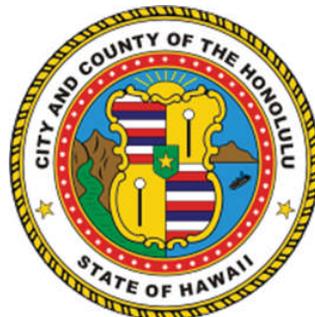




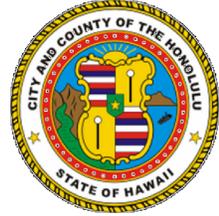
# Status of the City's Finances



**18th Edition**







March 9, 2018

Dear Council Chair Menor and Councilmembers,

We are pleased to transmit to the Honolulu City Council the *Status of the City's Finances* for 2018. Each year, the Office of Council Services (OCS) prepares this brief to aid Councilmembers during the City's annual budget cycle. The 2018 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 section includes a discussion of appropriations, expenditures, and lapses for the provision for judgment and losses.

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 2019 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 2017 and a brief review of HART revenues and expenditures. 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 twelve-year encumbered/expenditure rate for monies appropriated by the Council for the Provision for Judgment and Losses is 29.9 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 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 but remained relatively high at \$140 million.*
- *The largest operating budget lapse was \$19.0 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 Culture - Recreation where 52.7 percent lapsed.*
- *Excluding federal and state funds, in the capital budget, the General Bond Improvement Fund had the largest lapse rate at 27.8 percent.*



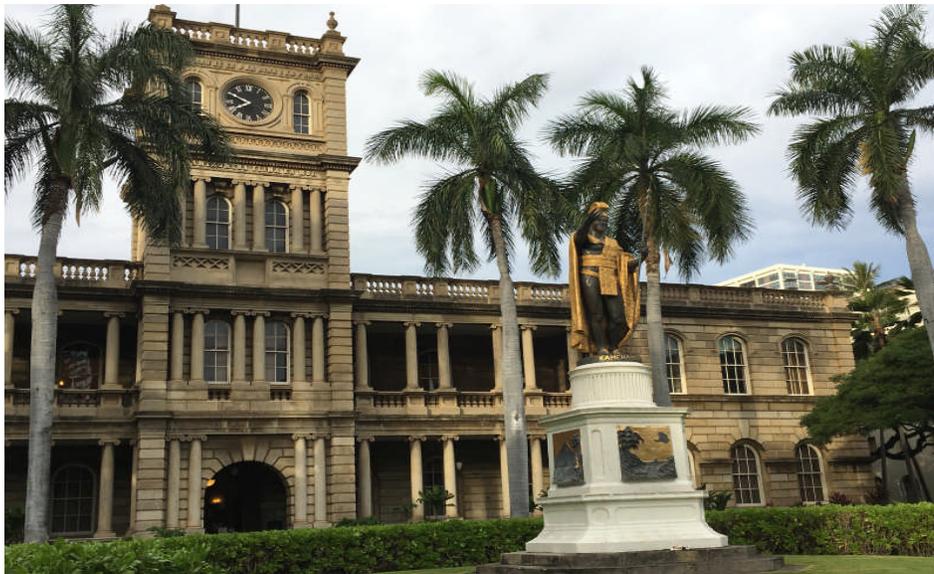
## CHAPTER ONE

# SPECIAL FOCUS

## PROVISION FOR JUDGMENTS AND LOSSES

This section provides a discussion of the Council's direct and delegated authority in regards to claims settled by the City, and reviews the trend

of monies budgeted and spent for the City's Provision for Judgment and Losses over the past 12 years as appropriated by the Council.



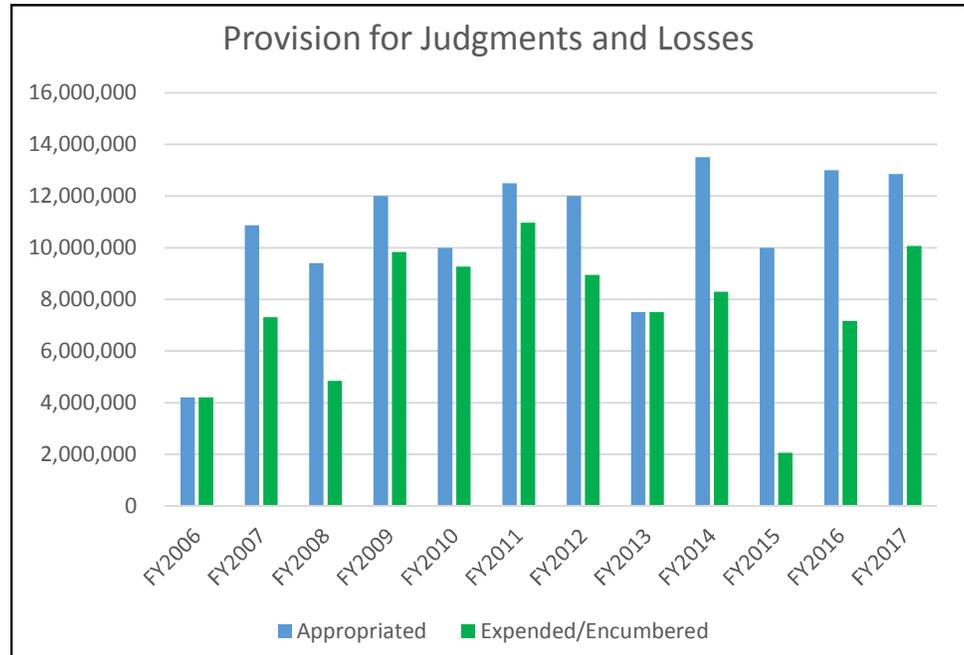
In 1996, the Hawaii Supreme Court held in *Harris v. DeSoto*, 80 Haw. 425, 911 P.2d 60 (1996), that an ordinance to vest exclusive authority in the Council to settle claims with City funds was valid, except when the settlement would involve a function allocated under the Charter to the Executive Branch. Over the years, the Council has delegated some of its authority to the Department of the Corporation Counsel ("COR"). Section 2-3.4, Revised Ordinances of Honolulu ("ROH") sets forth the general procedure governing Council approval for settlement of claims against the City, except

for claims that meet the criteria set forth in ROH Section 2-3.1, subsections (d) through (h), which allows certain claims to be settled by COR without Council approval. The Revised Charter of the City and County of Honolulu 1973 (2017 Edition) provides that compensation for such legal work conducted or supervised by COR must be agreed upon by the Council. The Council exercises this authority directly through the approval of settlements by adoption of a resolution and indirectly by the appropriation of monies for the Provision for Judgments and Losses in anticipation of expenses related to



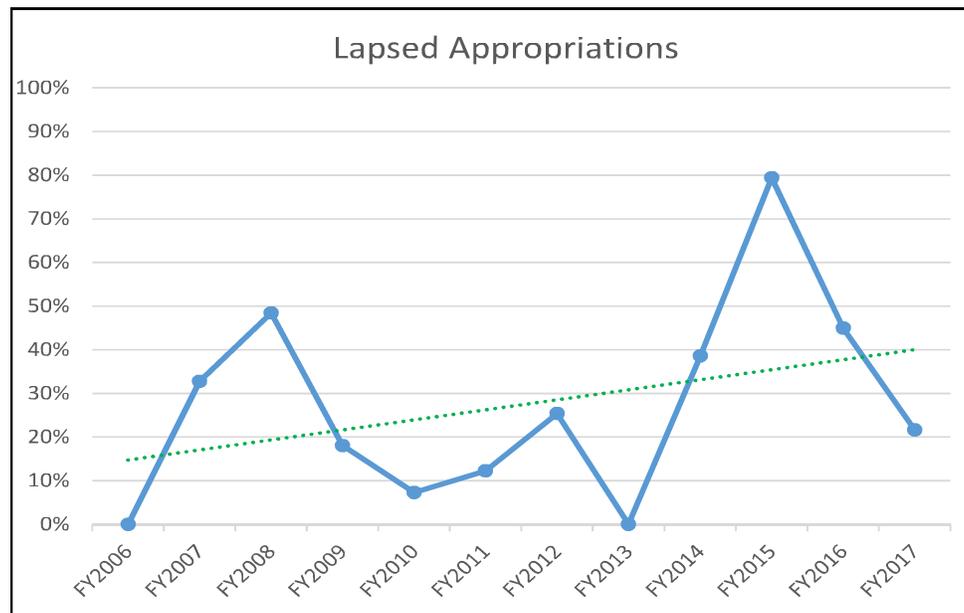
**Figure 1-1: 12-year trend of Appropriations and Expenditures/Encumbrances**

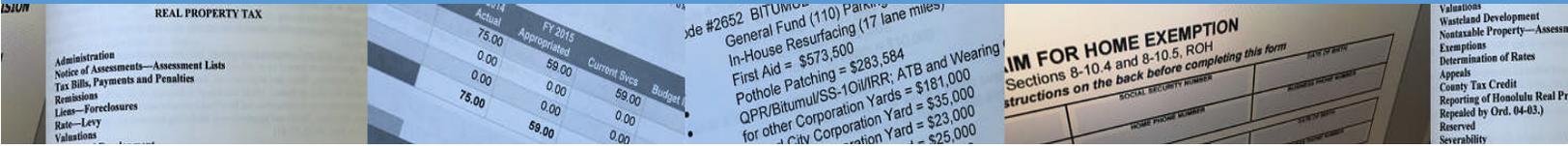
A compilation of data over a period of 12 years comparing Council-approved appropriations vs. actual expenditures/encumbrances for the Provision for Judgment and Losses shows that appropriated monies usually far exceed actual expenditures/encumbrances (with the exception of FY 2006 and FY 2013).



**Figure 1-2: Rate of Lapses**

The trend line (shown in green) for lapsed appropriations show a gradual but steady increase over the past 12 years. The year-to-year change in lapsed appropriations is shown in blue.





CHAPTER TWO

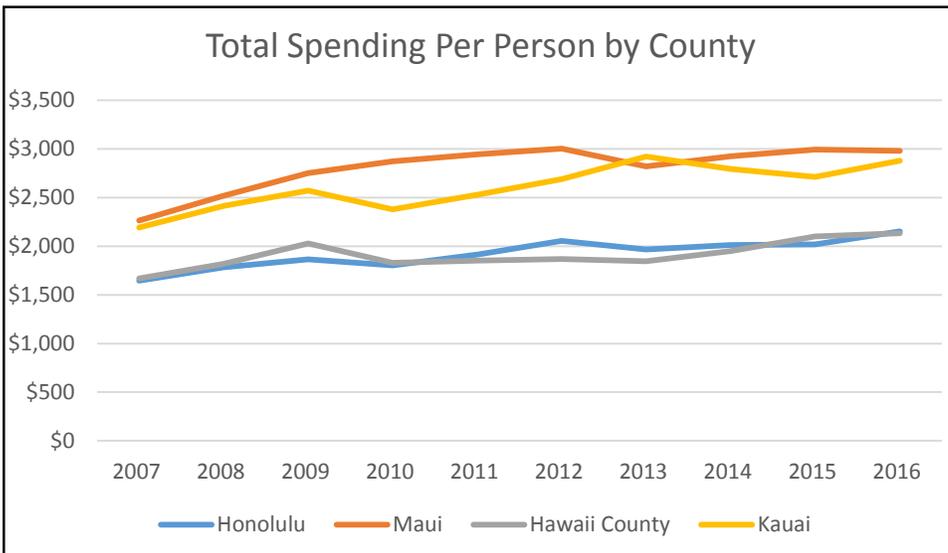
# SIZE OF THE CITY BUDGET

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.

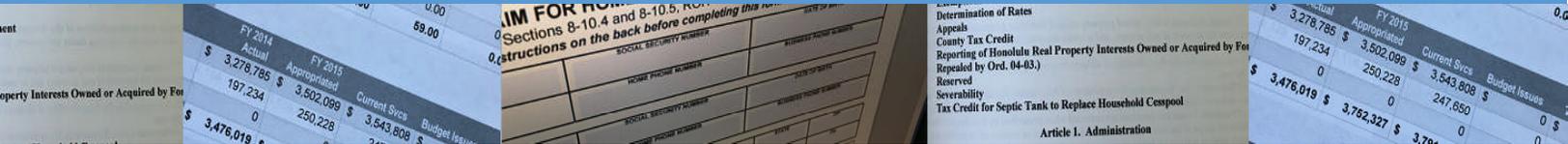
City spending on operations is controlled through the operating budget. In this section, spending on operations is examined to see how the City and County of Honolulu's spending and taxation have grown over time, and how that growth compares to the growth in income of City residents and to the spending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

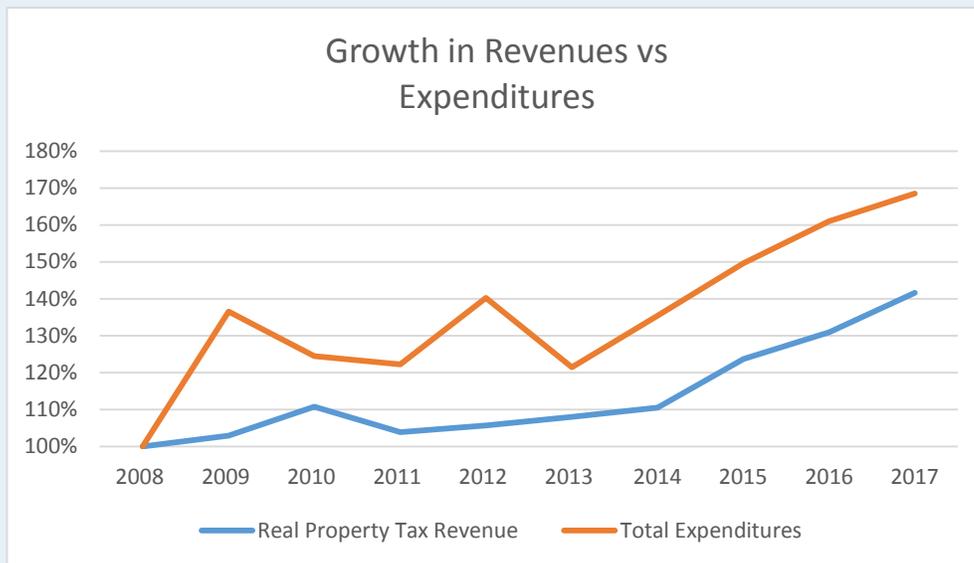
Figure 2-1: Total Spending Per Person by County



In FY 2016, Maui continued its general trend of higher per-person spending for a third fiscal year. The spending trends of Maui and Kauai remained substantially higher per resident than those of Hawaii County and Honolulu. Honolulu and Hawaii County both experienced a slight increase.

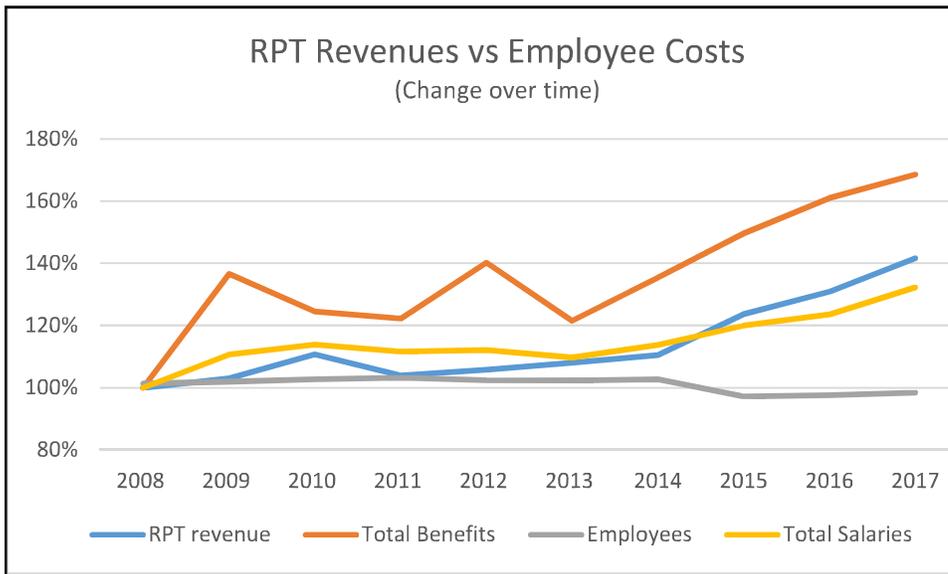


**Figure 2-2: Revenues vs Expenditures**



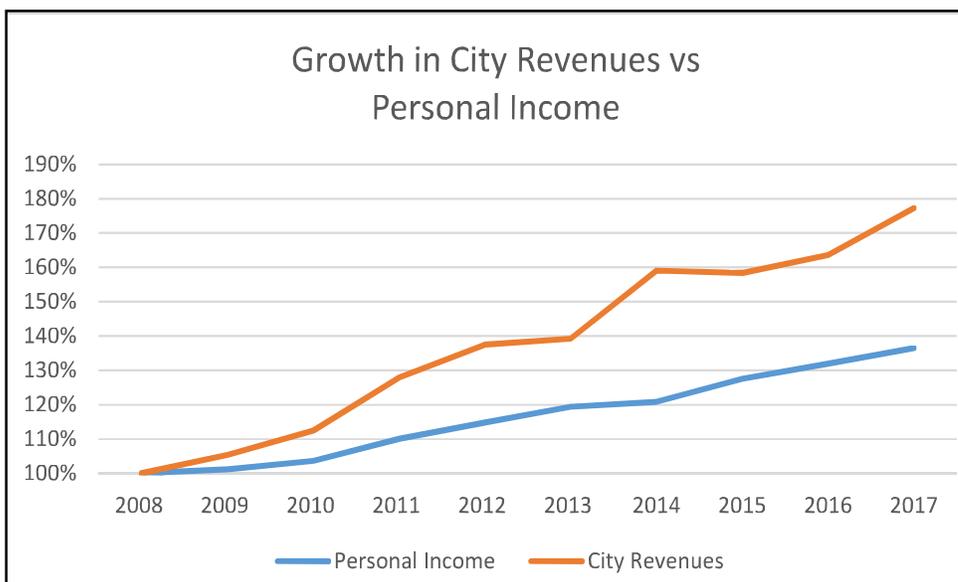
The City's operating expenses largely reflect the cost of salaries and employee benefits (including benefits for retired employees). The City's largest single revenue source is the real property tax, which accounts for over a third of operating budget resources. In the past ten years property tax revenues 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 179 percent of 2008 levels, compared to tax revenues at 158 percent.

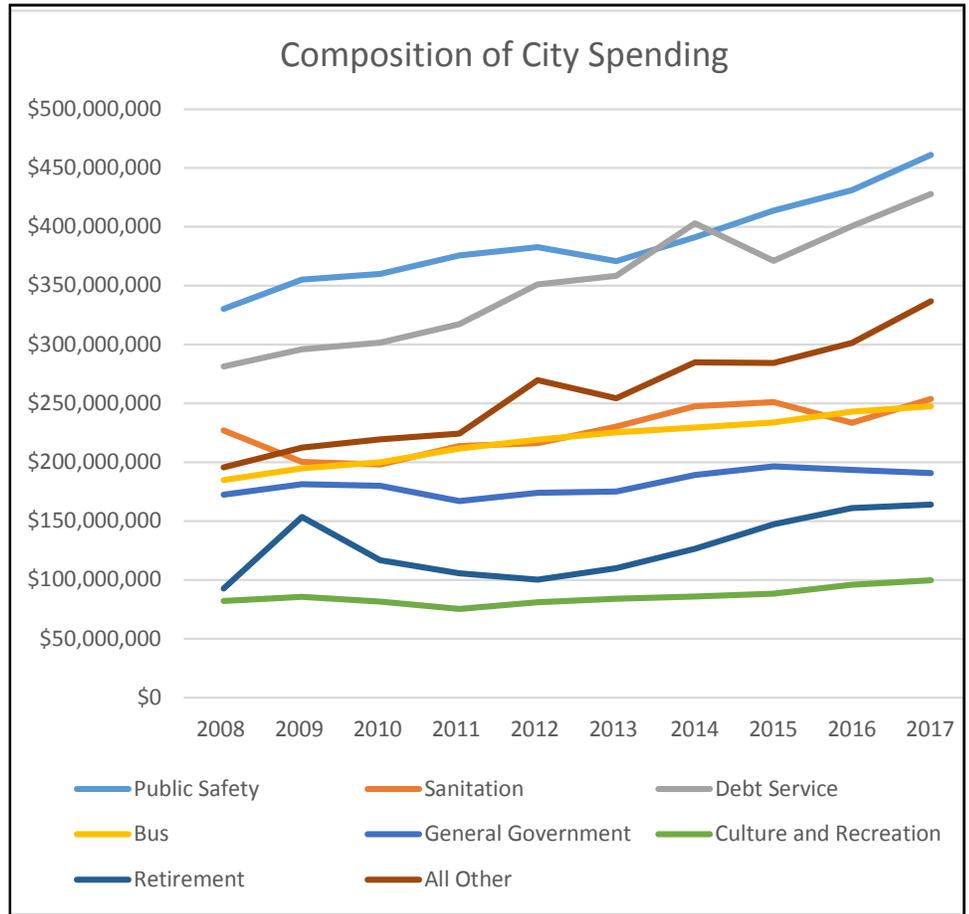
**Figure 2-4: Growth in City Revenues vs Personal Income**



One way to measure the cost of government is to see how the growth of its revenues (city taxes and fees excluding transfers from the State and federal governments) compare over time to the growth of the incomes of the people it serves. Revenue growth continued to outpace the more modest increases in personal income in 2017.

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 matching public safety as a major spending area.





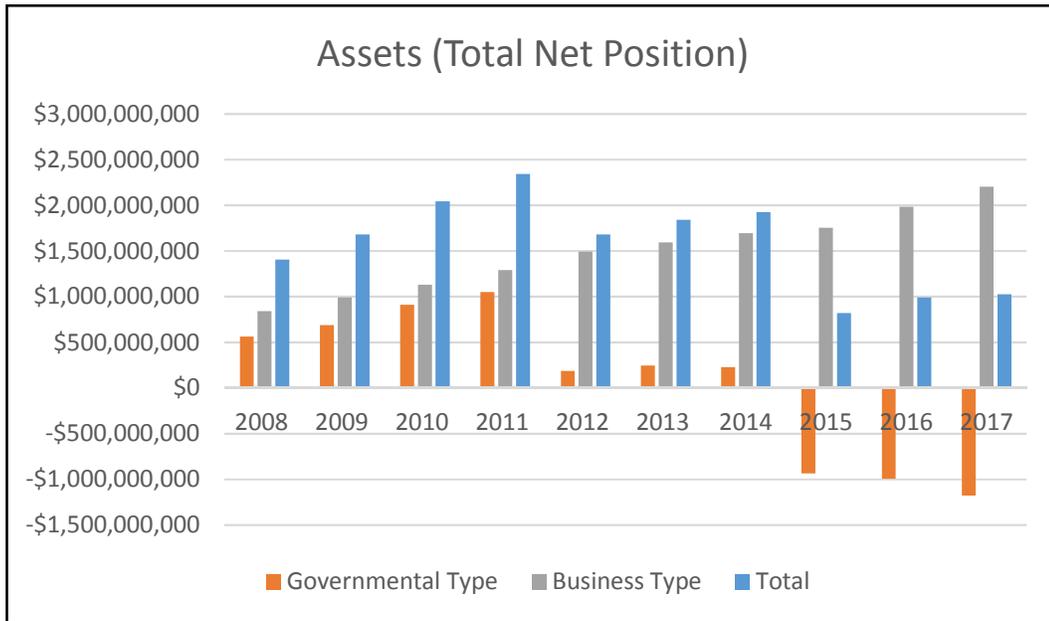
CHAPTER THREE

# 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 2017.

Figure 3-1: Assets - Total Net Position



In FY 2017, the City's total net assets grew by 3.7% or \$36.2 million. While government assets declined for a third year in a row, business assets continued their steady growth over the 10 year period.



The City's  
business  
assets grew  
by 11.1% 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

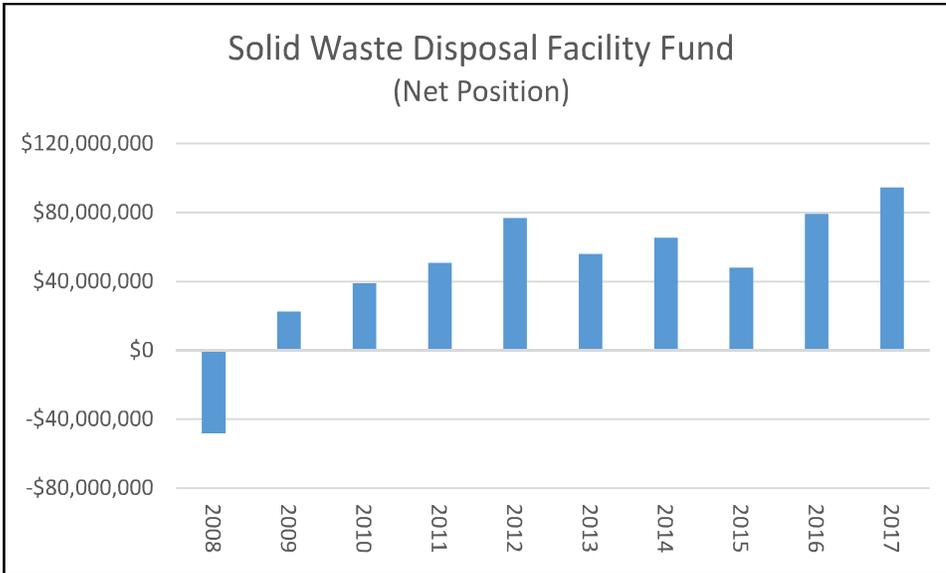
whether the City's financial position is improving or deteriorating.

The City's net assets are divided into those supported primarily by taxes, termed 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 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.

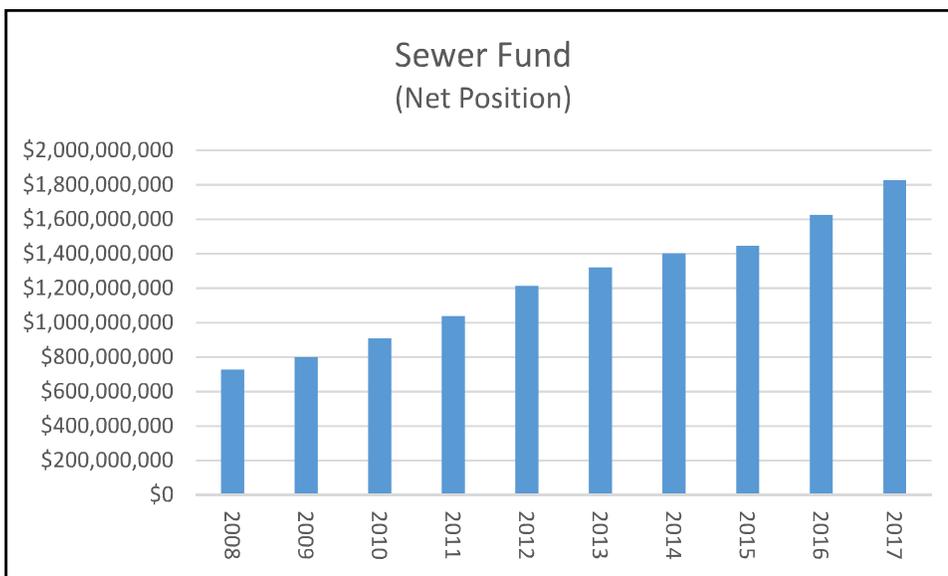
Enterprise funds are used to account for certain government activities that are run like businesses and charge fees to offset operating costs. The City has four enterprise funds: one each for the bus system, the solid waste collection and disposal system (including the H-Power waste to energy facility), 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 2017's net position of \$94.5 million is the Fund's highest in the past ten years.

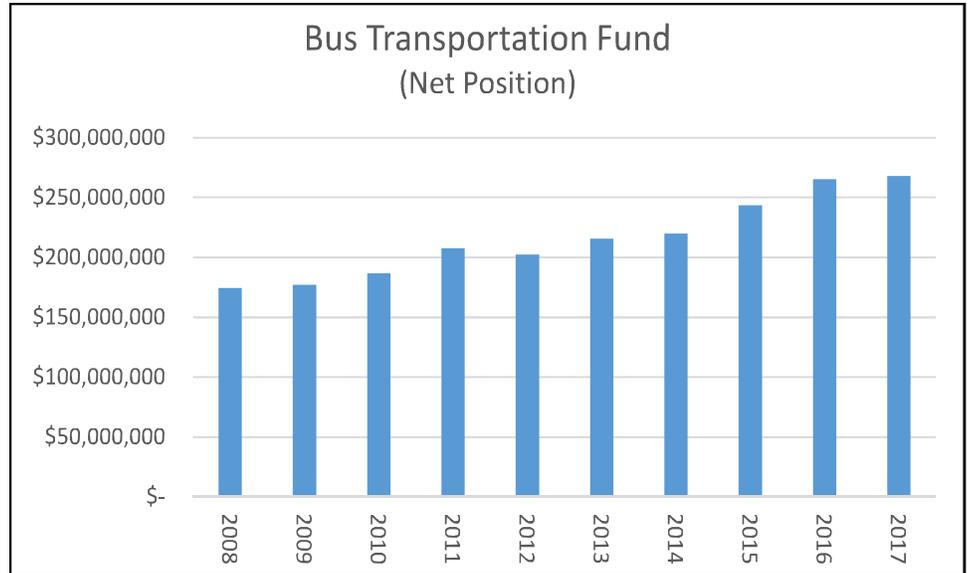
**Figure 3-3: Sewer Fund**



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 2017 continued to increase in value.

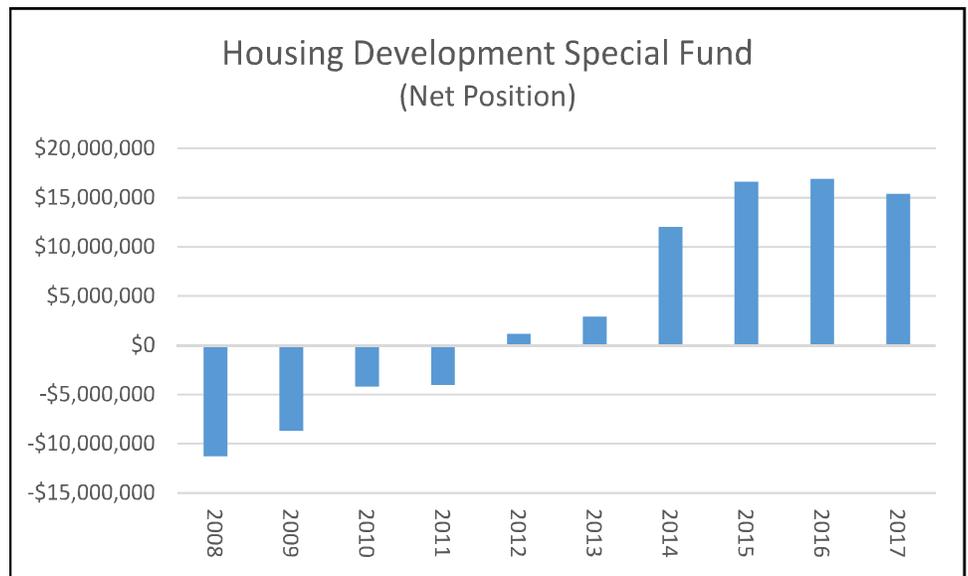
**Figure 3-4: Bus Transportation Fund**

The Bus Transportation Fund balance has remained relatively stable with an increase of approximately \$90.9 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 six years has posted a positive balance. FY 2017's net position remained relatively stable with a decline of \$1.5 million over the prior fiscal year.





CHAPTER FOUR

# CHARTER MANDATED SPECIAL FUNDS

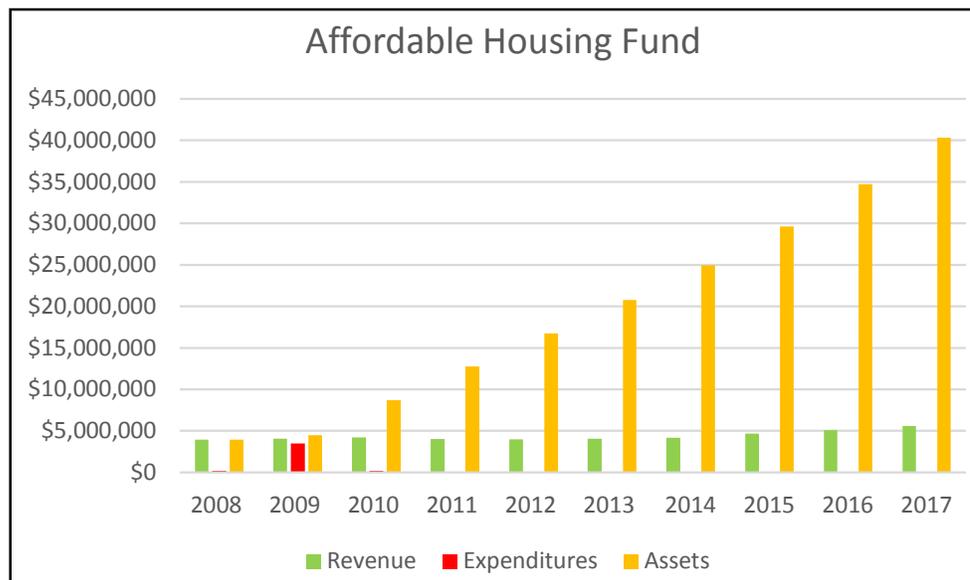
## AFFORDABLE HOUSING FUND

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 Section 9-204.3, Revised Charter of the City and County of Honolulu 1973 (2017 Edition) (“Charter”) amended in the 2016 General Election (“Charter”), specifies that the purpose of the Affordable Housing Fund is to provide and maintain affordable rental housing for persons earning 60 percent or less of the median

household income in the City for the following purposes: provision and expansion of affordable rental housing and suitable living environments in projects, which may include mixed-use, mixed-income projects, having residential units that are principally for persons of low and moderate income through land acquisition for, development of, construction of, and/or capital improvements or rehabilitation to such housing, provided that the funded housing remains affordable for at least 60 years.

Figure 4-1: Affordable Housing Fund (2008 to 2017)

*Affordable Housing Fund assets continued to grow at a steady rate with minimal spending. In FY 2017, the Affordable Housing Fund assets grew by over 5 million dollars to a total of \$40.3 million.*



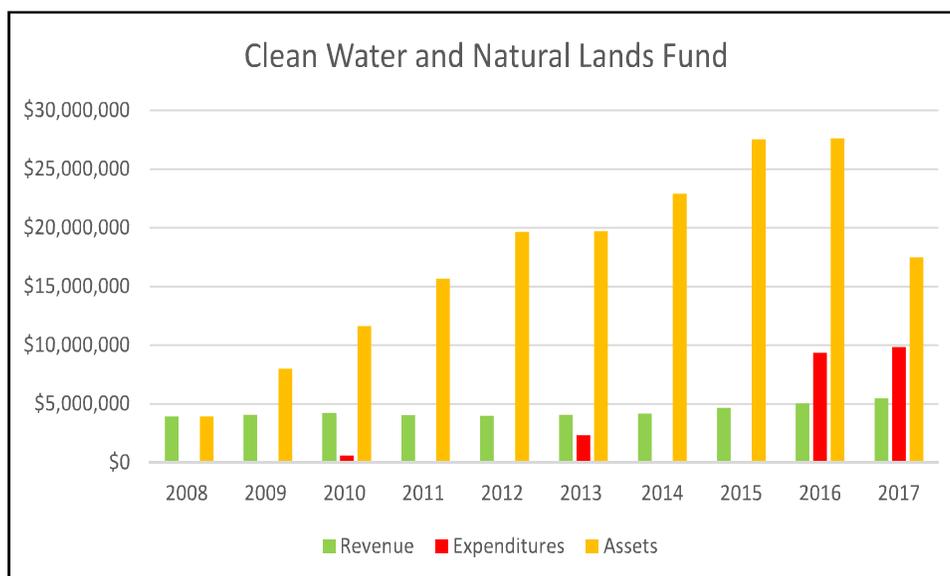


## CLEAN WATER AND NATURAL LANDS FUND

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 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 (2008 to 2017)



*In FY 2017, the Clean Water and Natural Lands assets declined to \$17.5 million,*

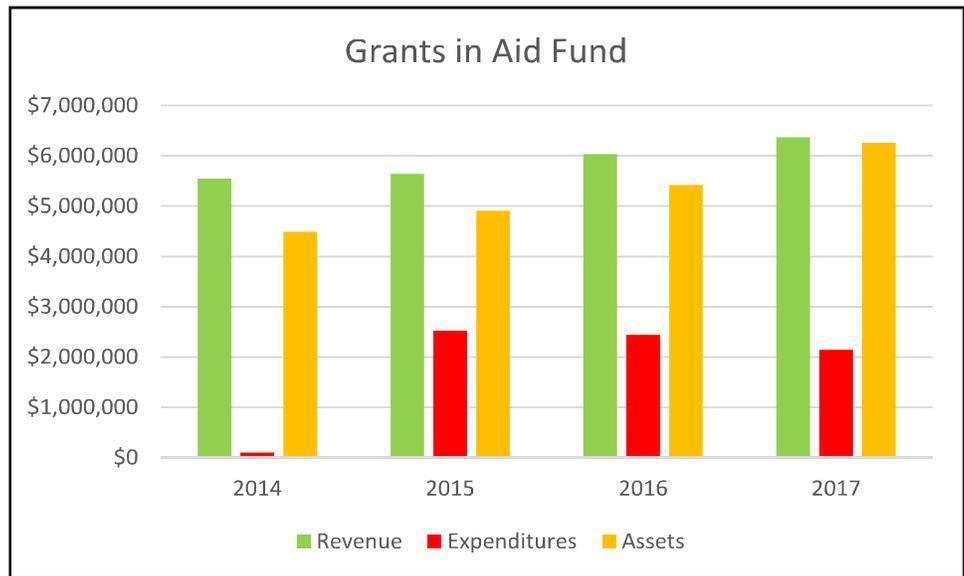
## GRANTS IN AID FUND

Pursuant to a 2012 amendment, the Grants in Aid Fund was created by Charter 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. The Grants in Aid program is administered by the Office of Grants Management housed in the Department of Community Services.

**Figure 4-3: Grants in Aid Fund**

*In FY 2017, the Grants in Aid assets grew to over \$6.0 million, with a majority of the Fund going unspent.*



## 2015 - 2016 CHARTER COMMISSION

Charter Article XV 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) Charter 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;

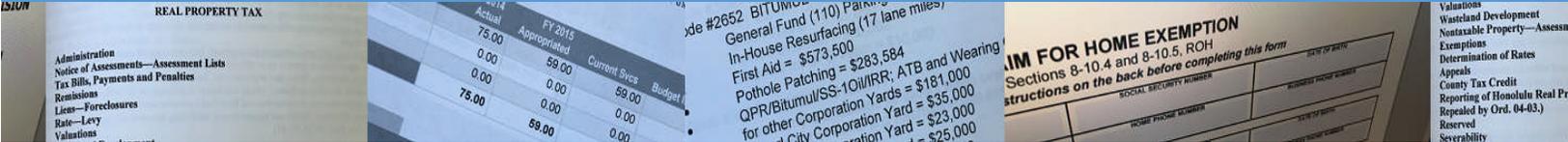
2) Charter Section 9-204 is amended to provide that all proposals to use monies from the Clean Water and Natural Land Fund must be initially received by the Department of Budget and Fiscal Services, which will then submit all qualified

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) Charter 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) from which 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

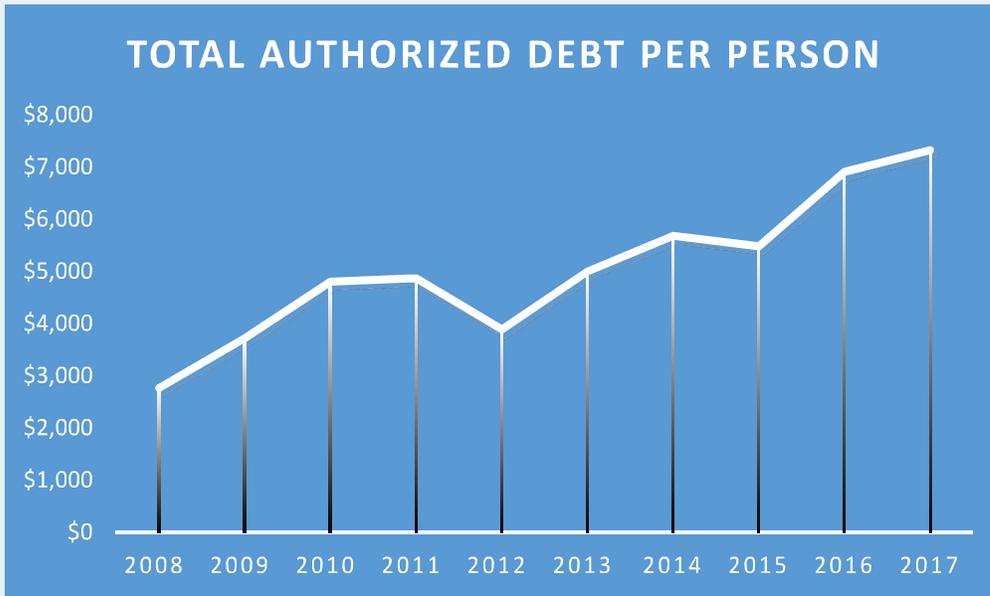
## DEBT OVERVIEW

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.

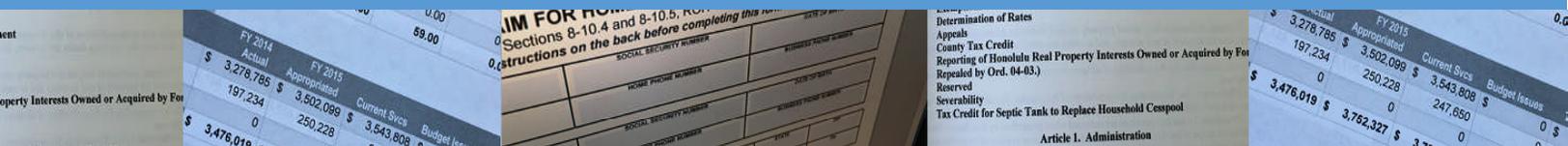
Typically, most of the monies appropriated in the capital budget are expended. The rest, usually between 10 and 20 percent, lapses,

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 2017, authorized debt climbed to a record \$7,327 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.

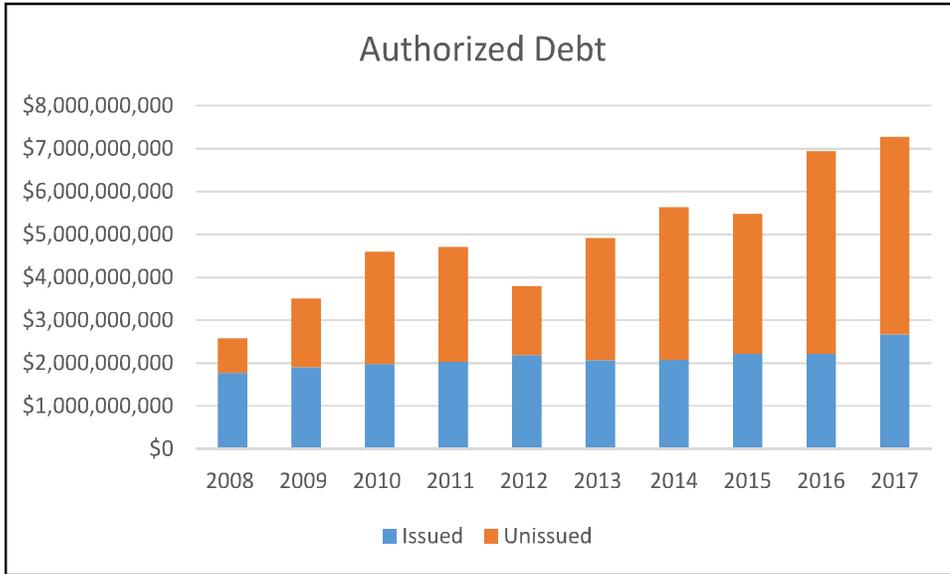
The City's  
debt service  
projections  
remain under its  
debt policy limit

## RELATIONSHIP TO CONSTRUCTION SPENDING

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

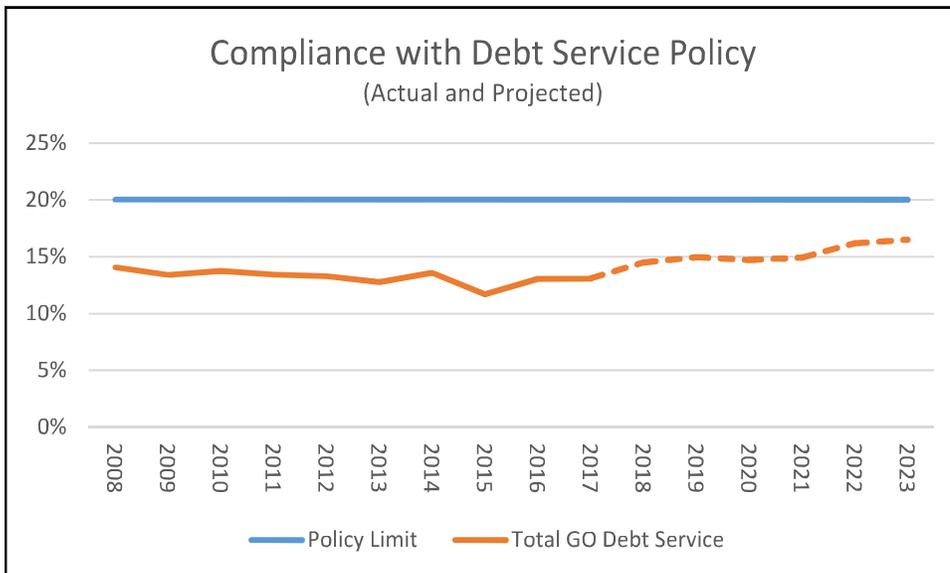
Construction spending information is recorded and reported in the City's financial reports in several ways: as an initial capital budget appropriation, as expenditures made pursuant to the appropriation, as a yearly stream of repayments included in the operating budget to retire the debt that financed 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 2017, the amount of debt authorized but unissued was \$4.6 billion. Issued debt grew to \$2.7 billion.

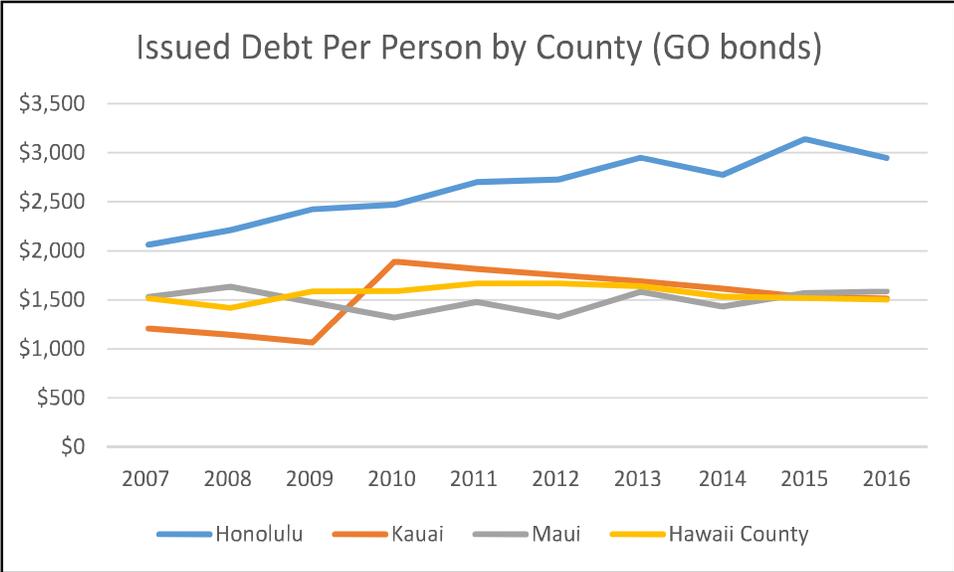
**Figure 5-3: Compliance with Debt Service Policy**



The City's current debt and financial policies, adopted in 1996, set 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 late 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 2016, Honolulu's \$2,946 of issued debt per resident far surpassed that of Maui at \$1,587, Kauai at \$1,515, and Hawaii County at \$1,501.



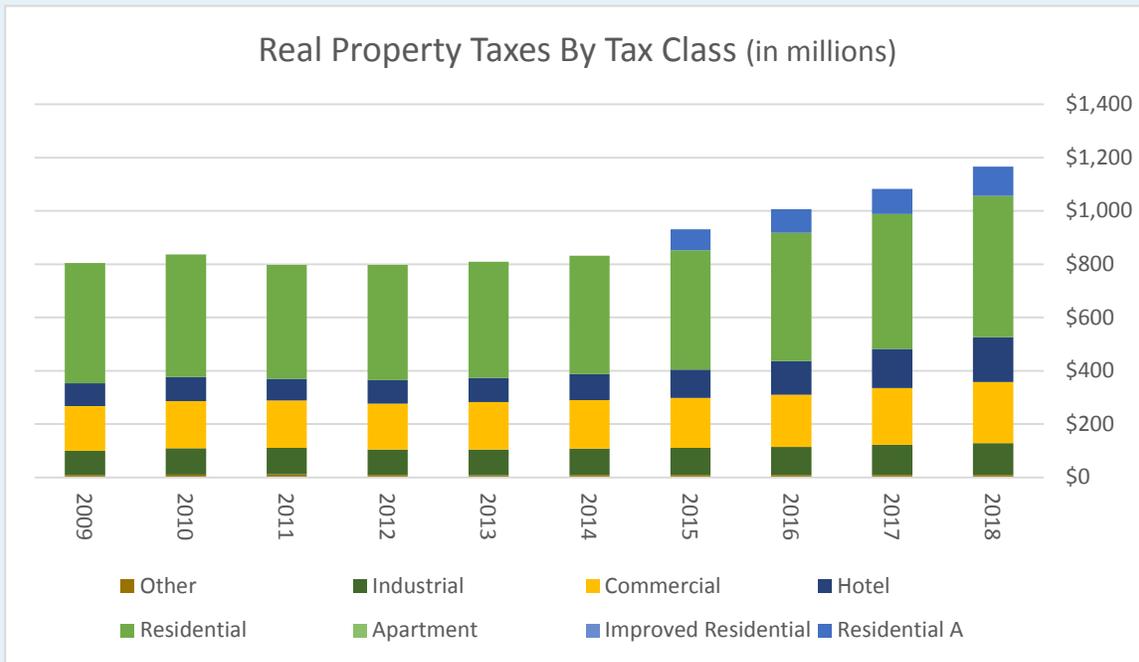


## CHAPTER SIX REAL PROPERTY TAXES

At 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

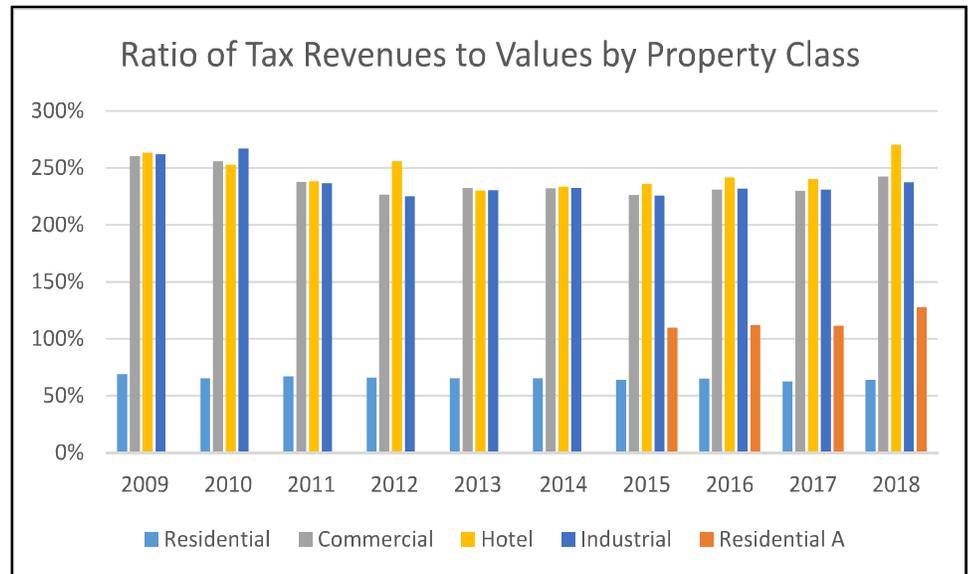


After remaining relatively steady at around \$800 million from FY 2009 to FY 2014, property tax revenues have been steadily growing and are projected to reach over \$1.1 billion in FY 2018. All of the larger tax classes saw revenue gains. The Residential A class, created in FY 2015, is responsible for the bulk of the residential property tax revenue gains and continues to be a significant source of overall revenue growth projected for FY 2018.



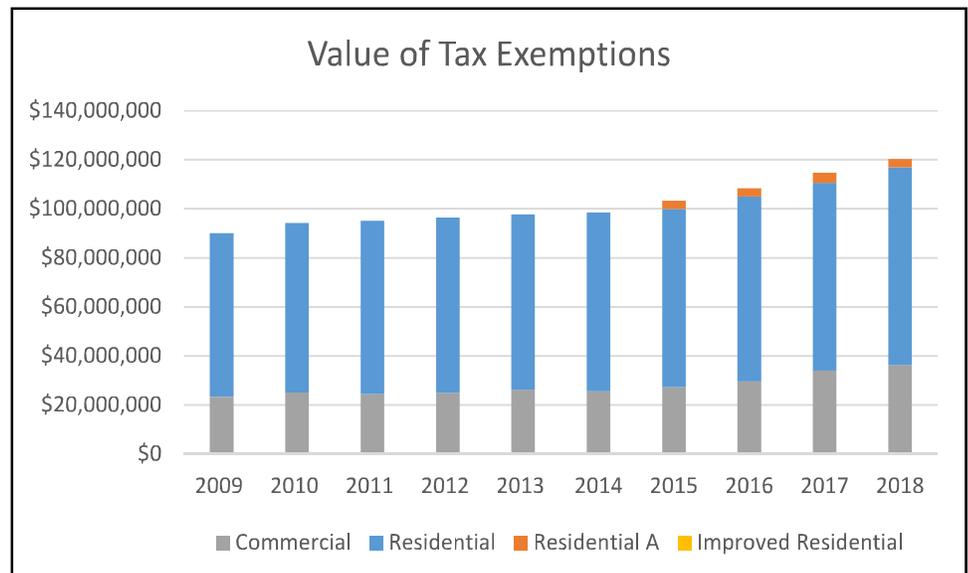
**Figure 6-2: Ratio of Tax Revenues to Values by Property Class**

In FY 2018 residential properties (excluding Residential A properties) produced a revenue to value share ratio of 64 percent. While the Residential A class has a share ratio of 127 percent, it is still far below that of the Hotel (271 percent), Commercial (242 percent), or Industrial (237 percent) properties.

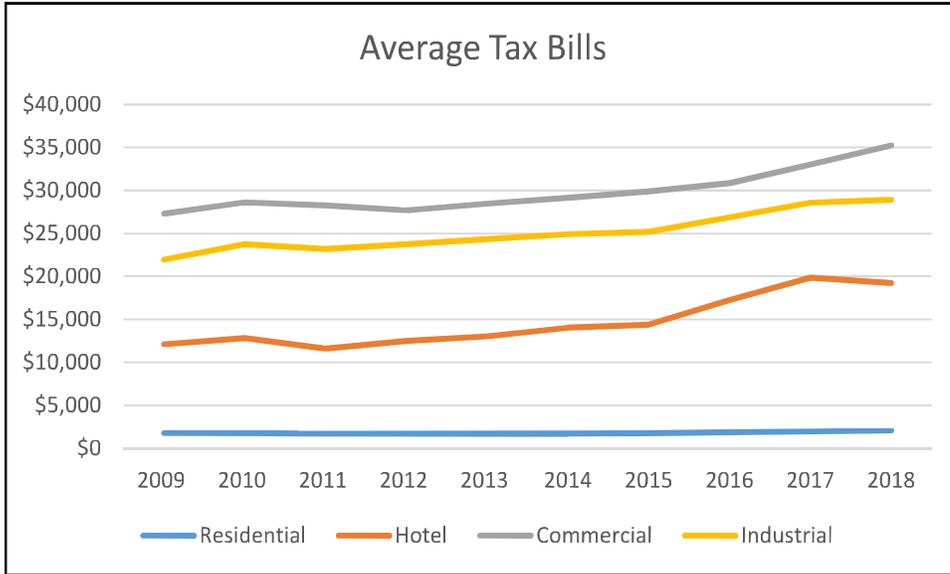


**Figure 6-3: Value of Tax Exemptions**

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 2018. Nearly all tax exemptions benefit the residential and commercial classes of properties, with residential accounting for by far the greater share. In FY 2018, property tax exemptions for all taxable properties represented forgone revenues of a little over \$130 million, or 11 percent of anticipated property tax receipts.

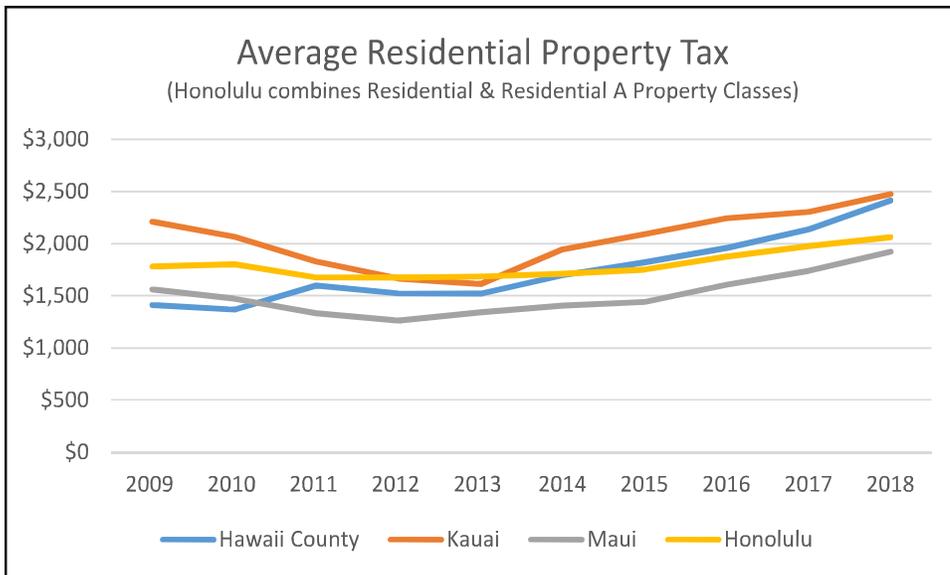


**Figure 6-4: Average Tax Bills By Class of Property**



The average tax bill for residential properties increased in FY 2018 compared to the prior year, averaging \$2,064, up about \$86 from the prior year. (Note that the calculation for residential properties does not include the higher "Residential A" rate.)

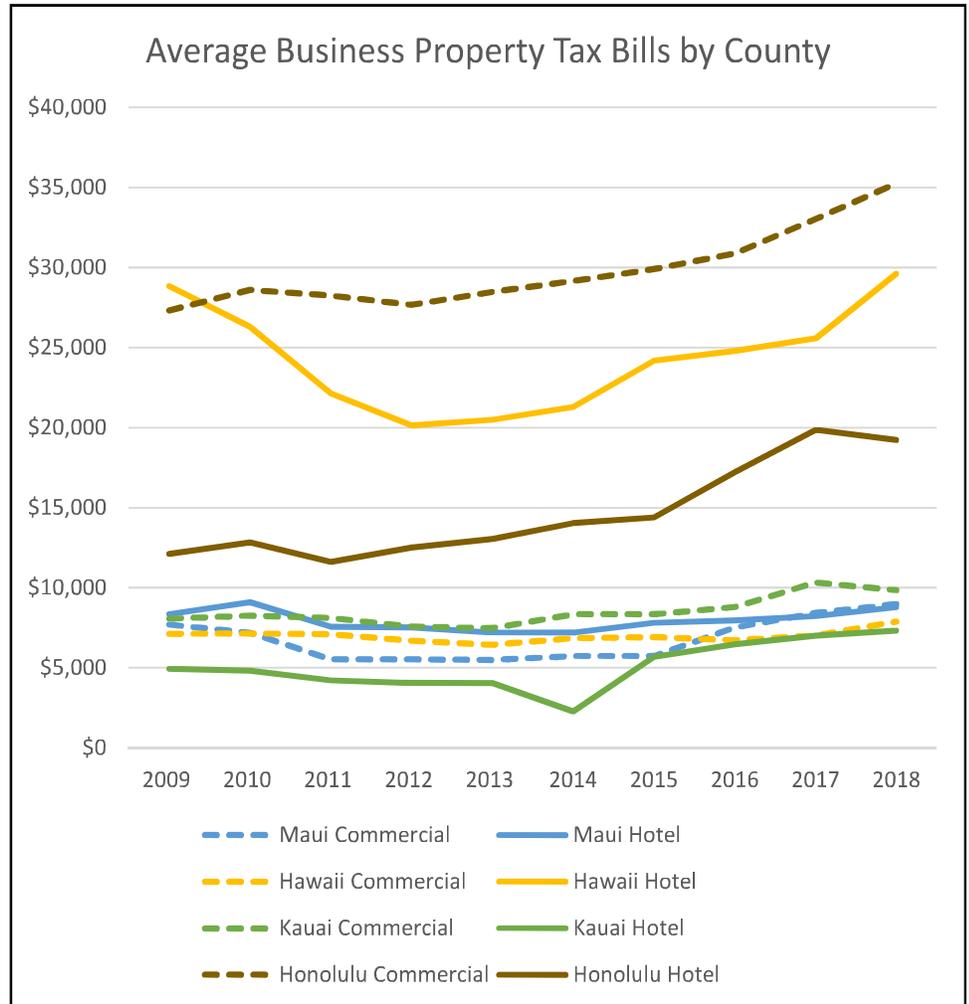
**Figure 6-5: Average Residential Property Tax By County**

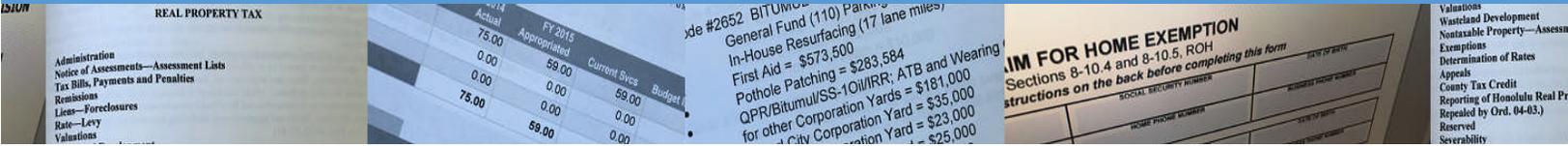


County residential taxes are gradually recovering after the recession. Honolulu "Residential A" property owners pay an average of \$10,200 per qualifying property. Average combined Honolulu residential tax bills are the second highest at approximately \$2,393 per residential property. Kauai has the highest average residential property tax at approximately \$2,475 per residential property.

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

Average FY 2017 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 Kauai County, which decreased on an average of \$473. Compared to the other counties, Honolulu has significantly higher average Commercial property tax bills. Hawaii County average Hotel property tax bills continue to be higher than Honolulu and significantly higher than Kauai and Maui.





## CHAPTER SEVEN FUND BALANCE

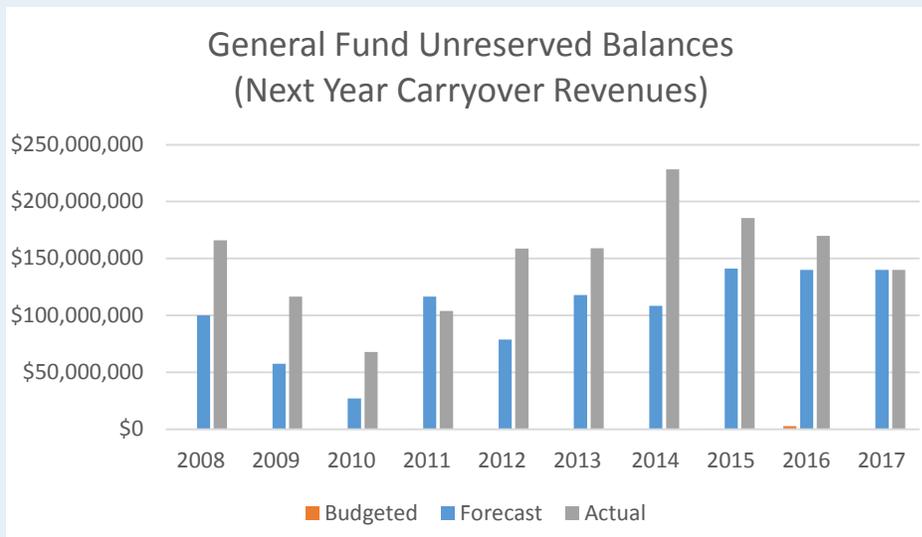
The general fund is the primary fund from which appropriations are made in the operating budget. It is a recommended budget practice and advantageous for bond ratings that there be a reserve amount in the general fund to pay for unexpected costs. The Government Finance Officers Association recommends 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 2017 was \$140 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.

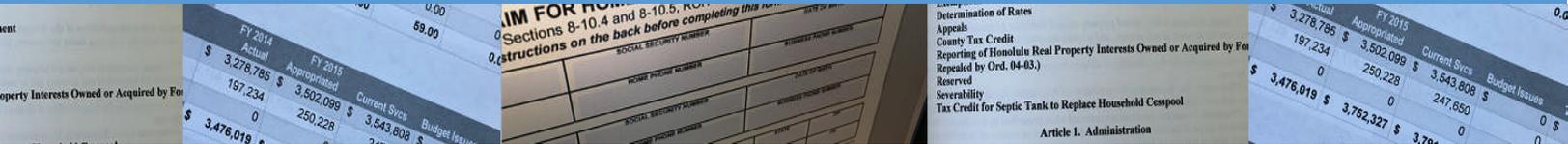


Figure 7-2: Variances in RPT Actual vs Budget

In FY 2017, actual real property tax receipts exceeded budget estimates by \$2.9 million as compared to FY 2016, when actual real property tax receipts were under budget estimates.

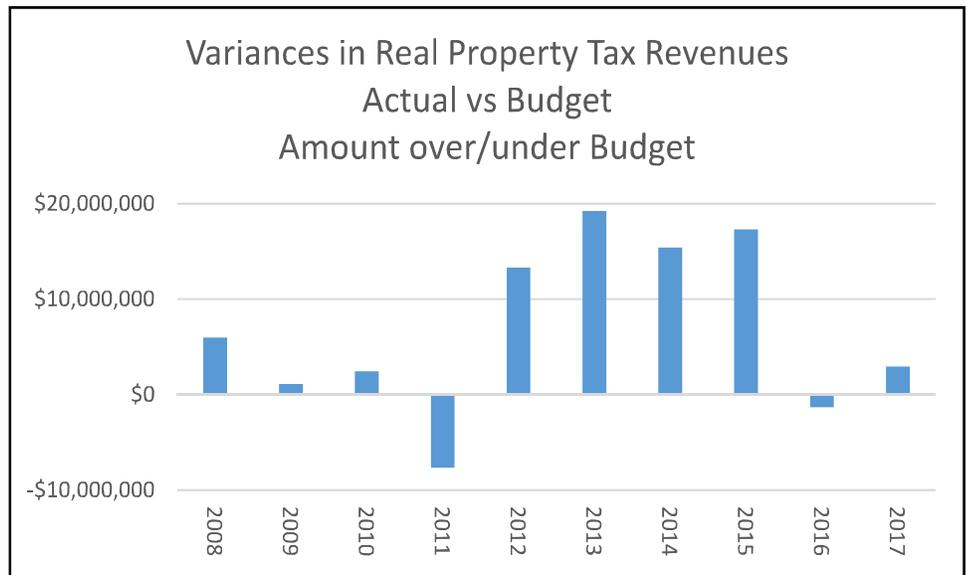
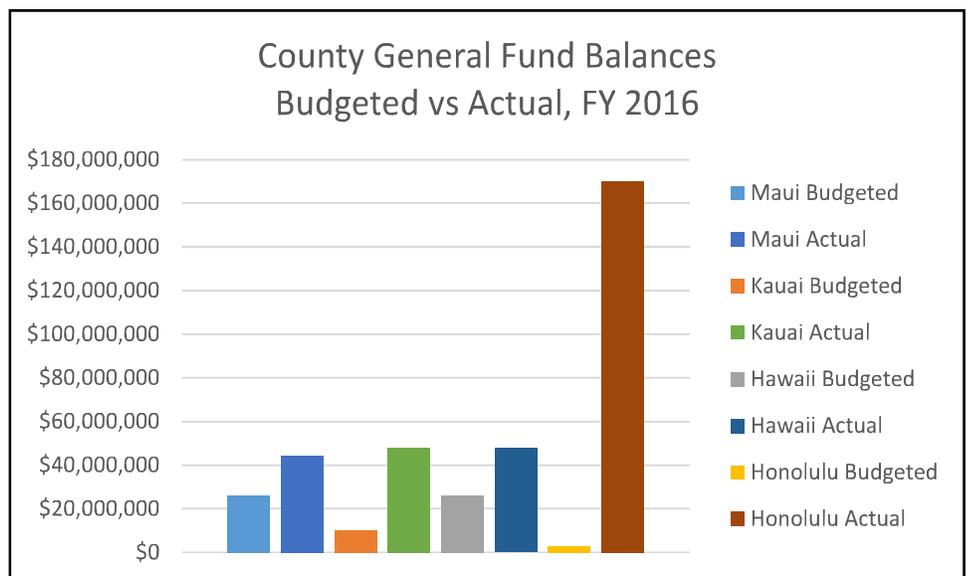


Figure 7-3: County General Fund Balances

The City's practice of budgeting practically 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 2016, 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 \$26 million.





## CHAPTER EIGHT

# OPERATING BUDGETS

This chapter compares actual versus budgeted revenues and expenditures for the City's executive operating budget. This review covers all of FY 2017 (ending on June 30, 2017) and six months of FY 2018 through December 31, 2017, and is based on the information in the FY 2017 and FY 2018 Executive Program and Budget documents, the executive operating

budget ordinances (Ordinance 16-14 for FY 2017 and Ordinance 17-32 for FY 2018), unaudited financial statements for FY 2016, and the December 2017 accounting reports for FY 2018 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 2017, the largest general fund revenue variance was due to an additional collection of \$1.3 million in sundry funds.*
- *Also in FY 2017, the largest appropriation lapse was over \$19.0 million lapsing from the \$445.0 million appropriation for the payment of debt service on City and County bond activity. In percentage terms, the largest lapse was from the \$3.5 million appropriation for the Provision of Energy Costs activity, where 100 percent of the appropriation amount lapsed.*



## CHAPTER EIGHT

# A. REVIEW OF FY 2017

### GENERAL FUND OVERVIEW

Overall, for FY 2017, actual City general fund revenues were \$49.5 million more than the \$1.527 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 \$86.5 million lower than the \$1.526 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 2017 totaled \$136.0 million more than the budgeted fund balance of \$4 million. The \$136.0 million ending fund balance computes to a favorable ratio of 9.4 percent compared to FY 2017 expenditures.

### 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 2017.

*Figure 8-1: FY 2017 Major General Fund Revenue Variances*

General Fund Revenue Source	Variance From Budget	Percent of Budgeted Amount
Sundry Refunds	\$1,320,000	164.6%

## DETAILED EXPENDITURE RESULTS BY ACTIVITY

Figure 8-2 displays expenditure results of activities in the FY 2017 executive operating budget ordinance, listed by agency. Figure 8-3 displays expenditure results of activities in the FY 2017 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

- *“Appropriation” - Total appropriated amount as shown in the budget ordinance.*
- *“Adjusted Appropriation” - 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.*
- *“Expended/Encumbered” - The amount of the adjusted appropriation that was expended or encumbered during the fiscal year.*
- *“Lapsed” - The amount that lapsed at the end of the fiscal year and its percentage of the adjusted appropriation.*

<sup>2</sup> Unbudgeted federal grants and special projects funds are excluded.

Figure 8-2: Executive Operating Budget, Appropriations for FY 2017

Budgeted Activity	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>Mayor</b>					
Administration	680,555	725,795	710,102	15,693	2.2%
Contingency	24,741	24,741	22,447	2,294	9.3%
Other Grants*	-	10,000	-	10,000	100.0%
<b>Managing Director</b>					
City Management	1,991,983	2,099,874	2,075,005	24,869	1.2%
Culture and the Arts	751,783	761,783	610,136	151,647	19.9%
Neighborhood Commission	1,101,322	1,057,351	999,789	57,562	5.4%
Office of Housing	563,380	575,780	531,614	44,166	7.7%
Royal Hawaiian Band	2,210,970	2,389,970	2,305,404	84,566	3.5%
Other Grants*	-	405,400	383,216	22,184	5.5%
<b>Department of Customer Services</b>					
Administration	526,208	615,243	594,904	20,339	3.3%
Public Communication	1,283,068	1,512,703	1,351,667	161,036	10.6%
Satellite City Hall	4,607,560	4,579,751	4,497,057	82,694	1.8%
Motor Vehicle, Licensing and Permits	18,419,594	18,433,200	16,926,673	1,506,527	8.2%
<b>Department of Budget and Fiscal Services</b>					
Administration	907,235	907,235	849,133	58,102	6.4%
Internal Control	588,965	588,965	481,023	107,942	18.3%
Fiscal/CIP Administration	1,356,339	1,356,339	1,253,925	102,414	7.6%
Budgetary Administration	972,522	972,522	837,239	135,283	13.9%
Accounting and Fiscal Services	4,647,665	4,925,616	4,316,165	609,451	12.4%
Purchasing and General Services	1,800,557	1,967,937	1,812,925	155,012	7.9%
Real Property	6,064,560	6,399,548	5,942,089	457,459	7.1%
Treasury	2,954,573	3,132,521	2,877,135	255,386	8.2%
Liquor Commission	3,978,902	3,978,902	3,000,442	978,460	24.6%
<b>Department of Information Technology</b>					
Administration	12,102,077	12,153,903	11,827,990	325,913	2.7%
Applications	2,259,615	2,464,827	2,379,012	85,815	3.5%
Technical Support	1,542,596	1,542,596	1,521,159	21,437	1.4%
Operations	1,387,804	1,387,804	1,308,443	79,361	5.7%
ERP-CSR	2,499,666	2,490,566	2,360,456	130,110	5.2%
Radio and Network	834,865	951,697	949,678	2,019	0.2%
Other Grants*	-	1,400,000	1,166,115	233,885	16.7%
<b>Department of the Corporation Counsel</b>					
Legal Services	9,069,440	9,112,088	8,058,348	1,053,740	11.6%
Ethics Commission	485,305	485,305	429,491	55,814	11.5%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2017 (continued)

Budgeted Activity	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
Department of the Prosecuting Attorney					
Administration	7,174,541	7,269,788	6,821,255	448,533	6.2%
Prosecution	14,865,468	15,477,384	14,053,380	1,424,004	9.2%
Victim/Witness Assistance	2,267,394	3,723,972	2,773,975	949,997	25.5%
Department of Human Resources					
Administration	1,325,820	1,338,515	1,243,843	94,672	7.1%
Employment and Personnel Services	1,967,051	1,967,051	1,848,701	118,350	6.0%
Classification and Pay	661,958	665,958	662,121	3,837	0.6%
Industrial Safety and Workers' Compensation	1,265,116	1,316,668	1,289,333	27,335	2.1%
Labor Relations and Training	1,346,956	1,346,956	1,270,560	76,396	5.7%
Department of Planning and Permitting					
Administration	4,661,268	4,722,384	3,639,156	1,083,228	22.9%
Site Development	3,952,746	4,101,072	3,849,614	251,458	6.1%
Land Use Permits	1,143,338	1,288,738	1,271,763	16,975	1.3%
Planning	4,095,491	4,124,850	3,310,556	814,294	19.7%
Customer Service Office	3,176,252	3,312,260	3,212,894	99,366	3.0%
Building	5,695,817	5,821,967	5,711,580	110,387	1.9%
Other Grants*	-	253,154	1,873	251,281	99.3%
Department of Facility Maintenance					
Administration	11,699,102	11,738,125	10,676,014	1,062,111	9.0%
Road Maintenance	23,748,765	25,247,010	22,485,982	2,761,028	10.9%
Public Building and Electrical Maintenance	32,891,715	33,569,149	30,295,946	3,273,203	9.8%
Automotive Equipment Services	17,509,138	18,059,607	17,681,905	377,702	2.1%
Department of Design and Construction					
Administration	2,401,552	2,391,102	2,313,643	77,459	3.2%
Project and Construction Mgmt	12,777,859	13,227,042	11,657,603	1,569,439	11.9%
Land Services	2,653,317	2,834,733	2,693,219	141,514	5.0%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2017 (continued)

Budgeted Activity	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
Police Department					
Police Commission	576,418	581,418	564,346	17,072	2.9%
Office of the Chief of Police	7,553,439	8,273,439	8,202,860	70,579	0.9%
Patrol	150,785,146	150,985,146	150,005,738	979,408	0.6%
Special Field Operations	14,066,418	14,466,418	14,214,073	252,345	1.7%
Investigations	42,174,188	41,774,188	40,732,277	1,041,911	2.5%
Support Services	35,235,701	35,235,701	32,476,424	2,759,277	7.8%
Administrative Services	25,091,089	24,166,089	23,112,810	1,053,279	4.4%
Other Grants*	-	5,902,073	4,472,416	1,429,657	24.2%
Fire Department					
Fire Commission	19,020	19,020	3,216	15,804	83.1%
Administration	3,997,895	3,997,895	3,891,468	106,427	2.7%
Fire Communication Center	3,305,894	3,331,894	3,209,573	122,321	3.7%
Fire Prevention	5,060,341	5,060,341	4,893,381	166,960	3.3%
Mechanic Shop	2,429,782	2,629,782	2,620,276	9,506	0.4%
Training and Research	3,498,554	3,472,554	3,230,557	241,997	7.0%
Radio Shop	357,518	357,518	349,261	8,257	2.3%
Fire Operations	108,835,471	108,635,471	104,775,644	3,859,827	3.6%
City Radio System	293,426	293,426	277,403	16,023	5.5%
Other Grants*	-	1,651,363	1,188,451	462,912	28.0%
Department of Emergency Services					
Administration	609,620	638,653	630,971	7,682	1.2%
Emergency Medical Services	30,039,220	30,039,220	28,379,211	1,660,009	5.5%
Ocean Safety	13,451,082	13,672,041	12,956,172	715,869	5.2%
Health Services	1,003,149	1,001,032	978,988	22,044	2.2%
Other Grants*	-	936,221	902,577	33,644	3.6%
Department of Emergency Management					
Emergency Management Coordination	1,515,252	6,856,506	5,080,138	1,776,368	25.9%
Other Grants*	-	77,656	28,138	49,518	63.8%
Department of the Medical Examiner					
Investigation of Deaths	2,094,999	2,126,461	1,958,900	167,561	7.9%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2017 (continued)

Budgeted Activity	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
Department of Community Services					
Administration	1,575,161	1,627,559	1,327,055	300,504	18.5%
Office of Grants Management	11,378,519	11,464,147	6,813,964	4,650,183	40.6%
Oahu Workforce Investment Board	328,858	328,858	148,737	180,121	54.8%
Elderly Services	8,614,775	12,451,863	11,786,704	665,159	5.3%
WorkHawaii	10,702,398	13,456,838	7,569,152	5,887,686	43.8%
Asset Development and Management	-	-	-	-	-
Community Assistance	56,122,987	61,732,987	55,918,930	5,814,057	9.4%
Community Based Development	18,852,715	19,488,707	16,789,417	2,699,290	13.9%
Other Grants*	-	52,882	-	52,882	100.0%
Department of Parks and Recreation					
Administration	2,180,607	2,199,423	1,984,431	214,992	9.8%
Urban Forestry	10,775,456	11,046,056	10,721,868	324,188	2.9%
Maintenance Support Services	7,347,789	7,556,599	7,244,566	312,033	4.1%
Recreation Services	24,639,873	23,819,873	21,346,025	2,473,848	10.4%
Grounds Maintenance	31,598,595	33,133,735	31,945,631	1,188,104	3.6%
Other Grants*	-	528,702	48,381	480,321	90.8%
Department of Enterprise Services					
Administration	776,704	950,897	925,937	24,960	2.6%
Auditoriums	7,340,035	7,417,515	6,514,387	903,128	12.2%
Honolulu Zoo	6,839,960	7,382,356	7,014,485	367,871	5.0%
Golf Courses	10,246,888	10,477,980	9,657,173	820,807	7.8%
Other Grants*	-	308,029	85,885	222,144	72.1%
Department of Transportation Services					
Administration	1,680,406	1,730,657	578,417	1,152,240	66.6%
Transportation Planning	1,947,527	2,018,469	1,939,625	78,844	3.9%
Traffic Engineering	2,770,160	3,377,333	2,583,878	793,456	23.5%
Traffic Signals and Technology	5,317,501	5,516,818	4,776,349	740,469	13.4%
Public Transit	257,350,472	257,483,111	244,957,152	12,525,959	4.9%
Other Grants*	-	596,438	16,562	579,876	97.2%
Department of Environmental Services					
Administration	11,985,909	11,985,909	10,075,516	1,910,393	15.9%
Refuse Collection and Disposal	161,783,687	164,100,772	152,823,252	11,277,520	6.9%
Environmental Quality	9,746,140	9,746,140	7,581,652	2,164,488	22.2%
Collection System Maintenance	26,606,698	26,606,698	20,991,640	5,615,058	21.1%
Treatment and Disposal	80,525,520	80,525,520	62,331,882	18,193,638	22.6%

Figure 8-2: Executive Operating Budget, Appropriations for FY 2017 (continued)

Budgeted Activity	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
Debt Service and Miscellaneous					
City and County Bonds	445,014,000	445,014,000	425,993,126	19,020,874	4.3%
County Pension	10,000	10,000	9,234	766	7.7%
Retirement System	149,252,000	149,252,000	136,453,624	12,798,376	8.6%
FICA	30,853,000	30,853,000	27,493,202	3,359,798	10.9%
Hawaii Employer-Union Health Benefits Trust Fund	130,521,000	130,521,000	122,151,230	8,369,770	6.4%
Workers' Compensation	16,945,000	16,945,000	14,884,383	2,060,617	12.2%
Unemployment Compensation	800,000	800,000	229,356	570,644	71.3%
Provision for Other Post-Employment Benefits	48,624,000	48,624,000	48,624,000	-	0.0%
Salary Adjustments and Accrued Vacation Pay**	4,950,000	4,707,343	242,657	4,707,343	95.1%
Provision for Vacant Positions**	16,421,865	4,456,001	11,965,864	4,456,001	27.1%
Provision for Grants, Partnerships and Security**	1,500,000	630,608	869,392	630,608	42.0%
Provision for Judgments, Settlements and Losses	12,850,000	12,850,000	10,069,688	2,780,312	21.6%
Risk Management	8,191,220	8,191,220	7,556,582	634,638	7.7%
Provision for Energy Costs**	3,500,000	3,500,000	-	3,500,000	100.0%
<b>TOTAL EXECUTIVE APPROPRIATIONS</b>	<b>2,333,355,561</b>	<b>2,364,856,017</b>	<b>2,180,242,046</b>	<b>184,613,971</b>	<b>7.8%</b>

\* 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 16-14.

\*\* 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 2017

<b>Figure 8-3 LEGISLATIVE BUDGET Appropriations for FY 2017, All Funds</b>					
<b>Budgeted Activity</b>	<b>Appropriation</b>	<b>Adjusted Appropriation</b>	<b>Expended/ Encumbered</b>	<b>Lapsed</b>	<b>Percent Lapsed</b>
City Council					
Administration	5,948,225	5,898,655	4,877,816	1,020,839	17.3%
Council Allotment	279,000	279,000	191,918	87,082	31.2%
Charter Commission	513,800	513,800	460,291	53,509	10.4%
Office of Council Services					
Administration	684,454	762,024	691,628	70,396	9.2%
Legal Assistance	530,782	538,282	478,654	59,628	11.1%
Organized Research and Analysis	558,450	558,450	558,450	-	0.0%
Revisor and References	125,000	111,000	102,798	8,202	7.4%
City Clerk					
Administration	559,026	559,026	558,587	439	0.1%
Support Services	321,720	321,720	249,200	72,520	22.5%
Council A	,256	927,256	872,803	54,453	5.9%
Elections	2,353,532	2,353,532	2,118,475	235,057	10.0%
City Auditor					
Administration	577,112	577,112	561,992	15,120	2.6%
Audit	729,643	729,643	667,830	61,813	8.5%
Financial Audit	460,000	460,000	460,000	-	0.0%
Miscellaneous					
Retirement System	1,750,000	1,830,000	1,750,000	80,000	4.4%
FICA	763,000	743,000	471,472	271,528	36.5%
EUTF	1,700,000	1,700,000	1,700,000	-	0.0%
Accumulated Vacation Leave**	294,000	232,500	61,500	232,500	79.1%
Unemployment Compensation	125,000	105,000	7,500	97,500	92.9%
<b>TOTAL LEGISLATIVE APPROPRIATIONS</b>	<b>19,200,000</b>	<b>19,200,000</b>	<b>16,779,415</b>	<b>2,420,585</b>	<b>12.6%</b>
<b>TOTAL CITY APPROPRIATIONS</b>	<b>2,352,555,561</b>	<b>2,384,056,017</b>	<b>2,197,021,461</b>	<b>187,034,556</b>	<b>7.8%</b>

\*\* 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. Total 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 2017 that were both at least \$5 million and at least ten percent of adjusted appropriations have been highlighted.<sup>3</sup>

**Figure 8-4: Executive and Legislative Budget for FY 2017  
Summary of Results by Fund**

Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
General Fund	1,311,262,468	1,311,262,468	1,227,355,490	83,906,978	6.4%
Highway Fund	125,556,258	125,556,258	114,216,672	11,339,586	9.0%
Sewer Fund	314,617,510	314,617,510	277,084,057	37,533,453	11.9%
Bus Transportation Fund	237,610,390	237,610,390	224,327,528	13,282,863	5.6%
Liquor Commission Fund	5,980,516	5,980,516	4,901,963	1,078,553	18.0%
Bikeway Fund	798,177	798,177	724,040	74,137	9.3%
Highway Beautification Fund	5,280,588	5,280,588	3,951,519	1,329,069	25.2%
Special Events Fund	21,020,256	21,020,256	19,339,554	1,680,702	8.0%
Golf Fund	14,152,830	14,152,830	13,076,737	1,076,093	7.6%
Solid Waste Special Fund	193,394,794	193,394,794	179,403,946	13,990,848	7.2%
Hanauma Bay Nature Preserve Fund	5,597,114	5,597,114	4,138,914	1,458,200	26.1%
Rental Assistance Fund	233,000	233,000	111,169	121,831	52.3%
Housing Development Special Fund	209,600	209,600	103,287	106,313	50.7%
Clean Water and Natural Lands Fund	-	-	-	-	-
Affordable Housing Fund	1,200,000	1,200,000	-	1,200,000	100.0%
Patsy T. Mink CORP Fund	173,420	173,420	109,628	63,792	36.8%
Waipio Peninsula Soccer Park Fund	85,800	85,800	56,016	29,784	34.7%
Grants in Aid Fund	6,566,169	6,566,169	6,320,734	245,435	3.7%
Transit Construction Mitigation Fund	-	-	-	-	-
Community Development Fund	1,964,450	1,964,450	1,265,298	699,152	35.6%
Rehabilitation Loan Fund	3,000,000	3,000,000	1,479,100	1,520,900	50.7%
Section 8 Contract Fund	48,082,629	53,582,629	53,467,797	114,832	0.2%
Federal Grants Fund	46,351,414	61,556,558	49,517,905	12,038,653	19.6%
Special Projects Fund	9,418,178	20,213,490	16,070,107	4,143,383	20.5%
<b>TOTAL</b>	<b>2,352,555,561</b>	<b>2,384,056,017</b>	<b>2,197,021,461</b>	<b>187,034,556</b>	<b>7.8%</b>

<sup>3</sup> Grant and special projects funds are excluded from this analysis.

## CHAPTER EIGHT

**B. REVIEW OF FY 2018 GENERAL  
FUND REVENUE ASSUMPTIONS**

Major general fund revenue assumptions for FY 2018 have been reviewed as of 12/31/2017. 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 2018 Major General Fund Revenue Assumptions**

General Fund Revenue Assumption	Amount Budgeted	Status as of 12/31/17
Real Property Taxes- Current Year. Budgeted amount increased by \$82.4 million or 7.6% from prior fiscal year.	\$1,166,286,599	\$183,120,257*
NPDES Fee. New revenue item.	\$1,500,000	\$10,500
Motor Vehicle Drivers License. Budgeted amount increased by \$2.9 million or 94.9% from prior fiscal year.	\$5,979,100	\$2,443,658
Transient Accommodations Tax. Budgeted amount decreased by \$4.4 million or 9.7% from prior fiscal year.	\$41,013,000	\$22,711,500
Investments- Pool. Budgeted amount increased by \$1.3 million or 73.1% from prior fiscal year.	\$3,178,000	\$3,411,296
Recovery- Debt Service- Solid Waste Special Fund (District Facility Account). Budgeted amount decreased by \$5.8 million or 17.9% from prior fiscal year.	\$26,596,069	\$20,064,204
Recovery- Debt Service- HART. Budgeted amount increased by \$10.1 million or 535.3% from prior fiscal year.	\$12,000,000	\$0
Recovery- Debt Service- Golf Fund. Budgeted amount increased by \$1.5 million or 388.3% from prior fiscal year.	\$1,848,132	\$950,191
Recovery- Debt Service- Zoo Fund. New revenue item.	\$3,284,515	\$0
Recovery- Debt Service- Highway Fund. Budgeted amount increased by \$10.7 million or 11.0% from prior fiscal year.	\$107,728,750	\$76,898,235
Recovery CASE- Sewer Fund. Budgeted amount increased \$2.0 million or 12.6% from prior fiscal year.	\$17,663,100	\$8,831,550

\*IF RPT- Lock Box, RPT Mortgage Company, and RPT- EPay had been included in this figure, the total as of 12/31/17 would be \$626,171,115.





## CHAPTER NINE

# CAPITAL BUDGET

### FY 2016 FUND EXPENDITURE STATUS FOR THE 24-MONTH PERIOD ENDING 06/30/17

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 2016 capital budget that ran from July 1, 2015 through June 30, 2017, beyond which date appropriations that were not yet encumbered or expended lapsed

pursuant to charter.<sup>4</sup> The review is based on information in the executive capital budget ordinance for the most recent appropriation period (Ordinance 15-26) and an accounting report from the Department of Budget and Fiscal Services for the period ending June 30, 2017.

### Overview

- *In FY 2016, the largest appropriation lapse was from the Rehabilitation of Streets project where 5.2 percent (\$6.5 million) of the \$125 million adjusted appropriation lapsed.*
- *The budget function that experienced the highest rate of appropriation lapses, excluding federal funds, was Culture - Recreation where 52.7 percent of City funds lapsed.*
- *Among significant fund sources, the Highway Improvement Bond Fund had a lapsing rate of 48.7 percent in the Public Safety budget function.*

<sup>4</sup> 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

Figure 9-1 displays all of the projects in the FY 2016 executive capital budget ordinance. For each project, the following information is provided regarding its status at the end of the 24-month period:

- *“Appropriation” - Total appropriated amount as shown in the budget ordinance, as amended.*
- *“Adjusted Appropriation” - 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.*
- *“Expended/Encumbered” - The amount of the adjusted appropriation expended and/or encumbered during the 24-month period.*
- *“Lapsed” - The amount of the adjusted appropriation that lapsed at the end of the 24-month period.*

The major project lapses for FY 2016 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 2016

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>GENERAL GOVERNMENT</b>							
<b>STAFF AGENCIES</b>							
1979110	Project Adjustments Account	GI	1,000	1,000	-	1,000	100.0%
1979110	Project Adjustments Account	HI	1,000	82,000	-	82,000	100.0%
<b>PUBLIC FACILITIES--ADDITIONS AND IMPROVEMENTS</b>							
1996007	Civic Center Improvements	GI	1,000,000	1,000,000	673,854	326,146	32.6%
2015095	Culture and Arts Corridor	GI	250,000	250,000	-	250,000	100.0%
2014131	Honolulu Hale Improvements*	GI	175,000	175,000	-	175,000	100.0%
	Kaimuki Municipal Parking Lot Improvements*	GI	1,500,000	1,500,000	500,000	1,000,000	66.7%
2015091	Kapalama Canal Catalytic Project - Transit Oriented Development	GI	500,000	500,000	500,000	-	0.0%
2015092	Pearlridge Bus Transfer Center and Plaza - Transit Oriented Development	GI	500,000	500,000	-	500,000	100.0%
1987042	Public Building Facilities Improvements	GI	1,000,000	1,000,000	980,241	19,759	2.0%
<b>PUBLIC FACILITIES-IMPROVEMENTS--LAND ACQUISITIONS</b>							
1971153	Land Expenses	CP	1,050,000	1,050,000	266,675	783,325	74.6%
	General Improvement Bond Fund	GI	4,926,000	4,926,000	2,654,095	2,271,905	46.1%
	Highway Improvement Bond Fund	HI	1,000	82,000	-	82,000	100.0%
	Capital Projects Fund	CP	1,050,000	1,050,000	266,675	783,325	74.6%
	<b>TOTAL GENERAL GOVERNMENT</b>		<b>5,977,000</b>	<b>6,058,000</b>	<b>2,920,770</b>	<b>3,137,230</b>	<b>51.8%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>PUBLIC SAFETY</b>							
<b>POLICE STATIONS AND BUILDINGS</b>							
2002025	Police Stations Buildings Improvements	GI	1,000,000	1,000,000	932,082	67,918	6.8%
<b>FIRE STATIONS AND BUILDINGS</b>							
	Ewa Fire Station Renovation*	GI	50,000	50,000	-	50,000	100.0%
1998021	Fire Station Buildings Improvements	GI	1,000,000	1,000,000	997,590	2,410	0.2%
2000068	Hauula Fire Station Relocation	GI	1,000,000	1,000,000	1,000,000	-	0.0%
<b>TRAFFIC IMPROVEMENTS</b>							
	Safe Routes to Schools	ST	-	100,000	-	100,000	100.0%
2010030	Traffic Engineering Devices at Various Locations	HI	500,000	500,000	199,863	300,137	60.0%
1996306	Traffic Improvements at Various Locations	HI	673,000	673,000	658,000	15,000	2.2%
1996306	Traffic Improvements at Various Locations	FG	1,880,000	1,880,000	16,000	1,864,000	99.1%
	Traffic Signal at North King Street and Richard Lane*	HI	500,000	500,000	-	500,000	100.0%
1999312	Traffic Signals at Various Locations	HI	630,000	630,000	82,510	547,490	86.9%
1999312	Traffic Signals at Various Locations	FG	3,150,000	3,150,000	571,437	2,578,563	81.9%
<b>FLOOD CONTROL</b>							
2000101	Flood Control Improvements at Various Locations	GI	2,250,000	2,250,000	2,121,491	128,509	5.7%
<b>OTHER PROTECTION - MISCELLANEOUS</b>							
	Ala Wai Canal Improvements*	GI	150,000	150,000	-	150,000	100.0%
2005002	Drainage Outfall Improvements	GI	200,000	200,000	200,000	-	0.0%
	Protective Chain-Link Fencing at Kapalama Canal*	GI	240,000	240,000	237,500	2,500	1.0%
	Protective Chain-Link Fencing at the Children's Discovery Center*	CP	250,000	250,000	-	250,000	100.0%
2013087	Puhawai Road Culvert Drainage Improvements	ST	-	66,000	66,000	-	0.0%
2001154	Rock Slide Potential Inspections and Mitigative Improvements	HI	500,000	500,000	497,115	2,885	0.6%
2002080	Telecommunications Facilities Upgrade	GI	22,720,000	22,720,000	18,799,970	3,920,030	17.3%
	General Improvement Bond Fund	GI	28,610,000	28,610,000	24,288,633	4,321,367	15.1%
	Highway Improvement Bond Fund	HI	2,803,000	2,803,000	1,437,489	1,365,511	48.7%
	Federal Grants Fund	FG	5,030,000	5,030,000	587,437	4,442,563	88.3%
	State Funds	ST	-	166,000	66,000	100,000	60.2%
	Capital Projects Fund	CP	250,000	250,000	-	250,000	100.0%
	<b>TOTAL PUBLIC SAFETY</b>		<b>36,693,000</b>	<b>36,859,000</b>	<b>26,379,558</b>	<b>10,479,442</b>	<b>28.4%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>HIGHWAYS AND STREETS</b>							
<b>HIGHWAYS, STREETS AND ROADWAYS</b>							
1988001	Curb Ramps at Various Locations, Oahu	HI	1,000,000	1,000,000	1,000,000	-	0.0%
1998515	Guardrail Improvements	HI	260,000	260,000	260,000	-	0.0%
2004015	Highway Structure Improvements	HI	250,000	250,000	249,780	220	0.1%
2015040	Kuakini Street Extension	FG	-	278,141	278,141	-	0.0%
1997502	Rehabilitation of Streets	HI	125,000,000	124,919,000	118,449,346	6,469,654	5.2%
1991064	Utility Share Expenses	CP	100,000	100,000	-	100,000	100.0%
<b>BRIDGES, VIADUCTS, AND GRADE SEPARATION</b>							
2014084	Ahilama Bridge Replacement*	HI	500,000	500,000	-	500,000	100.0%
1998520	Bridge Rehabilitation at Various Locations	HI	2,552,000	2,552,000	2,240,916	311,084	12.2%
2016079	Farrington Hwy Bridges (#923, #924, #902)	HI	1,000,000	1,000,000	-	1,000,000	100.0%
2016077	Kapiolani Blvd Double Box Culvert (#273)	HI	1,500,000	1,500,000	-	1,500,000	100.0%
2016083	North King St Bridge (#150)	HI	500,000	500,000	500,000	-	0.0%
<b>STORM DRAINAGE</b>							
2000052	Drainage Improvements at Various Locations	HI	1,500,000	1,500,000	851,393	648,607	43.2%
2014095	NPDES MS4 Structural BMPs for City Industrial Facilities	HI	530,000	530,000	530,000	-	0.0%
2014053	NPDES MS4 Structural BMPs for Trash Reduction	HI	570,000	570,000	570,000	-	0.0%
2010057	Storm Drainage Best Management Practices, Downtown-Chinatown	HI	200,000	200,000	-	200,000	100.0%
2001020	Storm Drainage Best Management Practices in the Salt Lake Drainage System	HI	170,000	170,000	170,000	-	0.0%
2001021	Storm Drainage Best Management Practices in the Vicinity of Kaelepu Pond	HI	1,120,000	1,120,000	1,120,000	-	0.0%
2001022	Storm Drainage BMPs in the Vicinity of Kuapa Pond	HI	1,120,000	1,120,000	658,993	461,007	41.2%
2014050	Storm Drainage BMPs, Wailupe-Kuliouou Niu Stream	HI	570,000	570,000	250,209	319,791	56.1%
2015048	Storm Water Discharge (NPDES MS4) Retrofit Structural BMP Improvements Program	HI	370,000	370,000	370,000	-	0.0%
2010051	Surface Water Discharge (NPDES MS4) Erosion Prone Area Improvements	HI	1,225,000	1,225,000	931,364	293,636	24.0%
	Highway Improvement Bond Fund	HI	139,937,000	139,856,000	128,152,001	11,703,999	8.4%
	Federal Grant	FG	-	278,141	278,141	-	0.0%
	Capital Projects Fund	CP	100,000	100,000	-	100,000	100.0%
	<b>TOTAL HIGHWAYS AND STREETS</b>		<b>140,037,000</b>	<b>140,234,141</b>	<b>128,430,142</b>	<b>11,803,999</b>	<b>8.4%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b><u>SANITATION</u></b>							
<b>WASTE COLLECTION AND DISPOSAL</b>							
2014052	Leeward Refuse Collection Baseyard	WB	250,000	250,000	249,980	20	0.0%
2014055	Refuse Facilities Energy Savings Project	WB	4,000,000	4,000,000	3,999,000	1,000	0.0%
2010054	Refuse Facilities Improvements at Various Locations	WB	1,350,000	1,350,000	925,913	424,087	31.4%
2014063	Solid Waste to Energy Facility (H-Power) - Access Improvements	WB	525,000	525,000	-	525,000	100.0%
2014065	Solid Waste to Energy Facility (H-Power) - Improvements	WB	3,702,000	3,702,000	3,702,000	-	0.0%
2011047	Solid Waste to Energy Facility (H-Power) - Rehabilitation	CP	10,000,000	10,000,000	9,000,000	1,000,000	10.0%
<b>SEWAGE COLLECTION AND DISPOSAL</b>							
2008063	Ahuimanu Wastewater Preliminary Treatment Facility Force Main	SR	3,502,000	6,852,300	6,851,300	1,000	0.0%
2013046	Ahuimanu Wastewater Pre-Treatment Facility Improvements and Equalization Facility	SR	1,001,000	1,001,000	1,001,000	-	0.0%
2011046	Awa Street Wastewater Pump Station, Force Main and Sewer System Improvements	SR	2,004,000	2,004,000	2,001,000	3,000	0.1%
2016046	Beachwalk Wastewater Pump Station Force Main System	CP	1,001,000	1,001,000	1,001,000	-	0.0%
2008070	Chinatown Sewer Rehabilitation	SR	10,801,000	3,853,000	2,821,180	1,031,820	26.8%
2009099	Dowsett Highlands Relief Sewer	CP	501,000	501,000	501,000	-	0.0%
2012056	Ewa Beach Wastewater Pump Station Force Main System Improvements	SR	2,500,000	2,500,000	2,500,000	-	0.0%
2012046	Halawa Wastewater Pump Station Force Main System Improvements	SR	2,302,000	2,302,000	2,000,000	302,000	13.1%
2013051	Honolulu Area Wastewater Pump Station Facilities Improvements	SR	801,000	801,000	801,000	-	0.0%
2010069	Honouliuli Wastewater Basin Odor Control	SR	10,701,000	10,283,488	9,582,488	701,000	6.8%
2010053	Honouliuli Wastewater Treatment Plant Outfall Improvements/ Rehabilitation	CP	601,000	601,000	601,000	-	0.0%
2012058	Honouliuli Wastewater Treatment Plant Secondary Treatment	SR	10,001,000	10,001,000	10,001,000	-	0.0%
2009107	Kahanahou Wastewater Pump Station Upgrade and Sewer Improvements	SR	10,901,000	21,099,266	20,499,266	600,000	2.8%
2012048	Kailua Road Wastewater Pump Station Force Main System Improvements	SR	2,551,000	2,551,000	2,251,000	300,000	11.8%
2010048	Kailua Wastewater Treatment Plant - Outfall Improvements/ Improvements	CP	602,000	602,000	602,000	-	0.0%
2013056	Kailua Wastewater Treatment Plant - Tunnel Influent Pump Station and Headworks Facility	SR	3,202,000	3,702,000	3,700,000	2,000	0.1%
2016050	Kailua Wastewater Treatment Plant Upgrade, Phase 2	SR	703,000	703,000	701,000	2,000	0.3%
2010060	Kamehameha Highway Wastewater Pump Station Upgrade, Mapunapuna	SR	7,601,000	8,811,500	8,810,500	1,000	0.0%
2012055	Kaneohe/Kailua Sewer Tunnel	SR	3,502,000	4,802,000	4,800,000	2,000	0.0%
2013059	Maunawili Wastewater Pump Stations, Force Mains and Sewer Improvements, Kailua	CP	701,000	701,000	701,000	-	0.0%
2013060	Pearl City Wastewater Pump Station, Force Main, and Sewer System Alternatives	SR	702,000	702,000	701,000	1,000	0.1%
2001124	Project Management for Wastewater Projects	CP	8,403,000	8,403,000	6,735,135	1,667,865	19.8%

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
2013061	Punawai Wastewater Pump Station and Force Main System Improvements, Kaneohe	CP	401,000	401,000	401,000	-	0.0%
2015056	Pyrolysis Carbonization System at Sand Island Wastewater Treatment Plant*	SR	1,000,000	1,000,000	-	1,000,000	100.0%
2010049	Sand Island Wastewater Basin Odor Control	SR	16,301,000	11,413,257	10,912,257	501,000	4.4%
2009112	Sand Island Wastewater Treatment Plant and Sewer Basin Facilities	CP	1,000,000	1,000,000	1,000,000	-	0.0%
2013062	Sand Island Wastewater Treatment Plant Improvements/Upgrade	SR	801,000	801,000	801,000	-	0.0%
2009102	Sand Island Wastewater Treatment Plant Outfall Improvements/ Rehabilitation	SR	3,001,000	501,000	-	501,000	100.0%
2015055	Sand Island Wastewater Treatment Plant Return Flow Treatment	SR	3,101,000	3,101,000	3,089,337	11,663	0.4%
2016058	Sand Island WWTP Headworks Screening Improvements	SR	8,301,000	8,301,000	8,100,000	201,000	2.4%
2007068	Sewer Condition Assessment Program	CP	2,500,000	2,500,000	1,700,000	800,000	32.0%
2013063	Sewer I/I Relief and Rehabilitation Projects - Ala Moana Tributary Basin	SR	502,000	502,000	501,000	1,000	0.2%
2013064	Sewer I/I Relief and Rehabilitation Projects - Hart St. Tributary Basin	SR	1,002,000	1,002,000	1,001,000	1,000	0.1%
2013065	Sewer I/I Relief and Rehabilitation Projects - Leeward Area	SR	502,000	502,000	501,000	1,000	0.2%
2013066	Sewer I/I Relief and Rehabilitation Projects - Windward Area	SR	402,000	402,000	401,000	1,000	0.2%
2000071	Sewer Mainline and Lateral Projects	CP	19,500,000	19,500,000	19,444,967	55,033	0.3%
2008079	Uwahu Wastewater Pump Station Upgrade	SR	802,000	802,000	662,439	139,561	17.4%
2010047	Waianae Wastewater Facilities Plan	CP	700,000	700,000	700,000	-	0.0%
2013067	Waianae Wastewater Treatment Plant Improvements/Upgrade	SR	19,401,000	19,401,000	19,400,000	1,000	0.0%
2013100	Waianae Wastewater Treatment Plant Outfall Improvements/ Rehabilitation	CP	101,000	101,000	101,000	-	0.0%
2008080	Waikalua Wastewater Pump Station Upgrade and Alternative Diversion Sewer	SR	4,101,000	3,410,386	3,410,385	1	0.0%
2006055	Waikapoki Wastewater Pump Station Upgrade	SR	6,501,000	6,501,000	6,500,000	1,000	0.0%
2013068	Waimalu Wastewater Pump Station Modification/Upgrade	CP	301,000	301,000	301,000	-	0.0%
2012053	Waipahu Wastewater Pump Station Force Main (New)	SR	502,000	502,000	501,000	1,000	0.2%
2007071	Waipio Wastewater Pump Station Upgrade	SR	4,502,000	3,386,803	3,384,803	2,000	0.1%
2000038	Wastewater Equipment	CP	9,113,000	9,113,000	7,359,957	1,753,043	19.2%
1998806	Wastewater Facilities Replacement Reserve	CP	5,000,000	5,000,000	4,953,970	46,030	0.9%
2003151	Wastewater Planning and Programming	CP	295,000	295,000	143,098	151,902	51.5%
2007073	Wastewater Program Management	CP	2,502,000	2,502,000	2,500,000	2,000	0.1%
2001062	Wastewater Treatment Plant, Pump Station, and Force Main Projects	CP	16,600,000	16,600,000	16,430,715	169,285	1.0%
2013101	Windward Area Wastewater Pump Station Facilities Improvements	CP	301,000	301,000	301,000	-	0.0%
	Sewer Revenue Improvement Bond Fund	SR	143,497,000	143,497,000	138,186,955	5,310,045	3.7%
	Solid Waste Improvement Bond Fund	WB	9,827,000	9,827,000	8,876,893	950,107	9.7%
	Capital Projects Fund	CP	80,123,000	80,123,000	74,477,841	5,645,159	7.0%
	<b>TOTAL SANITATION</b>		<b>233,447,000</b>	<b>233,447,000</b>	<b>221,541,690</b>	<b>11,905,310</b>	<b>5.1%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b><u>HUMAN SERVICES</u></b>							
<b>HUMAN SERVICES</b>							
2016001	Affordable Housing Strategic Development Program	CP	7,135,922	7,135,922	5,001,446	2,134,476	29.9%
2007076	Community Development Block Grant (CDBG) Program	CD	6,863,281	6,863,281	5,610,131	1,253,150	18.3%
1995207	Emergency Solutions Grants (ESG) Program	FG	676,821	741,354	686,107	55,248	7.5%
2007077	Home Investment Partnerships (HOME) Program	FG	3,382,895	3,382,895	3,160,727	222,168	6.6%
2015002	Homeless Relocation Initiative	GI	32,000,000	32,000,000	31,258,557	741,443	2.3%
2000119	Housing Opportunities for Persons with AIDs (HOPWA) Program	FG	434,616	434,616	434,161	-	0.0%
2014003	Kakaako Affordable Housing for Artists Project*	CP	5,000,000	5,000,000	4,400,000	600,000	12.0%
	General Improvement Bond Fund	GI	32,000,000	32,000,000	31,258,557	741,443	2.3%
	Community Development Fund	CD	6,863,281	6,863,281	5,610,131	1,253,150	18.3%
	Federal Grants Fund	FG	4,494,332	4,558,865	4,280,995	277,415	6.1%
	Capital Projects Fund	CP	12,135,922	12,135,922	9,401,446	2,734,476	22.5%
	<b>TOTAL HUMAN SERVICES</b>		<b>55,493,535</b>	<b>55,558,068</b>	<b>50,551,128</b>	<b>5,006,485</b>	<b>9.0%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b><u>CULTURE - RECREATION</u></b>							
<b>PARTICIPANT, SPECTATOR AND OTHER RECREATION</b>							
1998134	Aiea District Park	CP	73,150	73,150	-	73,150	100.0%
1998107	Ala Moana Regional Park	GI	3,000,000	3,000,000	2,999,864	136	0.0%
1998107	Ala Moana Regional Park	CP	256,000	256,000	256,000	-	0.0%
1974104	Ala Wai Community Park	FG	-	56,431	-	56,431	0.0%
2014089	Canoe Halau at Haleiwa Regional Park	GI	500,000	500,000	-	500,000	100.0%
	Dr. Sun Yat-Sen Memorial Park Improvements*	GI	250,000	250,000	196,020	53,980	21.6%
	Ewa Beach Dog Obedience and Training Facility*	GI	50,000	50,000	-	50,000	100.0%
	Haleiwa Beach Park Refurbishment*	GI	250,000	250,000	-	250,000	100.0%
2016101	Hanauma Bay Nature Preserve	CP	1,746,972	1,746,972	1,746,972	-	0.0%
	John K. Kalili Surf Center Improvements at Haleiwa Alii Beach Park*	GI	1,000,000	1,000,000	-	1,000,000	100.0%
	Ka Iwi Coast Mauka Lands*	CP	2,500,000	2,500,000	2,500,000	-	0.0%
2014090	Kahuku District Park Improvements*	GI	3,200,000	3,200,000	3,200,000	-	0.0%
2014091	Kahuku Municipal Golf Course*	GI	3,850,300	3,850,300	-	3,850,300	100.0%
	Kalakaua District Park*	GI	495,000	495,000	-	495,000	100.0%
2014094	Kalihi Waena Neighborhood Park*	GI	390,000	390,000	-	390,000	100.0%
2014099	Kawela Bay Land Acquisition	GI	5,000,000	5,000,000	-	5,000,000	100.0%
	Kokua Kalhi Valley*	CP	900,000	900,000	-	900,000	100.0%
1971449	Lanakila District Park, Liliha	CP	44,295	44,295	-	44,295	100.0%
	Leeward Coast Landfill Compensation Package*	GI	1,350,000	1,350,000	1,055,124	294,876	21.8%
2016072	Maui Beach Park	GI	920,000	920,000	744,745	175,255	19.0%
2014103	Makaha Beach Park Consolidation*	GI	91,000	91,000	-	91,000	100.0%
2014104	Makaha Beach Park Master Plan*	GI	750,000	750,000	-	750,000	100.0%
2001101	Manoa Valley District Park	CP	67,200	67,200	67,200	-	0.0%
2015118	Moanalua Community Park Swimming Pool Improvements*	GI	150,000	150,000	-	150,000	100.0%
	Old Stadium Park Improvements*	GI	100,000	100,000	-	100,000	100.0%
1995127	Oneula Beach Park, Ewa Beach*	GI	1,000,000	1,000,000	-	1,000,000	100.0%
2014112	Patsy T. Mink Central Oahu Regional Park Dog Obedience and Training Facility*	GI	100,000	100,000	100,000	-	0.0%
2014113	Patsy T. Mink Central Oahu Regional Park - Parking Expansion*	GI	100,000	100,000	100,000	-	0.0%
	Pawaa In-Ha Park*	GI	2,500,000	2,500,000	-	2,500,000	100.0%
	Pearlridge Neighborhood Park*	CP	1,133,000	1,133,000	-	1,133,000	100.0%
2001086	Punaluu Beach Park Improvements*	GI	100,000	100,000	-	100,000	100.0%
	Pupukea Beach Park Improvements - Phase I	GI	2,070,000	2,070,000	-	2,070,000	100.0%
2007075	Puu O Hulu Community Park, Maili	GI	505,000	305,000	79,129	225,871	74.1%
1998105	Reconstruct Wastewater Systems for Parks	GI	500,000	500,000	500,000	-	0.0%
1998128	Recreation District No. 1 Improvements	GI	500,000	500,000	500,000	-	0.0%
1998129	Recreation District No. 2 Improvements	GI	500,000	500,000	457,460	42,540	8.5%
1998130	Recreation District No. 3 Improvements	GI	500,000	546,469	510,301	36,168	6.6%
1998131	Recreation District No. 4 Improvements	GI	959,000	1,059,000	591,779	467,221	44.1%
2005117	Recreation District No. 5 Improvements	GI	500,000	453,531	93,162	360,369	79.5%
2002072	Renovate Recreational Facilities	GI	1,650,000	1,750,000	1,541,768	208,232	11.9%
2002072	Renovate Recreational Facilities	CP	470,505	470,505	185,243	285,262	60.6%
	Salt Lake District Park Swimming Pool Improvements	GI	442,000	442,000	60,000	382,000	86.4%
2016090	Sandy Beach Park	GI	700,000	700,000	518,148	181,852	26.0%

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
2014096	Thomas Square	GI	1,500,000	1,500,000	1,365,567	134,433	9.0%
2016081	Wahiawa District Park	CP	55,238	55,238	55,238	-	0.0%
	Waialua Band Stand Improvements	GI	450,000	450,000	-	450,000	100.0%
2015078	Waialua District Park	CP	61,000	61,000	-	61,000	100.0%
2014115	Waipio Neighborhood Park (TMK 9-4-115:002; 12.30 Acres)	GI	425,000	425,000	421,970	3,030	0.7%
1998031	Waipio Peninsula Recreation Complex, Waipio Peninsula*	GI	200,000	200,000	134,108	65,892	32.9%
<b>SPECIAL RECREATION FACILITIES</b>							
1999012	Enterprise Facilities Improvements	GI	350,000	350,000	307,139	42,861	12.2%
2001053	Golf Course Improvements	GI	150,000	150,000	150,000	-	0.0%
2001097	Honolulu Zoo Improvements	GI	1,000,000	1,000,000	999,995	5	0.0%
	General Improvement Bond Fund	GI	38,047,300	38,047,300	16,626,279	21,421,021	56.3%
	Federal Grants	FG	-	56,431	-	56,431	100.0%
	Capital Projects Fund	CP	7,307,360	7,307,360	4,810,653	2,496,707	34.2%
	<b>TOTAL CULTURE - RECREATION</b>		<b>45,354,660</b>	<b>45,411,091</b>	<b>21,436,932</b>	<b>23,974,159</b>	<b>52.8%</b>

\* Indicates Council-added project.

Figure 9-1: Capital Budget, Appropriations for FY 2016 (continued)

Project Number	Project Title	Fund	Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b><u>UTILITIES OR OTHER ENTERPRISES</u></b>							
<b>MASS TRANSIT</b>							
2006018	Alapai Transportation Management Center	HI	16,793,000	16,793,000	16,387,482	405,518	2.4%
2006018	Alapai Transportation Management Center	FG	8,121,000	8,121,000	-	8,121,000	100.0%
1978005	Bus and Handi-Van Acquisition Program	HI	4,652,000	4,652,000	3,138,838	1,513,162	32.5%
1978005	Bus and Handi-Van Acquisition Program	FG	15,752,000	22,016,000	11,702,778	10,313,222	46.8%
2001116	Bus Stop ADA Access Improvements	HI	750,000	750,000	297,900	452,100	60.3%
2001117	Bus Stop ADA Access Improvements	FG	145,000	145,000	-	145,000	100.0%
2003007	Bus Stop Site Improvements*	HI	100,000	100,000	-	100,000	100.0%
	Ewa Beach Transit Center	HI	50,000	50,000	-	50,000	100.0%
2016035	Multimodal Transit Fare Collection System	HI	5,000,000	5,000,000	5,000,000	-	0.0%
2008036	Transit Safety and Security System	HI	63,000	63,000	52,518	10,482	16.6%
2008037	Transit Safety and Security System	FG	296,000	712,938	177,648	535,290	75.1%
2016041	Wahiawa Transit Center - Restrooms	HI	450,000	450,000	181,500	268,500	59.7%
	Highway Improvement Bond Fund	HI	27,858,000	27,858,000	25,058,238	2,799,762	10.1%
	Federal Grants Fund	FG	24,314,000	30,994,938	11,880,426	19,114,512	61.7%
	<b>TOTAL UTILITIES OR OTHER ENTERPRISES</b>		<b>52,172,000</b>	<b>58,852,938</b>	<b>36,938,664</b>	<b>21,914,274</b>	<b>37.2%</b>

\* Indicates Council-added project.



## CHAPTER NINE

**B. MAJOR PROJECT ADJUSTMENTS**

In Figure 9-2 below, major project adjustments for FY 2016 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 15-26 Appropriation	Adjustment Amount
Sanitation	Chinatown Sewer Rehabilitation	\$10,801,000	\$3,853,000
Utilities or Other Enterprises	Bus and Handi-Van Acquisition Program	\$15,752,000	\$22,016,000
Sanitation	Kahanahou Wastewater Pump Station Upgrade and Sewer	\$10,901,000	\$21,099,266

## 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 Culture - Recreation function had the largest relative lapses at 52.7 percent of adjusted appropriations. That distinction holds with or

without Federal Grants being included in the calculation. This is primarily due to the amount of funding that lapsed from four projects funded from the General Improvement Bond Fund: 1) the Kawela Bay Land Acquisition project, 2) the Kahuku Municipal Golf Course project, 3) the Pawaa In-Ha Park project, and 4) the Pupukea Beach Park Improvements - Phase I project which all lapsed 100 percent of budgeted funding totaling \$13.4 million in appropriations. Among fund sources, the General Improvement Bond Fund had the largest total lapse of all of the fund sources at \$28.8 million.



**Figure 9-3: Executive Capital Budget FY 2016  
Summary of Results by Function and Fund**

		Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>General Government</b>						
General Improvement Bond Fund	GI	4,926,000	4,926,000	2,654,095	2,271,905	46.1%
Highway Improvement Bond Fund	HI	1,000	82,000	-	82,000	100.0%
Capital Projects Fund	CP	1,050,000	1,050,000	266,675	783,325	74.6%
<b>Total</b>		<b>5,977,000</b>	<b>6,058,000</b>	<b>2,920,770</b>	<b>3,137,230</b>	<b>51.8%</b>
<b>Public Safety</b>						
General Improvement Bond Fund	GI	28,610,000	28,610,000	24,288,633	4,321,367	15.1%
Highway Improvement Bond Fund	HI	2,803,000	2,803,000	1,437,489	1,365,511	48.7%
Federal Grants Fund	FG	5,030,000	5,030,000	587,437	4,442,563	88.3%
State Funds	ST	-	166,000	66,000	100,000	60.2%
Capital Projects Fund	CP	250,000	250,000	-	250,000	100.0%
<b>Total</b>		<b>36,693,000</b>	<b>36,859,000</b>	<b>26,379,558</b>	<b>10,479,442</b>	<b>28.4%</b>
<b>Highways and Streets</b>						
Highway Improvement Bond Fund	HI	139,937,000	139,856,000	128,152,001	11,703,999	8.4%
Federal Grant	FG	-	278,141	278,141	-	0.0%
Capital Projects Fund	CP	100,000	100,000	-	100,000	100.0%
<b>Total</b>		<b>140,037,000</b>	<b>140,234,141</b>	<b>128,430,142</b>	<b>11,803,999</b>	<b>8.4%</b>
<b>Sanitation</b>						
Sewer Revenue Improvement Bond Fund	SR	143,497,000	143,497,000	138,186,955	5,310,045	3.7%
Solid Waste Improvement Bond Fund	WB	9,827,000	9,827,000	8,876,893	950,107	9.7%
Capital Projects Fund	CP	80,123,000	80,123,000	74,477,841	5,645,159	7.0%
<b>Total</b>		<b>233,447,000</b>	<b>233,447,000</b>	<b>221,541,690</b>	<b>11,905,310</b>	<b>5.1%</b>
<b>Human Services</b>						
General Improvement Bond Fund	GI	32,000,000	32,000,000	31,258,557	741,443	2.3%
Community Development Fund	CD	6,863,281	6,863,281	5,610,131	1,253,150	18.3%
Federal Grants Fund	FG	4,494,332	4,558,865	4,280,995	277,415	6.1%
Capital Projects Fund	CP	12,135,922	12,135,922	9,401,446	2,734,476	22.5%
<b>Total</b>		<b>55,493,535</b>	<b>55,558,068</b>	<b>50,551,128</b>	<b>5,006,485</b>	<b>9.0%</b>
<b>Culture-Recreation</b>						
General Improvement Bond Fund	GI	38,047,300	38,047,300	16,626,279	21,421,021	56.3%
Federal Grants	FG	-	56,431	-	56,431	100.0%
Capital Projects Fund	CP	7,307,360	7,307,360	4,810,653	2,496,707	34.2%
<b>Total</b>		<b>45,354,660</b>	<b>45,411,091</b>	<b>21,436,932</b>	<b>23,974,159</b>	<b>52.8%</b>

**Figure 9-3: Executive Capital Budget FY 2016  
Summary of Results by Function and Fund (Continued)**

		Appropriation	Adjusted Appropriation	Expended/ Encumbered	Lapsed	Percent Lapsed
<b>Utilities or Other Enterprises</b>						
Highway Improvement Bond Fund	HI	27,858,000	27,858,000	25,058,238	2,799,762	10.1%
Federal Grants Fund	FG	24,314,000	30,994,938	11,880,426	19,114,512	61.7%
<b>Total</b>		<b>52,172,000</b>	<b>58,852,938</b>	<b>36,938,664</b>	<b>21,914,274</b>	<b>37.2%</b>
<b>All Functions</b>						
Community Development Fund	CD	6,863,281	6,863,281	5,610,131	1,253,150	18.3%
Federal Grants Fund	FG	33,838,332	40,918,375	17,026,999	23,890,921	58.4%
General Improvement Bond Fund	GI	103,583,300	103,583,300	74,827,563	28,755,737	27.8%
Highway Improvement Bond Fund	HI	170,599,000	170,599,000	154,647,727	15,951,273	9.4%
Sewer Revenue Improvement Bond Fund	SR	143,497,000	143,497,000	138,186,955	5,310,045	3.7%
Solid Waste Improvement Bond Fund	WB	9,827,000	9,827,000	8,876,893	950,107	9.7%
State Funds	ST	-	166,000	66,000	100,000	60.2%
Capital Projects Fund	CP	100,966,282	100,966,282	88,956,615	12,009,667	11.9%
<b>Grand Total</b>		<b>569,174,195</b>	<b>576,420,238</b>	<b>488,198,883</b>	<b>88,220,900</b>	<b>15.3%</b>



## CHAPTER NINE

D. STATUS OF COUNCIL ADDED  
PROJECTS

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

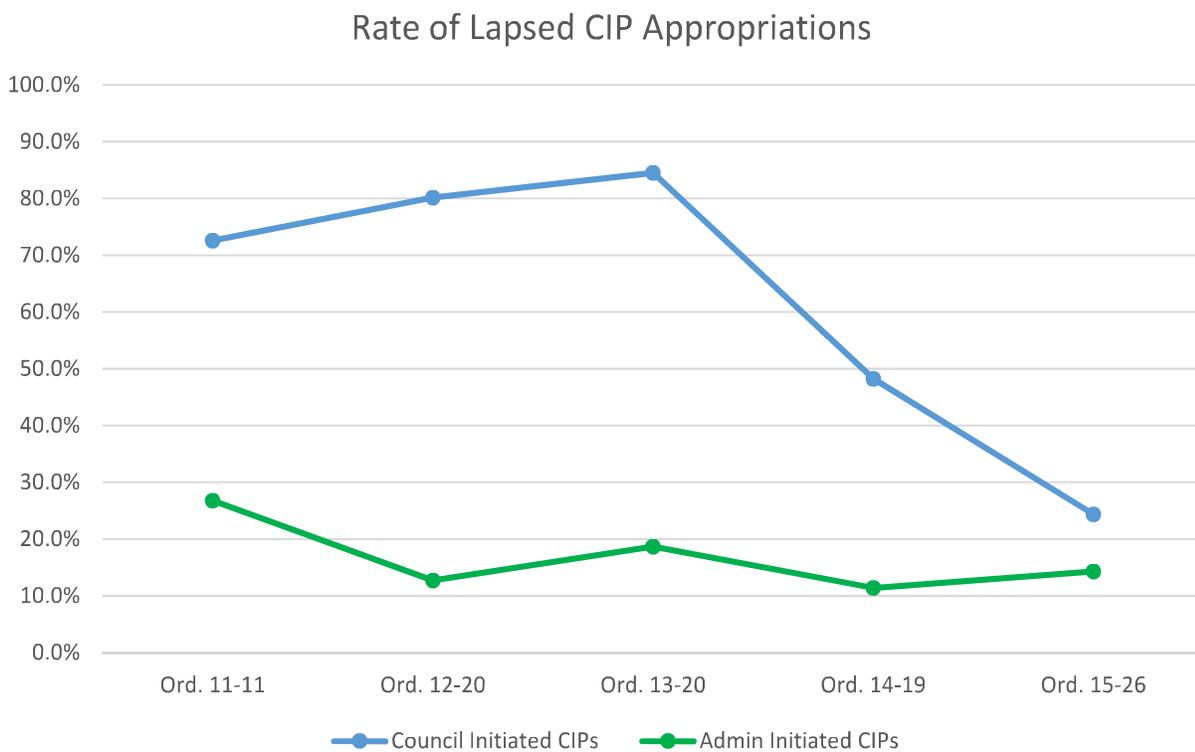
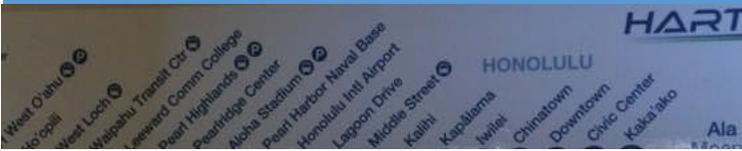


Figure 9-4 illustrates the rate of lapsed appropriations for Council-initiated projects starting from FY 2012 through FY 2016. For the purposes of this report, “Council-initiated projects” includes projects added by the Council (as denoted by asterisk in Figure 9-1) but does not include projects amended by the Council. The rate of appropriation lapses has been expressed as a percent of total appropriations. In FY 2016, the rate of lapsed CIP appropriations for Council-

initiated projects dropped significantly to 26 percent, as compared to the prior year’s rate of 48 percent. The lapsing rate for Administration-initiated projects remained relatively stable at 14.1 percent compared to the prior year’s rate of 11.4 percent. For more detailed information regarding specific Council-initiated projects for FY 2016, please refer to Figure 9-1 projects marked with an asterisk (\*).





## CHAPTER TEN

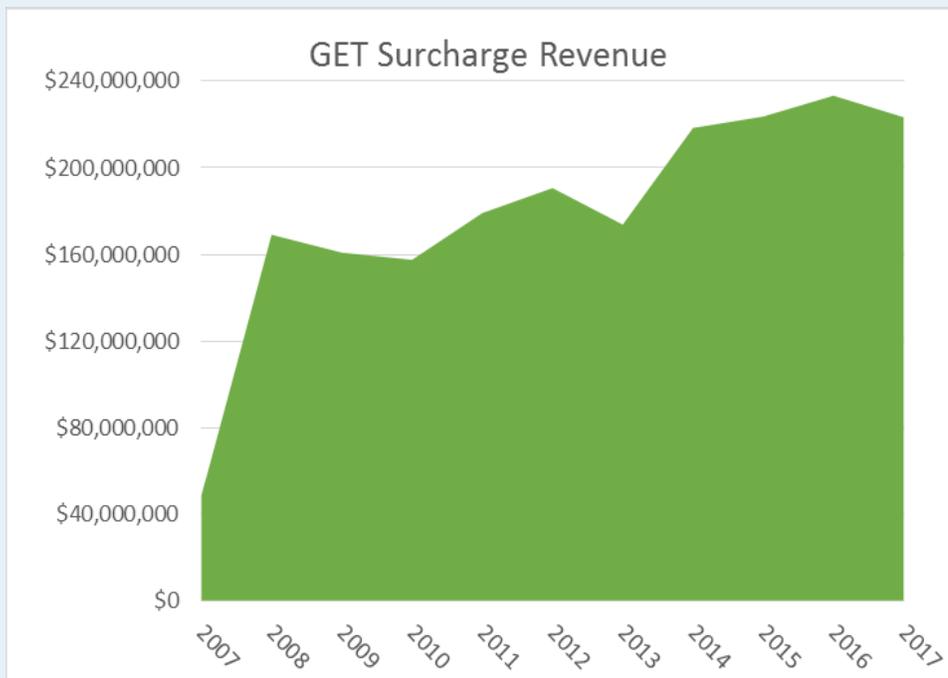
# HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART)

### A. REVENUES TREND

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

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

**Figure 10-1: GET Surcharge Revenue**



This chart shows the amount of historical general excise tax surcharge revenues raised by the City. GET surcharge revenue collections have increased close to \$55 million since the first full fiscal year of collections in 2008.

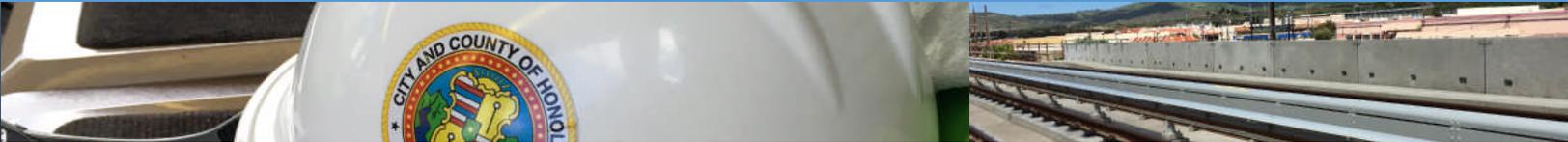
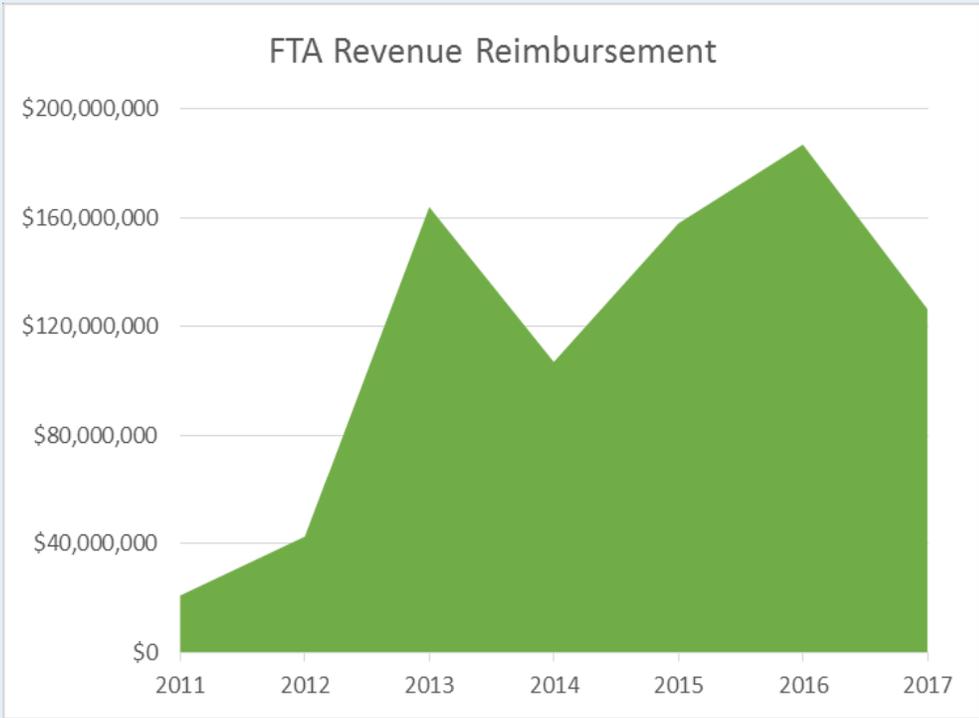


Figure 10-2: FTA Reimbursement Revenues



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.

## B. VARIANCES IN REVENUES AND OPERATING EXPENDITURES

This is a comparison of the actual revenues and operating expenses for HART for FY 2015, FY 2016, and FY 2017.

**Figure 10-3: FY 2016 and FY 2017 HART Budget Revenue Variances**

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

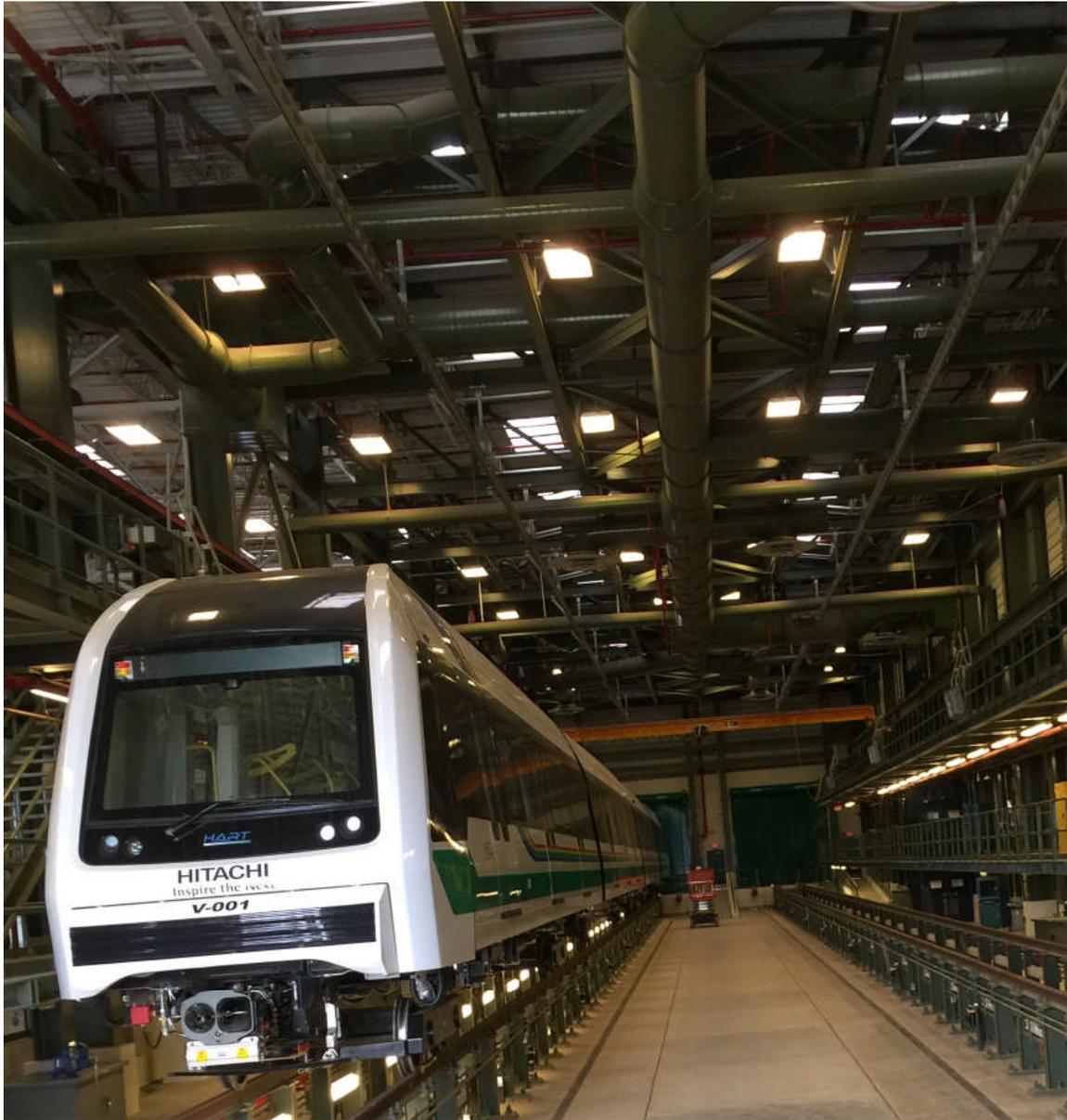
Revenue Source	FY 2017 Actual	FY 2016 Actual	Variance
State GET Surcharge	\$223,348,774	\$233,323,231	(\$9,974,457)
FTA Reimbursement	\$126,496,359	\$186,998,546	(\$60,502,187)

**Figure 10-4: 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

**Figure 10-5: FY 2017 HART Actual Expenditure Variances**

Operating Expenses	FY 2017 Actual	FY 2016 Actual	Variance
Administration and General	\$14,837,870	\$13,584,993	\$1,252,877
Fringe Benefits	\$6,656,132	\$4,364,512	\$2,291,620
Contractual Services	\$227,288	\$465,111	(\$237,823)
Insurance	\$74,437	\$71,051	\$3,386
Utilities	\$5,713	\$4,765	\$948
Materials and Supplies	\$57,916	\$64,267	(\$6,351)
Depreciation	\$14,330	\$17,646	(\$3,316)
Maintenance	\$4,260	\$5,152	(\$892)
Total Operating Expenses	\$21,877,946	\$18,577,497	\$3,300,449





## CHAPTER ELEVEN

# APPENDIX: DATA SOURCES

### **Figure 1-1**

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

### **Figure 1-2**

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

### **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**

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**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.*

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