

'22FEB04 PM 2:30 CITY CLERK

CITY COUNCIL

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CALVIN SAY

Councilmember District 5

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February 4, 2022

Mr. Michael Formby, Managing Director
Managing Director's Office
530 South King Street, Room 306
Honolulu, Hawaii 96813

Dear Mr. Formby:

Subject: **BUDGET COMMUNICATION NO. 6**
Supplemental Questions for FY 2023 Departmental Budget Briefings

In preparation for the FY 2023 budget cycle, along with the information requested in Council Communication 24 (2022)/Budget Communication No. 4, please also provide responses in writing to the Budget Committee by **Friday, March 4, 2022** to the following queries:

1. Transfer of Funds. Section 2-17.2(c), Revised Ordinances of Honolulu 1990 ("ROH") requires the administration to file a monthly report with the City Clerk of all individual transfers of funds between activities and character of expenditures occurring within each month. Please provide a copy of the reports filed with the Clerk since July 1, 2021. Also, please provide a summary table of all the transfer of funds that have been requested by the City Administration since July 1, 2021 to the current date. The summary table should include, at a minimum, the Mayor's Message ("MM") number, the consequent resolution number, the relevant department, the affected activity(ies) and/or character of expenditure, the affected fund, and a brief description of the rationale for the transfer. When providing the affected fund information, please also provide the starting balance of the affected fund pre-transfer and the ending balance post-transfer. Additionally, the summary table should be organized sequentially by the date of requested transfer.
2. Emergency Services Department ("Department"):
 - a) Please provide the FY 2023 requested appropriation amounts by activity, character of expenditure, object code, and/or FTE count that are directly related to implement the provisions of Ordinance 19-26 (commonly referred to as "Dawn to Dusk") in the executive operating budget. Please provide the Department's implementation details of Dawn to Dusk. Please discuss whether implementing

COUNCIL COM. 32

City and County of Honolulu | District 5 | ckysay@honolulu.gov | 808-768-5005
Kaimuki, Palolo Valley, St. Louis Heights, Manoa, Moiliili, McCully, and portions of Ala Moana, Kakaako, and Makiki

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Dawn to Dusk in FY 2023 will have a budgetary impact on the Department's other core functions, such as providing emergency medical services.

- b) Act 208, Session Laws of Hawaii 2021 (known also as HB 1281, HD1, SD2, CD1) requires that the City assume the responsibility for and funding of the Emergency Medical Services ("EMS") budget activity. Please provide a detailed implementation plan that outlines the Department's strategy to fund the EMS budget activity and any proposed fees or fee increases for this budget activity.

3. Real Property Taxation:

- a) Please provide the percentage split of net revenues for Residential and Non-residential real property classifications to confirm whether the FY 2023 proposed tax rates are in compliance with Resolution 07-60, CD1. Please provide a discussion as to the City's plans to adjust real property tax rates during fiscal years when property valuations increase disproportionately in one of the classes.
- b) Please review ROH Chapter 8, Article 10 (Exemptions) and provide recommendations as to which specific exemptions should be repealed.

4. Employees' Retirement System:

- a) Please provide the total number of retirees that have retired or are anticipated to retire in FY 2022. Please also provide the amount of total salaries for these retirees.
- b) Please provide the total number of retirees that are estimated to retire in FY 2023. Please also provide the amount of total salaries for these retirees.
- c) Please provide a brief discussion as to the City's hiring strategy to replace (or not) FY 2022 and FY 2023 retirees.

5. City Transient Accommodations Tax. Please provide a detailed discussion in regards to the City's imposition, disposition, and facilitation of the receipt and deposit of revenues derived from the City's establishment of its transient accommodations tax, as authorized in Ordinance 21-33. Please include, at a minimum, the estimated number of FTEs, current expenses, equipment, and the proposed office location required to implement Ordinance 21-33.

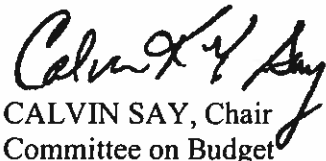
6. Rail Operations. Ordinance 21-20 appropriated \$197,569,000 in the Provision for the Other Post-Employment Benefits and Multimodal Municipal Transportation System budget activity for FY 2022. Please provide the current balance of this provisional account, organized by individual fund. Please also provide the FY 2022 start date of rail

operations (i.e., when such activities are transferred to the Department of Transportation Services, per Section 17-121, Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended). Please discuss whether there is sufficient balance in this provisional account to fund rail operations in FY 2022.

7. Grants. Please provide a summary table of the total number of grant funded positions for FY 2022 and FY 2023, organized by department and budget activity. The summary table should include, at a minimum, a brief description of the grant, the expiration date of the grant, and a discussion of identified alternate funding sources for the affected FTE(s) when/if the grant expires.
8. Rate Commission. Please provide the Administration's preliminary comments on the 2021 Rate Commission's draft annual report.
9. Streams Maintenance. Ordinance 21-20 added 5.0 FTEs and appropriated an additional \$450,000 in salaries, \$500,000 in current expenses, and \$200,000 in equipment for FY 2022, specifically for streams maintenance. Please provide a status report as to the hiring of these 5.0 FTEs and the expenditure details of the current expenses and equipment appropriations. Additionally, please provide a discussion of how the City's formulated its FY 2023 staffing, current expenses, and equipment appropriations dedicated to stream maintenance to successfully cope with the increased probability of flooding in the ensuing fiscal year due to climate change.
10. Honolulu Hale. Ordinance 21-21 added a \$2,500,000 capital improvement project ("CIP") in the FY 2022 executive capital budget for the planning and design of renovations to Honolulu Hale. Please provide a status report of this CIP to the current date, which should include, at a minimum, the amount of funds encumbered and/or expended and a brief discussion of the actual work that has been completed on this CIP. Additionally, please provide a discussion of the City's short-term future plans (e.g., FY 2024 onward) for the continued renovation and/or maintenance of Honolulu Hale.

Thank you for your cooperation and I look forward to working with the City Administration during the upcoming FY 2023 budget cycle.

Sincerely,



CALVIN SAY, Chair
Committee on Budget