302	668,302	666,465	1,837	0.3%
Legal Assistance	516,892	491,892	477,667	14,225	2.9%
Organized Research and Analysis	528,828	537,828	510,091	27,737	5.2%
Revisor of Ordinances	67,000	67,000	66,115	885	1.3%
City Clerk					
Administration	529,306	529,306	505,818	23,488	4.4%
Support Services	322,751	322,751	251,104	71,647	22.2%
Council Assistance	884,151	884,151	762,870	121,281	13.7%
Elections	1,465,560	1,465,560	1,320,007	145,553	9.9%
City Auditor					
Administration	565,486	565,486	550,323	15,163	2.7%
Audit	641,733	641,733	620,719	21,014	3.3%
Financial Audit	450,000	450,000	450,000	-	0.0%
Miscellaneous					
Retirement System	1,450,000	1,450,000	1,450,000	-	0.0%
FICA	700,000	700,000	599,788	100,212	14.3%
EUTF	1,650,000	1,650,000	1,145,602	504,398	30.6%
Accumulated Vacation Leave**	240,000	182,000	58,000	182,000	75.8%
Unemployment Compensation	125,000	125,000	48,249	76,751	61.4%
TOTAL LEGISLATIVE APPROPRIATIONS	16,438,294	16,438,294	14,398,553	2,039,741	12.4%
TOTAL CITY APPROPRIATIONS	2,285,754,236	2,317,270,320	2,060,032,581	257,237,739	11.1%

** Unlike other activities, for these line items the difference between the original appropriation and the adjusted appropriation is treated as the amount expended because it is the amount transferred to other line items for expenditure. The lapsed amount, then, is the adjusted appropriation. The percent lapsed is computed based on the budgeted appropriation, rather than on the adjusted appropriation.

MAJOR APPROPRIATION LAPSES BY FUND

Figure 8-4 displays the amount appropriated, expended/encumbered, and lapsed by fund source. The major fund lapses for FY 2016 that were both at least \$5 million and at least ten percent of adjusted appropriations have been highlighted.³

**Figure 8-4: Executive and Legislative Budget for FY 2016
Summary of Results by Fund**

Fund	Approp.	Adjusted Approp.	Expend./ Encumb.	Lapsed	% Lapsed
General Fund	1,258,740,753	1,258,740,753	1,153,458,929	105,281,824	8.4%
Highway Fund	126,761,814	126,761,814	111,900,815	14,860,999	11.7%
Sewer Fund	310,603,144	310,603,144	244,318,530	66,284,614	21.3%
Bus Transportation Fund	232,050,882	232,050,882	216,954,595	15,096,287	6.5%
Liquor Commission Fund	5,907,083	5,907,083	4,714,565	1,192,518	20.2%
Bikeway Fund	713,935	713,935	667,075	46,860	6.6%
Highway Beautification and Disposal	5,520,913	5,520,913	4,270,278	1,250,635	22.7%
Special Events Fund	18,809,332	18,809,332	16,739,834	2,069,498	11.0%
Golf Fund	14,030,412	14,030,412	13,043,920	986,492	7.0%
Solid Waste Special Fund	192,745,794	192,745,794	167,351,512	25,394,282	13.2%
Hanauma Bay Nature Preserve Fund	5,266,697	5,266,697	4,469,615	797,082	15.1%
Rental Assistance Fund	233,000	233,000	122,004	110,996	47.6%
Leasehold Conversion Fund	12,685	12,685	12,570	115	0.9%
Housing Development Special Fund	209,400	209,400	105,561	103,839	49.6%
Grants in Aid Fund	6,445,586	6,445,586	6,403,485	42,101	0.7%
Community Development Fund	1,662,214	1,662,214	1,128,777	533,437	32.1%
Rehabilitation Loan Fund	3,005,000	3,005,000	1,116,313	1,888,687	62.9%
Section 8 Contract Fund	50,106,784	54,206,784	52,725,577	1,481,207	2.7%
Federal Grants Fund	45,295,910	60,725,232	46,923,857	13,801,375	22.7%
Special Projects Fund	7,632,898	19,619,660	13,604,769	6,014,891	30.7%
TOTAL	2,285,754,236	2,317,270,320	2,060,032,581	257,237,739	11.1%

³ Grant and special projects funds are excluded from this analysis.

CHAPTER EIGHT

**B. REVIEW OF FY 2017 GENERAL
FUND REVENUE ASSUMPTIONS**

Major general fund revenue assumptions for FY 2017 have been reviewed as of 12/31/2016. For the purpose of this summary, major revenue assumptions are defined as those that involve an amount exceeding \$1 million and concern either

new sources to the City or a significant increase or decrease in existing sources. For example, changes in transfers between funds were not part of this review.

Figure 8-5: FY 2016 Major General Fund Revenue Assumptions

General Fund Revenue Assumption	Amount Budgeted	Status as of 12/31/16
Real Property Taxes- Current Year. Budgeted amount increased by \$78.4 million or 87.8% from prior fiscal year.	\$1,083,917,000	\$174,897,673
Public Service Company Tax. Budgeted amount decreased by \$4.0 million or -8.5% from prior fiscal year.	\$43,372,000	\$21,919,347
Recovery State- Emergency Ambulance Services. Budgeted amount increased by \$3.8 million or 10.8% from prior fiscal year.	\$39,289,553	\$10,767,431
Recovery- Debt Service- HART. Budgeted amount increased by \$9.1 million or 1053.4% from prior fiscal year.	\$10,000,000	\$0
Recovery- Debt Service- Special Events Fund. Budgeted amount increased \$1.8 million or 38.5% from prior fiscal year.	\$6,564,000	\$1,387,749
Recovery CASE- Sewer Fund. Budgeted amount increased by \$2.8 million or 21.5% from prior fiscal year.	\$15,692,300	\$7,846,150

If RPT- Lock Box, RPT Mortgage Company, and RPT- Epay had been included in this figure, the total as of 12/31/16 would be \$587,930,003.





CHAPTER NINE

CAPITAL BUDGET

FY 2015 FUND EXPENDITURE STATUS FOR THE 24-MONTH PERIOD ENDING 06/30/16

This is a comparison of actual versus budgeted revenues and expenditures for the executive capital budget over the 24-month effective appropriation period for the FY 2015 capital budget that ran from July 1, 2014 through June 30, 2016, beyond which date appropriations that were not yet encumbered or expended lapsed

pursuant to charter.⁴ The review is based on information in the executive capital budget ordinance for the most recent appropriation period (Ordinance 14-19) and an accounting report from the Department of Budget and Fiscal Services for the period ending June 30, 2016.

Overview

- *In FY 2015, the largest appropriation lapse was from the Sewer Mainline and Lateral Projects where 38.2 percent of the \$19.5 million adjusted appropriation lapsed.*
- *The budget function that experienced the highest rate of appropriation lapses, excluding federal funds, was Public Safety where 38.9 percent of City funds lapsed. Among significant fund sources, the Solid Waste Improvement Bond Fund had a lapsing rate of 29.7 percent.*

⁴ Federal grant funds are excluded from this review of lapses because federal appropriations do not lapse when city funds lapse.



CHAPTER NINE

A. MAJOR PROJECT LAPSES AND DETAILED RESULTS BY FUNCTION

The following table displays all of the projects in the FY 2015 executive capital budget ordinance. For each project, the following information is provided regarding its status at the end of the 24-month period:

- *Total appropriated amount as shown in the budget ordinance, as amended.*
- *The total appropriated amount as it may have been adjusted by any applicable grants, whether from State or federal sources, or by transfers to or from other projects. The adjusted amount may be higher than the initial appropriation if the grant adds to the amount appropriated. In rare instances, the adjusted amount may be lower than the appropriation. That may occur if a grant was anticipated at the time of appropriation but the amount received was less than anticipated or if funds were transferred elsewhere.*
- *The amount of the adjusted appropriation expended and/or encumbered during the 24-month period.*
- *The amount of the adjusted appropriation that lapsed at the end of the 24-month period.*

The major project lapses for FY 2015 have been highlighted based on the following:

- *Projects having adjusted appropriations of \$1 million or more from non-State and non-federal funds; and*
- *Lapses of 60 percent or more of that adjusted appropriation incurred at the end of the 24-month period.*

Figure 9-1: Capital Budget, Appropriations for FY 2015

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<u>GENERAL GOVERNMENT</u>							
STAFF AGENCIES							
1998602	Procurement of Major Equipment	GI	7,723,600	7,723,600	7,500,270	223,330	2.9%
1998602	Procurement of Major Equipment	HI	572,000	572,000	245,515	326,485	57.1%
1998602	Procurement of Major Equipment	WB	11,487,900	11,487,900	9,067,704	2,420,196	21.1%
1979110	Project Adjustments Account	GI	1,000	254,655	-	254,655	100.0%
1979110	Project Adjustments Account	HI	1,000	1,000	-	1,000	100.0%
PUBLIC FACILITIES--ADDITIONS AND IMPROVEMENTS							
1996007	Civic Center Improvements	GI	1,000,000	1,000,000	974,950	25,050	2.5%
2015095	Culture and Arts Corridor	GI	150,000	150,000	-	150,000	100.0%
1998007	Energy Conservation Improvements	GI	500,000	500,000	500,000	-	0.0%
2015091	Kapalama Canal Catalytic Project - Transit Oriented Development	GI	500,000	500,000	500,000	-	0.0%
1995006	Kapolei Consolidated Corporation Yard	GI	7,500,000	7,500,000	7,499,319	681	0.0%
	Koolauloa Community Center*	GI	250,000	250,000	-	250,000	100.0%
	Leeward Coast Animal Control Facility*	GI	100,000	100,000	-	100,000	100.0%
	Lighting and Security Improvements at Municipal Parking Lots in Kailua*	GI	75,000	75,000	-	75,000	100.0%
2015092	Pearlridge Bus Transfer Center and Plaza - Transit Oriented Development	GI	15,000,000	15,000,000	12,395,191	2,604,809	17.4%
1987042	Public Building Facilities Improvements	GI	500,000	500,000	493,221	6,779	1.4%
	Public Building Facilities Improvements in Downtown-Chinatown*	GI	500,000	500,000	-	500,000	100.0%
2004050	Surface Water Discharge (National Pollutant Discharge Elimination System) Modification for Corp Yard	HI	770,000	770,000	286,127	483,873	62.8%
PUBLIC FACILITIES-IMPROVEMENTS--LAND ACQUISITIONS							
1971153	Land Expenses	GI	1,000,000	1,000,000	-	1,000,000	100.0%
1971153	Land Expenses	CP	250,000	250,000	-	250,000	100.0%
	General Improvement Bond Fund	GI	34,799,600	35,053,255	29,862,951	5,190,304	14.8%
	Highway Improvement Bond Fund	HI	1,343,000	1,343,000	531,642	811,358	60.4%
	Solid Waste Improvement Bond Fund	WB	11,487,900	11,487,900	9,067,704	2,420,196	21.1%
	Capital Projects Fund	CP	250,000	250,000	-	250,000	100.0%
	TOTAL GENERAL GOVERNMENT		47,880,500	48,134,155	39,462,297	8,671,858	18.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<u>PUBLIC SAFETY</u>							
POLICE STATIONS AND BUILDINGS							
2007020	Honolulu Police Department Surface Water Discharge (NPDES Small MS4 Permit Program)	GI	1,965,000	1,182,745	1,182,745	-	0.0%
2015082	HPD Headquarters Improvements	GI	1,400,000	1,400,000	1,400,000	-	0.0%
2009034	Microwave Radio Spur Equip and Facilities Upgrade	GI	200,000	200,000	179,211	20,789	10.4%
2003027	Pearl City Police Station	GI	500,000	500,000	500,000	-	0.0%
2003022	Police Evidence Warehouse	GI	50,000	50,000	-	50,000	100.0%
2002025	Police Stations Buildings Improvements	GI	1,000,000	1,000,000	914,798	85,202	8.5%
2006034	Upgrade Security Camera Systems at Various Police Facilities	GI	520,000	520,000	470,112	49,888	9.6%
2006039	Waianae Police Station Replacement	GI	1,290,000	1,290,000	1,203,000	87,000	6.7%
2005028	Honolulu Police Department Equipment Acquisition	GI	3,834,500	3,834,500	3,703,881	130,619	3.4%
FIRE STATIONS AND BUILDINGS							
2009036	East Kapolei Fire Station	GI	170,000	170,000	169,987	13	0.0%
1998021	Fire Station Buildings Improvements	GI	1,000,000	1,100,000	1,091,280	8,720	0.8%
2007012	Honolulu Fire Department Storm Water Discharge (NPDES Small MS4 Permit Program)	GI	1,770,000	1,770,000	1,696,395	73,605	4.2%
2015096	Kalihi Fire Station Interior Improvements	GI	500,000	500,000	460,000	40,000	8.0%
2014079	Kuakini Fire Station Reconstruction	GI	850,000	850,000	-	850,000	100.0%
2015097	Makakilo Fire Station Improvements	GI	500,000	550,000	510,000	40,000	7.3%
2005021	Honolulu Fire Department Equipment Acquisition	GI	3,240,000	3,340,000	3,330,211	9,789	0.3%
TRAFFIC IMPROVEMENTS							
	Computerized Traffic Control System	FG	-	4,000	3,394	606	15.1%
	Island Wide Traffic Signal Optimization*	HI	5,650,000	5,650,000	-	5,650,000	100.0%
2010030	Traffic Engineering Devices at Various Locations	HI	1,500,000	1,500,000	709,071	790,929	52.7%
1996306	Traffic Improvements at Various Locations	HI	330,000	330,000	271,299	58,701	17.8%
1996306	Traffic Improvements at Various Locations	FG	520,000	520,863	280,863	240,000	46.1%
2006016	Traffic Signal Maintenance Facility	HI	100,000	100,000	-	100,000	100.0%
1999312	Traffic Signals at Various Locations	HI	789,000	789,000	393,999	395,001	50.1%
1999312	Traffic Signals at Various Locations	FG	3,150,000	3,510,000	1,960,434	1,549,566	44.1%
2003223	Waipio Point Access Road Improvements	HI	62,000	62,000	51,457	10,543	17.0%
2003223	Waipio Point Access Road Improvements	FG	96,000	166,684	94,684	72,000	43.2%
FLOOD CONTROL							
2000101	Flood Control Improvements at Various Locations	GI	1,270,000	1,270,000	1,195,721	74,279	5.8%
	Kawa Stream and Ditch Improvements*	GI	3,000,000	3,000,000	-	3,000,000	100.0%
	Maakua Stream and Ditch Improvements*	GI	125,000	125,000	-	125,000	100.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
OTHER PROTECTION - MISCELLANEOUS							
	Community Resiliency and Climate Change Adaptation Study*	GI	2,000,000	2,000,000	-	2,000,000	100.0%
2005002	Drainage Outfall Improvements	GI	160,000	160,000	160,000	-	0.0%
2015102	Kapalama Canal Erosion Control, Stabilization, and Dredging - Transit Oriented Development	GI	250,000	250,000	250,000	-	0.0%
1997504	Kuaheha Street Area Movement, Palolo Valley*	GI	2,000,000	2,000,000	-	2,000,000	100.0%
2001154	Rock Slide Potential Inspections and Mitigative Improvements	HI	890,000	890,000	890,000	-	0.0%
	Telecommunications Facilities Upgrade	GI	3,750,000	3,750,000	3,750,000	0	0.0%
	General Improvement Bond Fund	GI	31,344,500	30,812,245	22,167,341	8,644,904	28.1%
	Highway Improvement Bond Fund	HI	9,321,000	9,321,000	2,315,826	7,005,174	75.2%
	Federal Grants Fund	FG	3,766,000	4,201,547	2,339,375	1,862,172	44.3%
	TOTAL PUBLIC SAFETY		44,431,500	44,334,792	26,822,542	17,512,250	39.5%
HIGHWAYS AND STREETS							
BIKEWAYS AND BIKE PATHS							
	Bikepaths, Waialua and Haleiwa*	HI	300,000	300,000	294,310	5,690	1.9%
1979063	Bikeway Improvements	HI	100,000	100,000	53,110	46,890	46.9%
1979064	Bikeway Improvements	FG	-	4,000	1,243	2,757	68.9%
2015033	Hamakua Drive Bikeway Improvements	HI	161,000	161,000	35,000	126,000	78.3%
2015034	Hamakua Drive Bikeway Improvements	FG	640,000	640,000	615	639,385	99.9%
	Kahaluu Pedestrian/Bicycle Circulation Study*	HI	150,000	150,000	-	150,000	100.0%
2014026	Multimodal Bike Plan	HI	500,000	500,000	100,000	400,000	80.0%
	Wahiawa Train Line Bike Path*	HI	500,000	500,000	-	500,000	100.0%
HIGHWAYS, STREETS AND ROADWAYS							
	Complete Streets Improvements*	HI	1,000,000	1,000,000	-	1,000,000	100.0%
2015027	Complete Streets Improvements in Transit Oriented Development (TOD) Areas	HI	1,000,000	1,000,000	949,225	50,775	5.1%
	Complete Streets Pedestrian Safety Improvements - Liliha/Nuuanu*	HI	1,000,000	1,000,000	-	1,000,000	100.0%
1988001	Curb Ramps at Various Locations, Oahu	HI	1,000,000	1,000,000	1,000,000	-	0.0%
1998515	Guardrail Improvements	HI	350,000	350,000	350,000	-	0.0%
2004015	Highway Structure Improvements	HI	200,000	200,000	200,000	-	0.0%
	Kalaeloa Boulevard Improvements	FG	0	11,767	10,255	1,512	12.8%
2015093	Rail Station Connectivity - Transit Oriented Development	GI	2,000,000	2,000,000	1,868,157	131,843	6.6%
	Reconstruction of Sidewalks*	HI	5,000,000	5,000,000	-	5,000,000	100.0%
1997502	Rehabilitation of Streets	HI	132,000,000	132,000,000	131,856,449	143,551	0.1%
2015094	Streetscape Improvements - Transit Oriented Development	GI	1,000,000	1,000,000	908,370	91,630	9.2%
1991064	Utility Share Expenses	CP	100,000	100,000	-	100,000	100.0%
2015034	Kapalama Multi-Modal Study - Transit Oriented Development	HI	150,000	150,000	-	150,000	100.0%
2015035	Kapalama Multi-Modal Study - Transit Oriented Development	FG	400,000	400,000	400,000	-	0.0%
2011028	Kapolei Parkway Construction	HI	290,000	290,000	121,910	168,090	58.0%
2011029	Kapolei Parkway Construction	FG	960,000	960,000	-	960,000	100.0%
	Kuakini Street Extension*	HI	100,000	100,000	99,914	86	n/a

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
BRIDGES, VIADUCTS, AND GRADE SEPARATION							
1998520	Bridge Rehabilitation at Various Locations	HI	1,550,000	1,550,000	1,450,262	99,738	6.4%
STORM DRAINAGE							
2000052	Drainage Improvements at Various Locations	HI	1,440,000	1,440,000	1,370,893	69,107	4.8%
2003135	Storm Drain Outlets Near Ala Wai Canal	HI	200,000	200,000	200,000	-	0.0%
2001020	Storm Drainage Best Management Practices in the Salt Lake Drainage System	HI	50,000	50,000	50,000	-	0.0%
2001021	Storm Drainage Best Management Practices in the Vicinity of Kaelepulu Pond	HI	200,000	200,000	200,000	-	0.0%
2014050	Storm Drainage BMPs, Wailupe-Kuliouou-Niu Stream	HI	250,000	250,000	250,000	-	0.0%
2015048	Storm Water Discharge (NPDES MS4) Retrofit Structural BMP Improvements Program	HI	350,000	350,000	350,000	-	0.0%
2015047	Storm Water Discharge (NPDES MS4) TMDL Structural BMP Improvements Program	HI	350,000	350,000	350,000	-	0.0%
2010051	Surface Water Discharge (NPDES MS4) Erosion Prone Area Improvements	HI	1,425,000	1,425,000	907,540	517,460	36.3%
2009106	Waikiki Drain Outfall Improvements	HI	110,000	110,000	110,000	-	0.0%
STREET LIGHTING							
2015089	Kapiolani Boulevard Street Light Improvements	HI	100,000	100,000	100,000	-	0.0%
2007043	Street Light Meter Cabinets, Transformers and Street Lighting Improvements	HI	760,000	760,000	756,657	3,343	0.4%
	General Improvement Bond Fund	GI	3,000,000	3,000,000	2,776,527	223,473	7.4%
	Highway Improvement Bond Fund	HI	150,586,000	150,586,000	141,155,271	9,430,730	6.3%
	Federal Grants Fund	FG	2,000,000	2,015,767	412,114	1,603,654	79.6%
	Capital Projects Fund	CP	100,000	100,000	-	100,000	100.0%
	TOTAL HIGHWAYS AND STREETS		155,686,000	155,701,767	144,343,911	11,357,856	7.3%
SANITATION							
WASTE COLLECTION AND DISPOSAL							
2015046	Keehi Transfer Station - Loadout Modifications	WB	1,002,000	1,002,000	1,000,000	2,000	0.2%
2010054	Refuse Facilities Improvements at Various Locations	WB	1,350,000	1,350,000	1,350,000	-	0.0%
2014063	Solid Waste to Energy Facility (H-Power) - Access Improvements	WB	3,371,000	3,371,000	-	3,371,000	100.0%
2014065	Solid Waste to Energy Facility (H-Power) - Improvements	WB	1,475,000	1,475,000	-	1,475,000	100.0%
2013102	Solid Waste to Energy Facility (H-Power) - Improvements for Processing Sewage Sludge	WB	4,000,000	4,000,000	1,565,700	2,434,300	60.9%
2011047	Solid Waste to Energy Facility (H-Power) - Rehabilitation	WB	10,000,000	10,000,000	9,998,000	2,000	0.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
SEWAGE COLLECTION AND DISPOSAL							
2013046	Ahuimanu Wastewater Pre-Treatment Facility Improvements and Equalization Facility	CP	1,001,000	1,001,000	1,001,000	-	0.0%
2008064	Ahuimanu Wastewater Preliminary Treatment Facility Force Main	SR	502,000	-	-	-	n/a
2006046	Ala Moana Wastewater Pump Station Force Mains No. 3 and 4	SR	1,502,000	2,000	-	2,000	100.0%
2013048	Ala Moana Wastewater Pump Station Upgrade	CP	1,001,000	1,001,000	1,001,000	-	0.0%
2011046	Awa Street Wastewater Pump Station, Force Main and Sewer System Improvements	CP	2,002,000	2,002,000	2,001,000	1,000	0.0%
2015044	Collection System Maintenance - Halawa Building Expansion	CP	1,503,000	1,503,000	1,500,000	3,000	0.2%
2009099	Dowsett Highlands Relief Sewer	CP	1,501,000	1,501,000	1,501,000	-	0.0%
2012056	Ewa Beach Wastewater Pump Station Force Main System Improvements	CP	403,000	403,000	400,000	3,000	0.7%
2013050	Fort DeRussy Wastewater Pump Station, Force Main, and University Avenue McCully Sewer Relief	CP	1,001,000	1,001,000	1,001,000	-	0.0%
2012046	Halawa Wastewater Pump Station Force Main System Improvements	CP	403,000	403,000	400,000	3,000	0.7%
2009111	Heeia Wastewater Pump Station Improvements	CP	402,000	402,000	401,000	1,000	0.2%
2010062	Hele Street Sewer Relief/Rehabilitation, Kailua	SR	201,000	201,000	201,000	-	0.0%
2013051	Honolulu Area Wastewater Pump Station Facilities Improvements	CP	201,000	201,000	201,000	-	0.0%
2010069	Honouliuli Wastewater Basin Odor Control	SR	803,000	803,000	803,000	-	0.0%
2012058	Honouliuli Wastewater Treatment Plant Secondary Treatment	SR	10,001,000	10,001,000	10,001,000	-	0.0%
2013053	Honouliuli Wastewater Treatment Plant Upgrade, Phase 2	CP	503,000	503,000	501,000	2,000	0.4%
2013054	Kahala Wastewater Pump Station and Force Main System Improvements	SR	503,000	503,000	501,000	2,000	0.4%
2009107	Kahanahou Wastewater Pump Station Upgrade and Sewer Improvements	CP	101,000	101,000	101,000	-	0.0%
2012048	Kailua Road Wastewater Pump Station Force Main System Improvements	CP	303,000	303,000	300,000	3,000	1.0%
2008071	Kailua Wastewater Treatment Plant Improvements	SR	9,001,000	3,350,100	2,401,000	949,100	28.3%
2013056	Kailua Wastewater Treatment Plant - Tunnel Influent Pump Station and Headworks Facility	SR	124,201,000	169,907,148	169,134,083	773,066	0.5%
2013056	Kailua Wastewater Treatment Plant - Tunnel Influent Pump Station and Headworks Facility	CP	-	4,801,000	4,551,000	250,000	5.2%
2012049	Kamehameha Highway Wastewater Pump Station Force Main System Improvements	CP	201,000	201,000	201,000	-	0.0%
2012055	Kaneohe/Kailua Sewer Tunnel	SR	10,802,000	548,752	546,752	2,001	0.4%
2012051	Kunia Wastewater Pump Station Force Main System Improvements	SR	602,000	602,000	520,870	81,130	13.5%
2001124	Project Management for Wastewater Projects	CP	8,416,000	8,416,000	6,633,747	1,782,253	21.2%
	Pyrolysis Carbonization System at Sand Island Wastewater Treatment Plant	SR	2,000,000	2,000,000	-	2,000,000	100.0%
2010049	Sand Island Wastewater Basin Odor Control	CP	501,000	501,000	501,000	-	0.0%
2009112	Sand Island Wastewater Treatment Plant and Sewer Basin Facilities	CP	1,000,000	1,000,000	-	1,000,000	100.0%
2015045	Sand Island Wastewater Treatment Plant Energy Improvements	CP	702,000	702,000	-	702,000	100.0%
2013062	Sand Island Wastewater Treatment Plant Improvements/Upgrade	CP	301,000	301,000	301,000	-	0.0%
2012059	Sand Island Wastewater Treatment Plant Secondary Treatment	CP	2,001,000	2,001,000	2,001,000	-	0.0%
2007068	Sewer Condition Assessment Program	CP	2,500,000	-	-	-	n/a

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/Encumbered	Lapsed	Percent Lapsed
2013063	Sewer I/I Relief and Rehabilitation Projects - Ala Moana Tributary Basin	CP	1,502,000	1,502,000	1,501,000	1,000	0.1%
2013064	Sewer I/I Relief and Rehabilitation Projects - Hart St. Tributary Basin	CP	2,002,000	2,002,000	2,001,000	1,000	0.0%
2000071	Sewer Mainline and Lateral Projects	CP	19,500,000	19,500,000	12,051,108	7,448,892	38.2%
2002043	Sewer Manhole and Pipe Rehabilitation at Various Locations	SR	104,000	104,000	101,000	3,000	2.9%
2008079	Uwalu Wastewater Pump Station Upgrade	SR	2,202,000	2,202,000	2,000,000	202,000	9.2%
2013069	Wahiawa, Whitmore Village and Makakilo Area Wastewater Pump Station and Facilities Improvement	SR	701,000	701,000	701,000	-	0.0%
2006055	Waikapoki Wastewater Pump Station Upgrade	SR	401,000	401,000	270,839	130,161	32.5%
2012052	Waimalu Wastewater Pump Station Force Main and Waiau Area Sewer Improvements	SR	27,802,000	2,000	-	2,000	100.0%
2013068	Waimalu Wastewater Pump Station Modification/Upgrade	CP	701,000	701,000	701,000	-	0.0%
2007071	Waipio Wastewater Pump Station Upgrade	CP	201,000	201,000	201,000	-	0.0%
2000038	Wastewater Equipment	CP	9,953,300	9,953,300	7,549,413	2,403,887	24.2%
1998806	Wastewater Facilities Replacement Reserve	CP	5,000,000	5,000,000	138,152	4,861,848	97.2%
2003151	Wastewater Planning and Programming	CP	290,000	290,000	144,313	145,687	50.2%
2007073	Wastewater Program Management	CP	3,502,000	1,201,000	1,200,000	1,000	0.1%
2001062	Wastewater Treatment Plant, Pump Station, and Force Main Projects	CP	11,600,000	11,600,000	10,025,893	1,574,107	13.6%
	Sewer Revenue Improvement Bond Fund	SR	191,328,000	191,328,000	187,181,543	4,146,457	2.2%
	Solid Waste Improvement Bond Fund	WB	21,198,000	21,198,000	13,913,700	7,284,300	34.4%
	Capital Projects Fund	CP	80,198,300	80,198,300	60,010,626	20,187,674	25.2%
	TOTAL SANITATION		292,724,300	292,724,300	261,105,869	31,618,431	10.8%
<u>HUMAN SERVICES</u>							
HUMAN SERVICES							
	Affordable and Permanent Supportive Housing*	CP	1,000,000	1,000,000	-	1,000,000	100.0%
2007076	Community Development Block Grant (CDBG) Program	CD	6,916,341	6,916,341	6,876,819	39,522	0.6%
1995207	Emergency Solutions Grants (ESG) Program	FG	635,084	635,084	635,084	-	0.0%
2013003	Family Justice Center	CP	6,220,000	6,220,000	-	6,220,000	100.0%
2007077	Home Investment Partnerships (HOME) Program	FG	3,875,524	3,875,524	3,242,814	632,710	16.3%
	Homeless Relocation Initiative*	GI	32,000,000	32,000,000	31,997,000	3,000	0.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
2000119	Housing Opportunities for Persons with AIDs (HOPWA) Program	FG	436,722	436,722	429,464	7,258	1.7%
2013002	Housing Partnership Program	CP	8,256,000	8,256,000	8,256,000	-	0.0%
	Kakaako Affordable Housing for Artists Project*	CP	1,101,000	1,101,000	-	1,101,000	100.0%
	Repairs and Renovation to City Housing Facilities*	CP	500,000	500,000	-	500,000	100.0%
	Waikiki Housing First*	CP	4,000,000	4,000,000	-	4,000,000	100.0%
	General Improvement Bond Fund	GI	32,000,000	32,000,000	31,997,000	3,000	0.0%
	Community Development Fund	CD	6,916,341	6,916,341	6,876,819	39,522	0.6%
	Federal Grants Fund	FG	4,947,330	4,947,330	4,307,362	639,968	12.9%
	Capital Projects Fund	CP	21,077,000	21,077,000	8,256,000	12,821,000	60.8%
	TOTAL HUMAN SERVICES		64,940,671	64,940,671	51,437,181	13,503,490	20.8%
<u>CULTURE - RECREATION</u>							
PARTICIPANT, SPECTATOR AND OTHER RECREATION							
	Aina Haina Nature Preserve Expansion, Wailupe*	CP	4,056,000	4,056,000	-	4,056,000	100.0%
1998107	Ala Moana Regional Park	GI	2,083,763	2,083,763	2,083,763	-	0.0%
1998107	Ala Moana Regional Park	CP	916,237	916,237	916,237	-	0.0%
	Ala Wai Community Park (TMK: 2-7-04:05; 2-7-36:01 POR.)	FG	0	184,367	184,367	-	
	Aweoweo Beach Park - Replace Play-Tot Equipment*	GI	225,000	225,000	-	225,000	100.0%
2015080	Comfort Stations at Various Parks	GI	776,000	853,600	853,600	-	0.0%
2015081	Comfort Stations at Various Parks	CP	454,000	454,000	454,000	-	0.0%
	Crane Community Park*	GI	115,000	115,000	-	115,000	100.0%
2015074	Crestview Community Park	GI	150,000	150,000	-	150,000	100.0%
2007054	Department of Parks and Recreation NPDES Small MS4 Permit Program	GI	865,000	865,000	723,470	141,530	16.4%
2014073	Division of Urban Forestry (DUF) Admin & Arboriculture Relocation	GI	300,000	100,000	38,246	61,754	61.8%
2010089	Division of Urban Forestry/Horticulture Services Office Replacement	GI	50,000	50,000	-	50,000	100.0%
2014105	Division of Urban Forestry Tree Farm - Patsy T Mink Central Oahu Regional Park	GI	100,000	100,000	-	100,000	100.0%
2015073	Fern Community Park	GI	425,000	467,500	467,500	-	0.0%
	Geiger Community Park*	GI	81,000	81,000	-	81,000	100.0%
	Hakipuu Loi Kalo, Hakipuu, Koolaupoko*	CP	650,000	650,000	-	650,000	100.0%
1977069	Haleiwa Beach Park	GI	1,000,000	1,000,000	-	1,000,000	100.0%
1973059	Hanauma Bay Nature Preserve	CP	880,000	880,000	880,000	-	0.0%
	Hoaeae Community Park*	GI	25,000	25,000	-	25,000	100.0%
	Honowai Park*	GI	45,000	45,000	-	45,000	100.0%
1998146	Kahala Community Park	GI	525,000	525,000	525,000	-	0.0%
	Kahi Kani Neighborhood Park*	GI	150,000	150,000	-	150,000	100.0%
2014091	Kahuku Municipal Golf Course*	CP	5,850,750	5,850,750	5,850,750	-	0.0%
	Kaiaka Bay Beach Park*	GI	900,000	900,000	-	900,000	100.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
2013094	Kalauao Valley	CP	578,250	578,250	-	578,250	100.0%
2015072	Kalihi Valley District Park	GI	175,000	175,000	106,934	68,066	38.9%
2015077	Kamokila Community Park	GI	575,000	575,000	323,070	251,930	43.8%
1993076	Kapaolono Community Park	GI	650,000	600,000	329,263	270,737	45.1%
2015075	Kapunahala Neighborhood Park	GI	100,000	100,000	-	100,000	100.0%
	Kawela Bay to Kahuku Point Land Conservation*	CP	3,500,000	3,500,000	3,500,000	-	0.0%
2015107	Kilauea District Park	CP	121,000	121,000	121,000	-	0.0%
1971364	Koko Head District Park	CP	150,000	150,000	150,000	-	0.0%
	Kunia Neighborhood Park*	GI	45,000	45,000	-	45,000	100.0%
1971377	Makiki District Park	CP	114,840	114,840	114,840	-	0.0%
2001100	Manoa Valley District Park	GI	735,000	808,500	808,500	-	0.0%
2001101	Manoa Valley District Park	CP	15,975	15,975	15,975	-	0.0%
1985089	McCully District Park	GI	100,000	100,000	-	100,000	100.0%
	Mililani Mauka District Park - Tennis Courts*	GI	225,000	225,000	-	225,000	100.0%
2008046	Mitigative Improvements at Parks	GI	500,000	500,000	486,500	13,500	2.7%
	Moanalua Community Park Swimming Pool Improvements*	GI	55,000	55,000	-	55,000	100.0%
2011116	Niu Valley Neighborhood Park	GI	250,000	275,000	275,000	-	0.0%
1995127	Oneula Beach Park, Ewa Beach	CP	150,000	150,000	-	150,000	100.0%
1998180	Palolo Valley District Park	GI	100,000	100,000	100,000	-	0.0%
1998181	Palolo Valley District Park	CP	267,000	267,000	267,000	-	0.0%
	Patsy T. Mink Central Oahu Regional Park*	GI	100,000	100,000	100,000	-	0.0%
2015104	Pearl Harbor Historic Trail	GI	1,000,000	1,000,000	499,330	500,670	50.1%
	Pearlridge Community Park (TMK: 9-8-013:029, 9.12 acres)*	GI	100,000	100,000	-	100,000	100.0%
	Punaluu Beach Park Improvements*	GI	140,000	140,000	-	140,000	100.0%
	Pupukea Beach Park Improvements*	GI	250,000	250,000	-	250,000	100.0%
2007075	Puu O Hulu Community Park, Maili	GI	250,000	250,000	250,000	0	0.0%
1998105	Reconstruct Wastewater Systems for Parks	GI	300,000	300,000	277,090	22,910	7.6%
1998128	Recreation District No. 1 Improvements	GI	500,000	550,000	550,000	0	0.0%
1998129	Recreation District No. 2 Improvements	GI	600,000	600,000	599,150	850	0.1%
1998130	Recreation District No. 3 Improvements	GI	700,000	700,000	520,357	179,643	25.7%
1998131	Recreation District No. 4 Improvements	GI	600,000	660,000	660,000	0	0.0%
2005117	Recreation District No. 5 Improvements	GI	400,000	400,000	395,774	4,226	1.1%
2002072	Renovate Recreational Facilities	GI	4,024,000	4,124,000	3,890,671	233,329	5.7%
2002072	Renovate Recreational Facilities	CP	544,077	544,077	55,125	488,952	89.9%
	Sandy Beach Improvements*	GI	510,000	510,000	-	510,000	100.0%
	Senator's Fong's Plantation Garden*	CP	1,100,000	1,100,000	-	1,100,000	100.0%
	Swanzy Beach Park*	GI	150,000	150,000	-	150,000	100.0%
2014096	Thomas Square	GI	1,950,000	1,950,000	1,937,380	12,620	0.6%
2015081	Wahiawa Botanical Garden	GI	100,000	100,000	-	100,000	100.0%
	Wahiawa District Park - Replace Play-Tot Equipment*	GI	225,000	225,000	-	225,000	100.0%
	Wahiawa Skateboard Park*	GI	50,000	50,000	-	50,000	100.0%
2015078	Waialua District Park	GI	3,000	3,000	-	3,000	100.0%
2015079	Waialua District Park	CP	247,160	247,160	-	247,160	100.0%
1995122	Waianae District Park	CP	621,750	621,750	621,750	-	0.0%
1998117	Waikiki War Memorial Complex/Waikiki Beach	GI	300,000	300,000	300,000	0	0.0%
2009044	Waimanalo Bay Beach Park	GI	2,000,000	2,000,000	-	2,000,000	100.0%
2011113	Waimanalo District Park	GI	200,000	200,000	-	200,000	100.0%
1998031	Waipio Peninsula Recreation Complex, Waipio Peninsula	GI	300,000	300,000	-	300,000	100.0%
	Whitmore Gym, Wahiawa*	GI	150,000	150,000	-	150,000	100.0%

* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2015 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
SPECIAL RECREATION FACILITIES							
2007019	Department of Enterprise Services NPDES Small MS4 Permit Program	GI	2,640,000	2,640,000	2,635,000	5,000	0.2%
1999012	Enterprise Facilities Improvements	GI	500,000	500,000	489,925	10,075	2.0%
2015083	Ewa Villages Golf Course - Irrigation Pump Station	GI	385,000	385,000	383,432	1,568	0.4%
2001053	Golf Course Improvements	GI	500,000	500,000	500,000	-	0.0%
2001097	Honolulu Zoo Improvements	GI	500,000	550,000	544,992	5,008	0.9%
2007044	Honolulu Zoo Reptile/Amphibian Complex	GI	500,000	550,000	550,000	-	0.0%
2015084	Honolulu Zoo Water System Upgrade	GI	300,000	300,000	300,000	-	0.0%
2007025	Ted Makalena Golf Course - New Cart Paths	GI	800,000	800,000	800,000	-	0.0%
	General Improvement Bond Fund	GI	33,452,763	33,731,363	24,393,579	9,337,784	27.7%
	Federal Grants Fund	FG	-	184,367	184,367	-	0.0%
	Capital Projects Fund	CP	20,217,039	20,217,039	12,946,677	7,270,362	36.0%
	TOTAL CULTURE - RECREATION		53,669,802	54,132,769	37,524,624	16,608,146	30.7%
Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
UTILITIES OR OTHER ENTERPRISES							
MASS TRANSIT							
2006018	Alapai Transportation Management Center	HI	12,058,000	12,058,000	11,758,000	300,000	2.5%
2006018	Alapai Transportation Management Center	FG	10,915,000	11,035,000	9,443,000	1,592,000	14.4%
1978005	Bus and Handi-Van Acquisition Program	HI	2,214,000	2,214,000	10,860	2,203,140	99.5%
1978005	Bus and Handi-Van Acquisition Program	FG	17,881,000	19,830,267	15,143,902	4,686,365	23.6%
2001116	Bus Stop ADA Access Improvements	HI	598,000	598,000	528,060	69,940	11.7%
2001117	Bus Stop ADA Access Improvements	FG	300,000	300,000	260,090	39,910	13.3%
	Bus Stop LED Retrofitting Demonstration Project*	GI	250,000	250,000	-	250,000	100.0%
2003007	Bus Stop Site Improvements	HI	502,000	502,000	235,616	266,384	53.1%
2003008	Bus Stop Site Improvements	FG	1,330,000	1,330,000	565,503	764,497	57.5%
2006003	Pearl City Bus Facility	HI	1,065,000	1,065,000	-	1,065,000	100.0%
2006001	Pedestrian - Transit Connections	HI	286,000	286,000	185,920	100,080	35.0%
2006001	Pedestrian - Transit Connections	FG	1,100,000	1,100,000	699,350	400,650	36.4%
2015031	Waikiki Area Transit Catalytic Improvements	HI	1,000,000	1,000,000	1,000,000	-	0.0%
	General Improvement Bond Fund	GI	250,000	250,000	-	250,000	100.0%
	Highway Improvement Bond Fund	HI	17,723,000	17,723,000	13,718,456	4,004,544	22.6%
	Federal Grants Fund	FG	31,526,000	33,595,267	26,111,845	7,483,422	22.3%
	TOTAL UTILITIES OR OTHER ENTERPRISES		49,499,000	51,568,267	39,830,301	11,737,966	22.8%

* Indicates Council-added project.



CHAPTER NINE

B. MAJOR PROJECT ADJUSTMENTS

In Figure 9-2 below, major project adjustments for FY 2015 have been highlighted, based on the detailed information in Figure 9-1. Adjustments either increase or decrease the authorized appropriation for a project. Authority in the budget ordinance for such adjustments includes the Project Adjustments Account (a project contained in the General Government function, Staff Agencies program) and a related proviso which allow the unused portion of a project appropriation to be transferred to another project for which appropriations are less than

needed, a proviso relating to limited purpose monies, and a proviso allowing sewer project transfers to protect public health and safety or to meet federal or state requirements.

The highlight criterion was projects having an adjustment of \$1,000,000 or more, up or down, to the initial appropriation established by ordinance. The following table, comparing the original appropriation to the amount of the adjustment, shows the top three projects that met this criterion:

Figure 9-2: Major Project Adjustments

Function	Project	Ord 13-20 Appropriation	Adjustment Amount
Sanitation	Kailua Wastewater Treatment Station and Headworks Facility	\$124,201,000	\$50,507,148
Sanitation	Waimalu Wastewater Pump Station Force Main and Waiiau Area Sewer Improvements	\$27,802,000	-\$27,800,000
Sanitation	Kaneohe/Kailua Sewer Tunnel	\$10,802,000	-\$10,253,248

CHAPTER NINE

C. SUMMARY OF RESULTS

In Figure 9-3 on the following page, the results discussed in the preceding chapters are summarized by budget function (e.g. General Government, Public Safety, etc.) and by fund source. Among other things, this summary reveals which budget functions and fund sources have been subject to large lapses in appropriations.

As shown in the table, among budget function areas, the Public Safety function had the largest relative lapses at 39.5 percent of adjusted appropriations. That distinction holds with or without Federal Grants included in the

calculation. That is because of the amount of funding that lapsed from four projects funded from either the Highway Improvement Bond Fund and the General Improvement Bond Fund: the Island Wide Traffic Signal Optimization Project, the Kawa Stream and Ditch Project, the Community Resiliency and Climate Change Adaptation Study, and the Kuaheha Street Area Movement, Palolo Valley Project which all lapsed 100 percent of budgeted funding. Among fund sources, the Capital Projects Fund which encompasses all non-federal cash monies had the largest total lapse of all of the fund sources at \$40.6 million.



**Figure 9-3: Executive Capital Budget FY 2015
Summary of Results by Function and Fund**

		Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
General Government						
General Improvement Bond Fund	GI	34,799,600	35,053,255	29,862,951	5,190,304	14.8%
Highway Improvement Bond Fund	HI	1,343,000	1,343,000	531,642	811,358	60.4%
Solid Waste Improvement Bond Fund	WB	11,487,900	11,487,900	9,067,704	2,420,196	21.1%
Capital Projects Fund	CP	250,000	250,000	-	250,000	100.0%
Total		47,880,500	48,134,155	39,462,297	8,671,858	18.0%
Public Safety						
General Improvement Bond Fund	GI	31,344,500	30,812,245	22,167,341	8,644,904	28.1%
Highway Improvement Bond Fund	HI	9,321,000	9,321,000	2,315,826	7,005,174	75.2%
Federal Grants Fund	FG	3,766,000	4,201,547	2,339,375	1,862,172	44.3%
Total		44,431,500	44,334,792	26,822,542	17,512,250	39.5%
Highways and Streets						
General Improvement Bond Fund	GI	3,000,000	3,000,000	2,776,527	223,473	7.4%
Highway Improvement Bond Fund	HI	150,586,000	150,586,000	141,155,271	9,430,730	6.3%
Federal Grants Fund	FG	2,000,000	2,015,767	412,114	1,603,654	79.6%
Capital Projects Fund	CP	100,000	100,000	-	100,000	100.0%
Total		155,686,000	155,701,767	144,343,911	11,357,856	7.3%
Sanitation						
Sewer Revenue Improvement Bond Fund	SR	191,328,000	191,328,000	187,181,543	4,146,457	2.2%
Solid Waste Improvement Bond Fund	WB	21,198,000	21,198,000	13,913,700	7,284,300	34.4%
Capital Projects Fund	CP	80,198,300	80,198,300	60,010,626	20,187,674	25.2%
Total		292,724,300	292,724,300	261,105,869	31,618,431	10.8%
Human Services						
General Improvement Bond Fund	GI	32,000,000	32,000,000	31,997,000	3,000	0.0%
Community Development Fund	CD	6,916,341	6,916,341	6,876,819	39,522	0.6%
Federal Grants Fund	FG	4,947,330	4,947,330	4,307,362	639,968	12.9%
Capital Projects Fund	CP	21,077,000	21,077,000	8,256,000	12,821,000	60.8%
Total		64,940,671	64,940,671	51,437,181	13,503,490	20.8%
Culture-Recreation						
General Improvement Bond Fund	GI	33,452,763	33,731,363	24,393,579	9,337,784	27.7%
Federal Grants Fund	FG	-	184,367	184,367	-	0.0%
Capital Projects Fund	CP	20,217,039	20,217,039	12,946,677	7,270,362	36.0%
Total		53,669,802	54,132,769	37,524,624	16,608,146	30.7%

**Figure 9-3: Executive Capital Budget FY 2015
Summary of Results by Function and Fund (Continued)**

		Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
Utilities or Other Enterprises						
General Improvement Bond Fund	GI	250,000	250,000	-	250,000	100.0%
Highway Improvement Bond Fund	HI	17,723,000	17,723,000	13,718,456	4,004,544	22.6%
Federal Grants Fund	FG	31,526,000	33,595,267	26,111,845	7,483,422	22.3%
Total		49,499,000	51,568,267	39,830,301	11,737,966	22.8%
All Functions						
Community Development Fund	CD	6,916,341	6,916,341	6,876,819	39,522	0.6%
Federal Grants Fund	FG	42,239,330	44,944,278	33,355,063	11,589,215	25.8%
General Improvement Bond Fund	GI	134,846,863	134,846,863	111,197,398	23,649,465	17.5%
Highway Improvement Bond Fund	HI	178,973,000	178,973,000	157,721,195	21,251,805	11.9%
Sewer Revenue Improvement Bond Fund	SR	191,328,000	191,328,000	187,181,543	4,146,457	2.2%
Solid Waste Improvement Bond Fund	WB	32,685,900	32,685,900	22,981,404	9,704,496	29.7%
Capital Projects Fund	CP	121,842,339	121,842,339	81,213,303	40,629,036	33.3%
Grand Total		708,831,773	711,536,721	600,526,726	111,009,996	15.6%



CHAPTER NINE

D. STATUS OF COUNCIL ADDED
PROJECTS

Figure 9-4: Status of Council Added Capital Improvement Projects

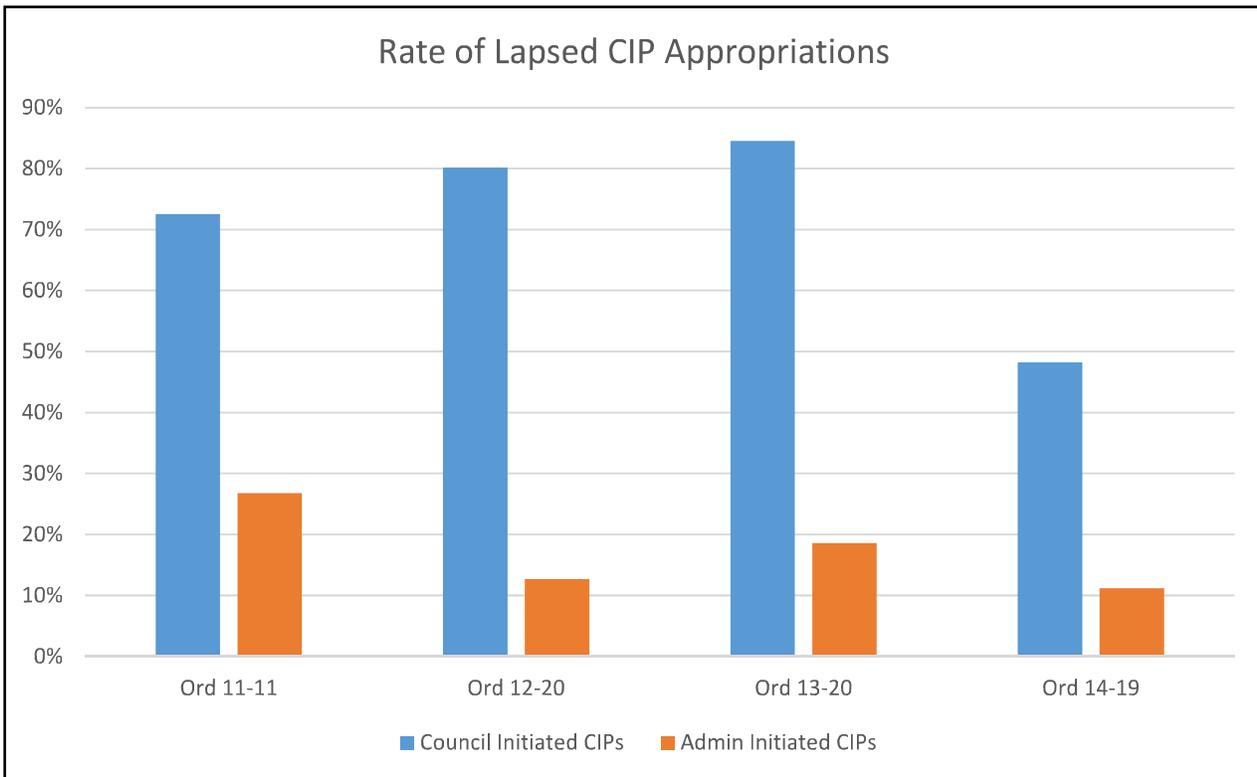
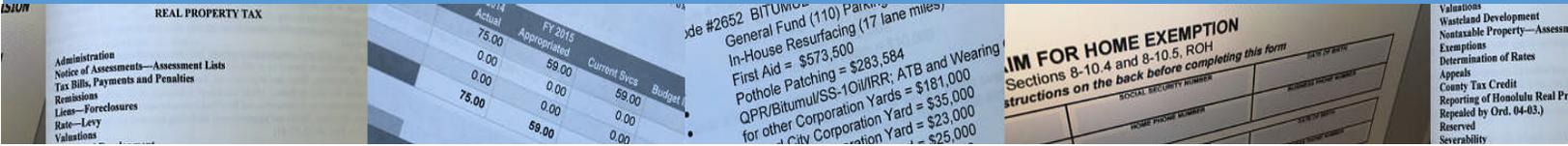


Figure 9-4 illustrates the rate of lapsed appropriations for Council-initiated projects starting from FY 2012 through FY 2015. For the purposes of this report, “Council-initiated projects” includes projects added by the Council (as denoted by asterisk on the amendment list) but does not include projects amended by the Council. The rate of appropriation lapses has been expressed as a percent of total

appropriations. In FY 2015, the rate of lapsed CIP appropriations dropped significantly for both Council- and Administration-initiated projects to 48 and 11 percent respectively, as compared to the prior year’s rates of 85 and 19 percent, respectively. For more detailed information regarding specific Council-initiated projects for FY 2015, please refer to Figure 9-1 and look for projects marked with an asterisk (*).





CHAPTER TEN

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

A. HART OPERATING BUDGET

ACTUAL VS. BUDGETED REVENUES AND OPERATING EXPENDITURES: FY 2015 AND FY 2016

This is a comparison of actual versus budgeted revenues and expenditures for the HART operating budget. The review covers FY 2015 and FY 2016. Negative revenue variance amounts mean actual revenues were below the amounts budgeted.

Figure 10-1: FY 2015 and FY 2016 HART Budget Revenue Variances

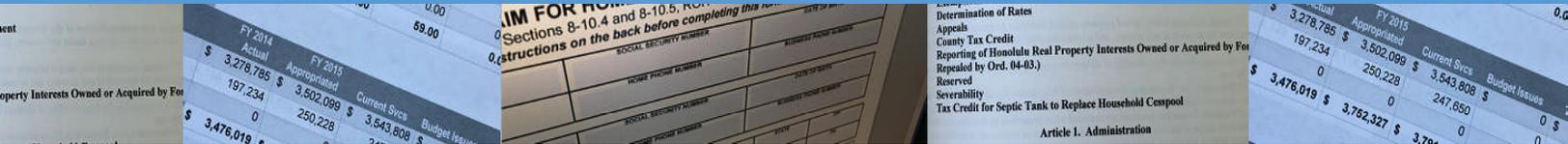
Revenue Source	FY 2015 Budgeted	FY 2015 Actual	Variance From Budget
State GET Surcharge	\$224,000,000	\$223,666,342	(\$333,658)
FTA Reimbursement	\$382,200,000	\$158,034,519	(\$224,165,481)

Revenue Source	FY 2016 Budgeted	FY 2016 Actual	Variance From Budget
State GET Surcharge	\$231,105,000	\$233,323,231	\$2,218,231
FTA Reimbursement	\$178,949,425	\$186,998,546	\$8,049,121

Figure 10-2: FY 2015 and FY 2016 HART Operating Budget Expenditure Variances

FY 2015 Budgeted	FY 2015 Actual	Variance from Budget
\$21,481,029	\$17,730,898	\$3,750,131

FY 2016 Budgeted	FY 2016 Actual	Variance from Budget
\$29,212,800	\$18,577,497	\$10,635,303

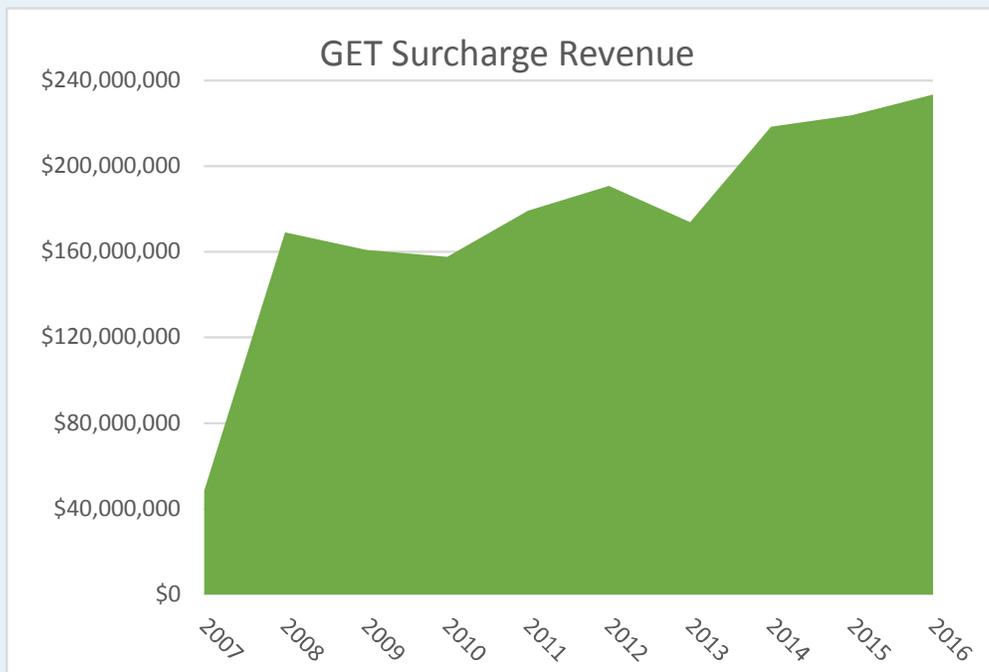


HART HISTORICAL REVENUES

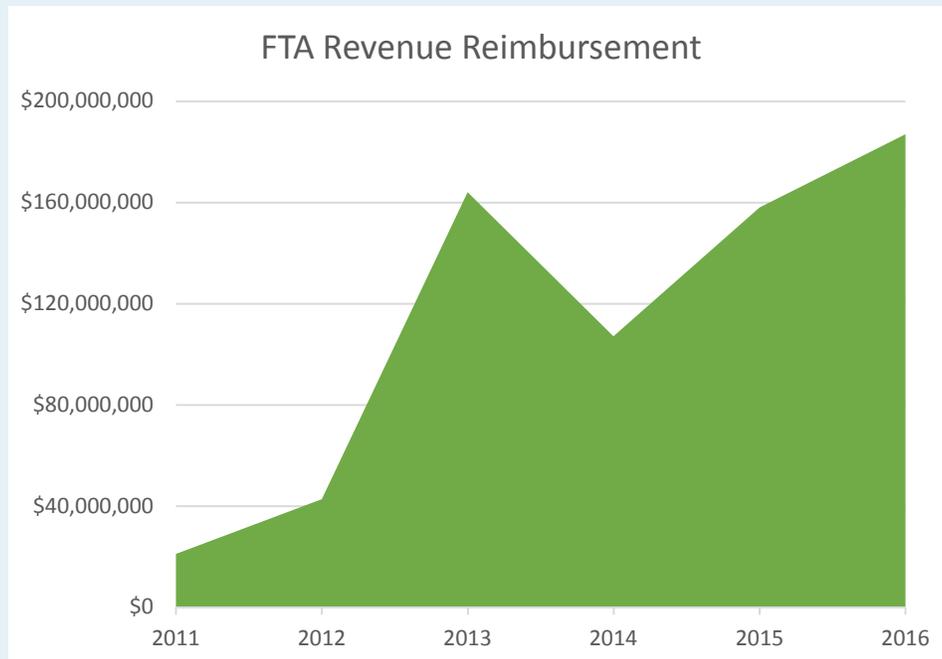
HART currently receives monies from two revenue sources for the rail project: 1) the State General Excise Tax County Surcharge and 2) reimbursements from the Federal Transit

Authority (FTA) for rail design and construction expenses. The historical revenues trends for HART are shown in the following two charts.

Figure 10-3: GET Surcharge Revenue



This chart shows the amount of historical general excise tax surcharge revenues raised by the City. GET surcharge revenues have increased by over \$50 million per year since the first full fiscal year of collections in 2008.

Figure 10-4: FTA Reimbursement Revenues

Under the Full Funding Grant Agreement entered into by the City and the FTA, the FTA has agreed to reimburse the City for expenses relating to the construction of the rail project. This chart shows the historical reimbursement made by the FTA to the City for expenses relating to the transit project. As spending on the project has increased, the reimbursement amounts have increased significantly.

CHANGE IN REVENUES AND OPERATING EXPENDITURES: FY 2014, FY 2015, & FY 2016

This is a comparison of the actual revenues and operating expenses for HART for FY 2014, FY 2015 and FY 2016.

Figure 10-5: FY 2015 and FY 2016 HART Budget Revenue Variances

Revenue Source	FY 2015 Actual	FY 2014 Actual	Variance
State GET Surcharge	\$223,666,342	\$218,390,853	\$5,275,489
FTA Reimbursement	\$158,034,519	\$107,116,948	\$50,917,571

Revenue Source	FY 2016 Actual	FY 2015 Actual	Variance
State GET Surcharge	\$233,323,231	\$223,666,342	\$9,656,889
FTA Reimbursement	\$186,998,546	\$158,034,519	\$28,964,027

Figure 10-6: FY 2015 HART Actual Expenditure Variances

Operating Expenses	FY 2015 Actual	FY 2014 Actual	Variance
Administration and General	\$11,721,853	\$12,015,351	(\$293,498)
Fringe Benefits	\$4,383,253	\$3,835,579	\$547,674
Contractual Services	\$357,133	\$1,145,619	(\$788,486)
Insurance	\$1,092,851	\$1,909,200	(\$816,349)
Utilities	\$83,590	\$221,445	(\$137,855)
Materials and Supplies	\$69,422	\$245,541	(\$176,119)
Depreciation	\$17,722	\$36,622	(\$18,900)
Maintenance	\$5,074	\$7,423	(\$2,349)
Total Operating Expenses	\$17,730,898	\$19,416,780	(\$1,685,882)

Figure 10-7: FY 2016 HART Actual Expenditure Variances

Operating Expenses	FY 2016 Actual	FY 2015 Actual	Variance
Administration and General	\$13,584,993	\$11,721,853	\$1,863,140
Fringe Benefits	\$4,364,512	\$4,383,253	(\$18,741)
Contractual Services	\$465,111	\$357,133	\$107,978
Insurance	\$71,051	\$1,092,851	(\$1,021,800)
Utilities	\$4,765	\$83,590	(\$78,825)
Materials and Supplies	\$64,267	\$69,422	(\$5,155)
Depreciation	\$17,646	\$17,722	(\$76)
Maintenance	\$5,152	\$5,074	\$78
Total Operating Expenses	\$18,577,497	\$17,730,898	\$846,599

B. HART CAPITAL ASSETS

CHANGE IN NET CAPITAL ASSETS: FY 2014, FY 2015 & FY 2016

This is a comparison of the Net Capital Assets for HART for FY 2014, FY 2015, and FY 2016.

Figure 10-8: FY 2014-2015 and FY 2015-2016 Net Capital Assets Variances

FY 2015 Budgeted	FY 2015 Actual	Variance from Budget
\$21,481,029	\$17,730,898	\$3,750,131

FY 2016 Budgeted	FY 2016 Actual	Variance from Budget
\$29,212,800	\$18,577,497	\$10,635,303





CHAPTER ELEVEN

APPENDIX: DATA SOURCES

Figure 1A-1

Capital Budget Ordinances FY 2007-2015, 99-PA, CIP Prior, City and County of Honolulu Enterprise Resource Planning System.

Figure 1A-2

City Road Repaving, Office of the Mayor, <https://www.honolulu.gov/mayor/may-priorities/188-site-may-cat/1780-the-priorities-roads.html>.

Figure 1B-1

Review of Resolutions, City Council Records Collection (2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016).

Figure 1B-2

Table II-7, Annual Report on the Status of Land Use on Oahu, FY 2014, Department of Planning and Permitting.

Figure 2-1

Total Spending Per Person by County. Statement of Activities, Comprehensive Annual Financial Report, City and County of Honolulu, Maui County, Hawaii County, Kauai County. Resident Population: Hawaii Data Book (prior and current year-projected).

Figure 2-2

RPT Revenues vs. Total Expenditures. Budget Summaries, Executive Program and Budget.

Figure 2-3

RPT Revenues vs. Employee Costs. RPT: Detailed Statement of Revenues. Salaries, benefits, employee count: Budget Summaries. Both from Executive Program and Budget, City and County of Honolulu (budgeted year, current year-estimated, prior years-actual).

Figure 2-4

City Revenues vs. Personal Income. Revenues: Budget Summaries, Executive Program and Budget; Income: Hawaii Data Book and Department of Business, Economic Development, and Tourism (latest projection).

**Figure 2-5**

Composition of City Spending. Budget Summaries, Executive Program and Budget (prior years-actual).

Figure 3-1

Assets (Total Net Position). Management's Discussion and Analysis, Net Position by Component, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 3-2

Solid Waste Disposal Facility Fund. Proprietary Funds, Statement of Net Position, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 3-3

Sewer Fund. Proprietary Funds, Statement of Net Position, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 3-4

Bus Transportation Fund. Proprietary Funds, Statement of Net Position, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 3-5

Housing Development Special Fund. Proprietary Funds, Statement of Net Position, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 4-1

Affordable Housing Fund. Balance Sheet and Schedule of Revenues, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 4-2

Clean Water and Natural Lands Fund. Balance Sheet and Schedule of Revenues, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 4-3

Grants in Aid Fund. Balance Sheet and Schedule of Revenues, Comprehensive Annual Financial Report, City and County of Honolulu.

Figure 5-1

Total Authorized Debt Per Person. Executive Program and Budget, City and County of Honolulu: Fact Sheet (Resident Population); Statement of Legal Debt Margin (Net Funded Indebtedness, Bonds Authorized and Unissued).

Figure 5-2

Authorized Debt. Statement of Legal Debt Margin, Executive Program and Budget, City and County of Honolulu.

Figure 5-3

Compliance with General Obligation Debt Service Policy (Actual and Projected). Policy Resolutions 96-26 through 06-222 and Executive Program and Budget, City and County of Honolulu, Budget Summaries, Debt Service and General Fund Detailed Statement of Revenues. Only sewer, solid waste, and housing debt service are excluded. Departmental Communication 101, 2012. FY 2017 Executive Program and Budget, City and County of Honolulu, Strategic Planning Six Year Projection by Function, of Resources.

Figure 5-4

General Bonded Debt Per Person by County. Computation of Legal Debt Margin, Comprehensive Annual Financial Report and Executive Program and Budget, City and County of Honolulu; CAFR for Maui, Hawaii, Kauai counties; Resident Population: Hawaii Data Book.

Figure 6-1

Real Property Taxes By Tax Class. City and County of Honolulu Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii.

Figure 6-2

Ratio of Tax Revenues to Values by Property Class. City and County of Honolulu Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii.

Figure 6-3

Value of Tax Exemptions. City and County of Honolulu Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii.

Figure 6-4

Average Tax Bills. Taxes From Real Property By Tax Class. City and County of Honolulu Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii.

Figure 6-5

Average Residential Property Tax Bills by County. City and County of Honolulu, Maui County, Hawaii County, Kauai County Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii. Pre-2009 figures for Honolulu residential class computed using weighted average of Improved Residential and Apartment tax bills.

Figure 6-6

Average Business Property Tax Bills by County. City and County of Honolulu, Maui County, Hawaii County, Kauai County Real Property Tax Valuation, Real Property Tax Valuations, Tax Rates and Exemptions, State of Hawaii.

Figure 7-1

General Fund Unreserved Balances. General Fund Schedule of Revenues, Expenditures and changes in Fund Balance, Budget vs. Actual, Comprehensive Annual Financial Report, City and County of Honolulu and Executive Program and Budget, City and County of Honolulu.

Figure 7-2

Variations in Real Property Tax Revenues. General Fund Detailed Statement of Revenue, Executive Program and Budget, City and County of Honolulu (as may be amended by operating budget ordinance), budget vs. actual.

Figure 7-3

General Fund Unreserved Balances by County. General Fund Schedule of Revenues, Expenditures and changes in Fund Balance, Budget vs. Actual, Comprehensive Annual Financial Report, City and County of Honolulu, Maui County, Hawaii County, Kauai County.

Chapter 8 General Fund Overview

General Fund Overview. General Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance; General Fund, Schedule of Revenues, Budget and Actual; and General Fund, Budgetary Comparison Schedule; both from Comprehensive Annual Financial Report, City and County of Honolulu. Detailed Statement of Revenues, Executive Program and Budget. Amendment to General Fund Detailed Statement of Revenues, executive operating budget ordinance. GL5, City and County of Honolulu Enterprise Resource Planning System.

Figure 8-1

Major General Fund Revenue Variances. GL5, City and County of Honolulu Enterprise Resource Planning System; CAFR General Fund, Schedule of Revenues, Budget and Actual.

Figure 8-2

Major Appropriation Lapses by Activity. 99-PA, City and County of Honolulu Enterprise Resource Planning System

Figure 8-3

Legislative Budget. Legislative budget ordinance, 99-PA, 99-PQ, City and County of Honolulu Enterprise Resource Planning System.

Figure 8-4

Executive and Legislative Budget Summary of Results by Fund. Executive operating and legislative budget ordinances, 99-PA, City and County of Honolulu Enterprise Resource Planning System

Figure 8-5

Major General Fund Revenue Assumptions. GL5, City and County of Honolulu Enterprise Resource Planning System.

Figure 9-1

Executive Capital Budget. 99-PA, CIP Prior, City and County of Honolulu Enterprise Resource Planning System; Executive Capital Budget Ordinance.

Figure 9-2

Major Project Adjustments. Excerpts from Figure 8-1; Executive Capital Budget Ordinance.

Figure 9-3

Executive Capital Budget. Summary of Results by Function and Fund. 99-PA, CIP Prior, City and County of Honolulu Enterprise Resource Planning System.

Figure 9-4

Executive Capital Budget. Council Added Projects. 99-PA, CIP Prior, City and County of Honolulu Enterprise Resource Planning System. Ordinances 11-11, 12-20, 13-20, 14-19.

Figure 10-1

Executive Operating Budget Ordinances 14-18 and 15-25. HART Operating Budget Ordinances 14-20 and 15-27. FY 2015 and FY 2016 Executive Program and Budget. Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016).

Figure 10-2

Executive Operating Budget Ordinances 14-18 and 15-25. HART Operating Budget Ordinances 14-20 and 15-27. FY 2015 and FY 2016 Executive Program and Budget. Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016).

Figure 10-3

Historical General Excise Tax Surcharge Revenues, D-657 (2016), HART Quarterly Report to the Council regarding the County Surcharge.

Figure 10-4

Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016). Financial Plan for the Full Funding Grant Agreement (June 2012).

Figure 10-5

Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016).

Figure 10-6

Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016).

Figure 10-7

Financial Statements and Independent Auditor's Report, Honolulu Authority for Rapid Transportation (2014, 2015, 2016).

