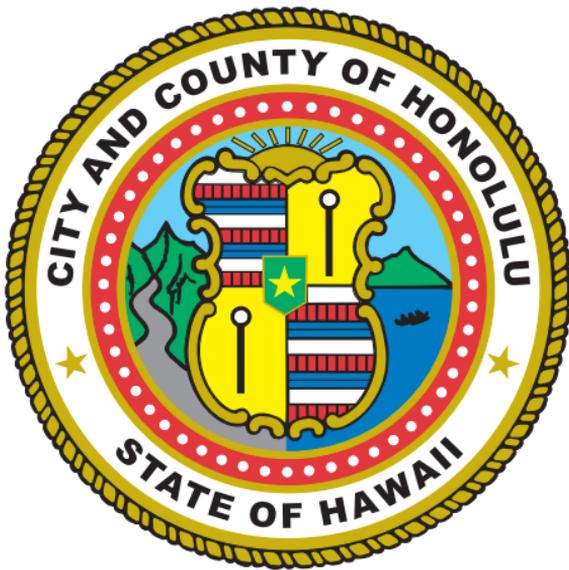


Quick Reference Guide

THE BUDGET



**Council Review
March - June**

Honolulu City Council

**By
December
1**

- HART submits its budget to the Council through the Mayor.

**On or
around
March 2**

- Mayor submits the budget to the Council.
- Council Chair makes the Legislative Budget available to the public.

**During
the month
March**

- 1st Reading of budgets.
- Council holds agency briefings.

**During
the month
April**

- Council holds a public hearing on the budgets, revenue measures and real property tax rates.

**By
June
15**

- Council adopts budgets.
- Council adopts revenue measures.

**Within 10 days
of Council
Adoption**

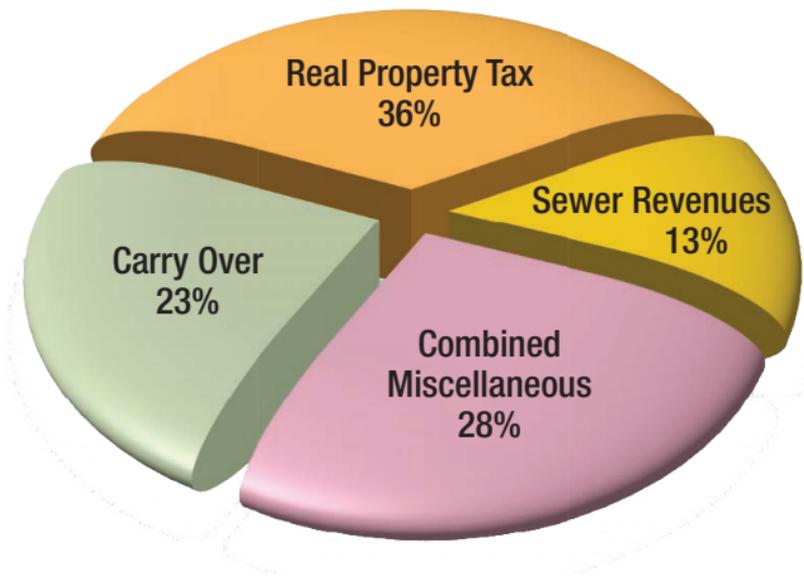
- The Mayor must
 - 1) Sign;
 - 2) Return unsigned; or
 - 3) Veto in totality or a portion of the budget bills.

**Between 5 and
30 days after
receipt of Mayor's
Veto**

- The Council may override the veto with a 2/3 vote.

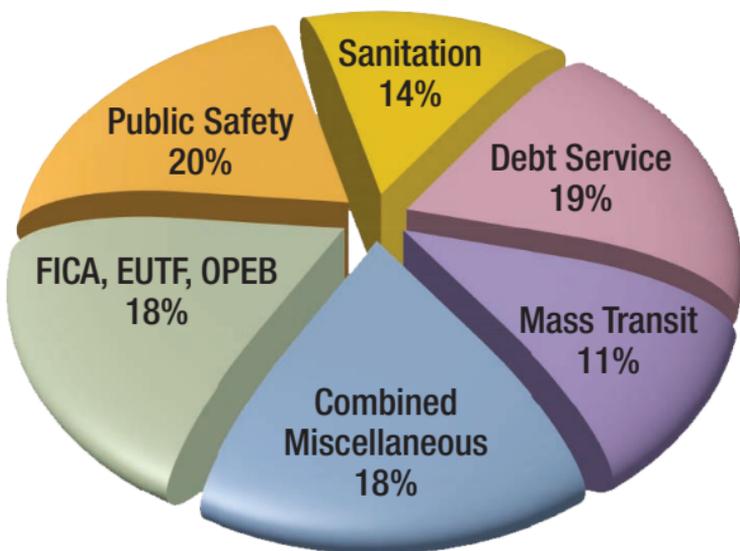
Where does the City get its dollars?

FY 15 Operating Resources \$2.6 Billion

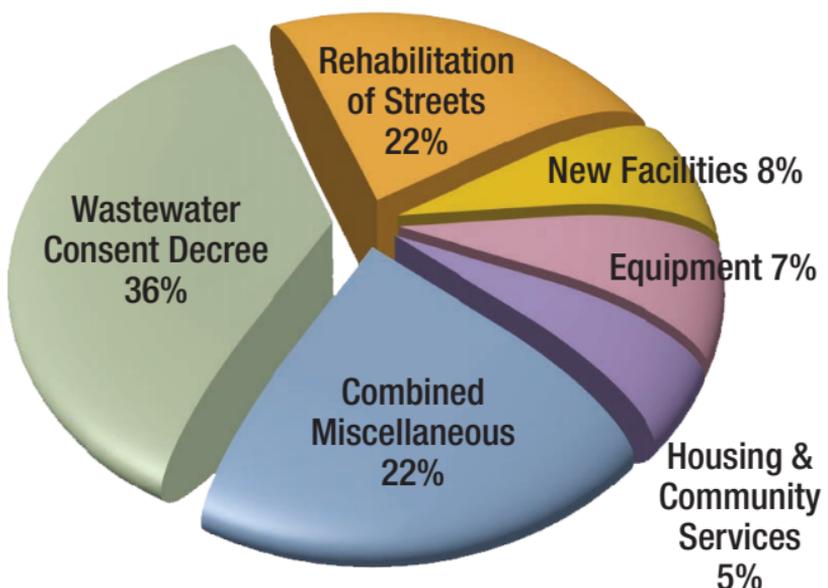


Where does the City spend its dollars?

FY 15 Operating Expenditures \$2.1 Billion*



FY 15 Capital Distribution \$640 Million



*Differential becomes unreserved Fund Balance.

WHY BUDGET?

Budgeting is a key public policy-making process. Because the City's financial resources are limited, the budget becomes a means for public policymakers to choose between competing requests.

In answering the question, "Who gets what?" the Council establishes the goals of City government and, consequently, prescribes the values and priorities of the City.

WHAT IS THE COUNCIL'S ROLE?

Section 3-112, Revised Charter of the City and County of Honolulu 1972, as amended (RCH), requires that any budget adopted by the Council must be balanced.

The Council is also required to adopt revenue measures to generate the monies necessary to cover the costs of these budgets. In effect, it is the Council's responsibility to ensure that the budgets put forth by the Mayor are fiscally prudent.

From March to June, the Council carefully deliberates the City's budget package. This three month process is the only opportunity for the public to suggest alternatives to the Mayor's proposals by voicing their opinions directly to Councilmembers.

It is through the budget deliberation process, that Councilmembers are able to directly respond to constituency concerns. Councilmembers may propose budget amendments to include funding that addresses specific district needs and ensures that quality services are provided to the public in the ensuing fiscal year.

In this sense, it is the Council's role to be the "checks and balances" for the public throughout the budget decision making process.

BUDGET TYPES

The City's fiscal year (FY) begins on July 1st and ends on June 30th of the following year. The Charter requires that an executive budget for the City must be submitted by the Mayor and enacted by the Council on an annual basis. Key components of the City's budget are the different budget measures and the City's revenue program.

Executive Operating Budget

Where the City gets its money and how it will pay for day-to-day operations. Operating expenses are paid for with cash revenues.

Executive Capital Budget

Identifies long-lived projects, facilities and large equipment that the City plans to develop or purchase over the next six years. Typically, the primary CIP funding source is bond proceeds.

Legislative Budget

Provides funding for legislative branch offices and typically only includes appropriations for operating expenses, which are financed with cash proceeds.

Honolulu Authority for Rapid Transit (HART) Budgets

HART is a semi-autonomous public transit authority created to oversee the construction and operation of the rail system. The HART operating and capital budgets provide funding for the City's rail transit project.

Revenue Program

Comprised of various financing mechanisms such as taxes, fees and bond proceeds to finance the proposed budgets for the City. All proposed revenue generating legislation is subject to amendment by the City Council. The Council must annually set real property tax rates in conjunction with the adoption of the City budgets.

BUDGET CYCLE

The City's annual budget cycle generally consists of three phases.

Phase I – Preparation

The Mayor and the Administration prepare the operating and capital budgets, along with a revenue program for the upcoming fiscal year. HART also independently prepares its operating and capital budgets for submittal to the Council via the Mayor's office.

Simultaneously, the Chair of the Council prepares the legislative budget to provide funding for the legislative branch operational costs.

Phase II – Submittal, Review & Adoption

Section 9-102, RCH, mandates that the Mayor submit to the Council all documents pertaining to the proposed executive budgets not less than 120 days prior to the end of the fiscal year. Similarly, Section 3-111, RCH, requires the Council to submit the proposed legislative budget not less than 120 days prior to the end of the fiscal year. Section 17-106, RCH, requires HART to submit its budgets to the Council through the office of Mayor by December 1 of each year.

The proposed budgets and accompanying documents are usually submitted on or around March 2. From March to June, the Council conducts a review of the proposed budgets and adopts the budgets for the ensuing fiscal year. During Phase II, the Council may amend any of the proposed budgets or revenue measures, as it deems appropriate.

Upon adoption by the Council, the budget ordinances are subject to approval and/or veto by the Mayor and, if applicable, subsequent override by the Council.

Phase III - Administration & Enforcement

Once the budgets are enacted, agencies are authorized to make expenditures. Operating appropriations, once adopted are valid for one fiscal year. CIP appropriations, once enacted, are valid for 24 months in total.

FREQUENTLY ASKED QUESTIONS

How can I get a copy of the budget measures?

All budget measures are available electronically through the Council's searchable website:

www.honolulu.gov/status-and-text.html.

Additionally, hard copies may be requested from the City Clerk's Office or by contacting your Councilmember.

How do I find out when the public meetings are scheduled to hear the budget measures?

Electronic agendas are posted online on the Council's website: **www4.honolulu.gov/docushare/dsweb/View/Collection-1894.**

Additionally, hard copy agendas are posted for viewing at Honolulu Hale.

How do I submit public testimony on any of the budget measures?

Citizens have multiple ways by which they may voice their opinions, as follows:

1. Pre-register to speak on the individual budget measures at the scheduled public meeting by using the online Council Speaker Registration Form available at **www.honolulu.gov/participate** or sending a fax to 768-3826.
2. Attend the public meeting and register in person with the committee clerk.
3. If you are unable to attend the public meeting, submit your complete written testimony online through **www.honolulu.gov/participate** or send via fax at 768-3826.

How do I find out if a project in my neighborhood, such as a skate park, has been included in the budget?

The budget measures, specifically the CIP budget bill, will provide a list of proposed projects.

If you are unable to locate a specific project in the CIP bill, you may contact your Councilmember.

RESOURCES

DEPARTMENT OF BUDGET & FISCAL SERVICES

www.honolulu.gov/budget/default.html

OFFICE OF THE CITY CLERK

www1.honolulu.gov/council/clerk.htm

CITY COUNCIL

www.honolulu.gov/council

CHARTER ONLINE

www1.honolulu.gov/refs/rch

ROH ONLINE

www.honolulu.gov/ocs/roh

SOURCES

City and County of Honolulu, Department of Budget and Fiscal Services. The Executive Program & Budget, Fiscal Year 2015, Volume 1 - Operating Program & Budget.

City and County of Honolulu, Department of Budget and Fiscal Services. The Executive Program & Budget, Fiscal Year 2015, Volume 2 - Capital Program & Budget.

DISCLAIMER

As the information and services are continually being updated, all documents, including the Charter, ROH, individual ordinances, and the information on the webpages are unofficial.



City and County of Honolulu