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Administrative Overview

Fiscal Year 2023 Budget

March 7, 2022

Smart Spending for Oahu's Recovery

- Commitment to our Communities
 - Affordable housing and homelessness
 - Public health/safety and delivery of City services
- Invest in City employees
 - Fill vacancies to drive better execution and responsiveness
 - Provide training and opportunities for growth and advancement
- Modernize the City's operations
 - Invest in our departments to improve efficiency and accountability
 - Enhance intermodal transportation options; interim Rail operations
- Excellence in governing
 - Results driven - enhance trust and confidence by superior performance in City operations

Priorities in FY2023

- Transformative Change While Sustaining Core Services
 - Streamline the process for securing and distributing funds
 - Grow Oahu's agriculture sector, job-retooling/retraining programs and job placement assistance
 - Strengthen operations in the Department of Planning and Department of Human Resources
 - Fund wastewater and global consent decree projects
 - Rehabilitate and improve roads/streets
 - Upgrade maintenance of parks and recreational facilities

Priorities in FY2023

- Affordable Housing and Homelessness
 - Facilitate and incentivize development of affordable housing rentals beyond acquisition
 - Expand and sustain CORE homelessness services
- Economic Recovery
 - Revitalize our economy
 - Maximize opportunities for our communities, families, and businesses

Priorities in FY2023

- Drive adaptation in Climate Change, Sustainability and Resiliency
- Commitment to Chinatown
 - Revitalization and beautification
 - Improve safety and reduce crime and homelessness
 - Improve streets, sidewalks and finalize Complete Streets projects
- Work together with the City Council for the betterment of our people

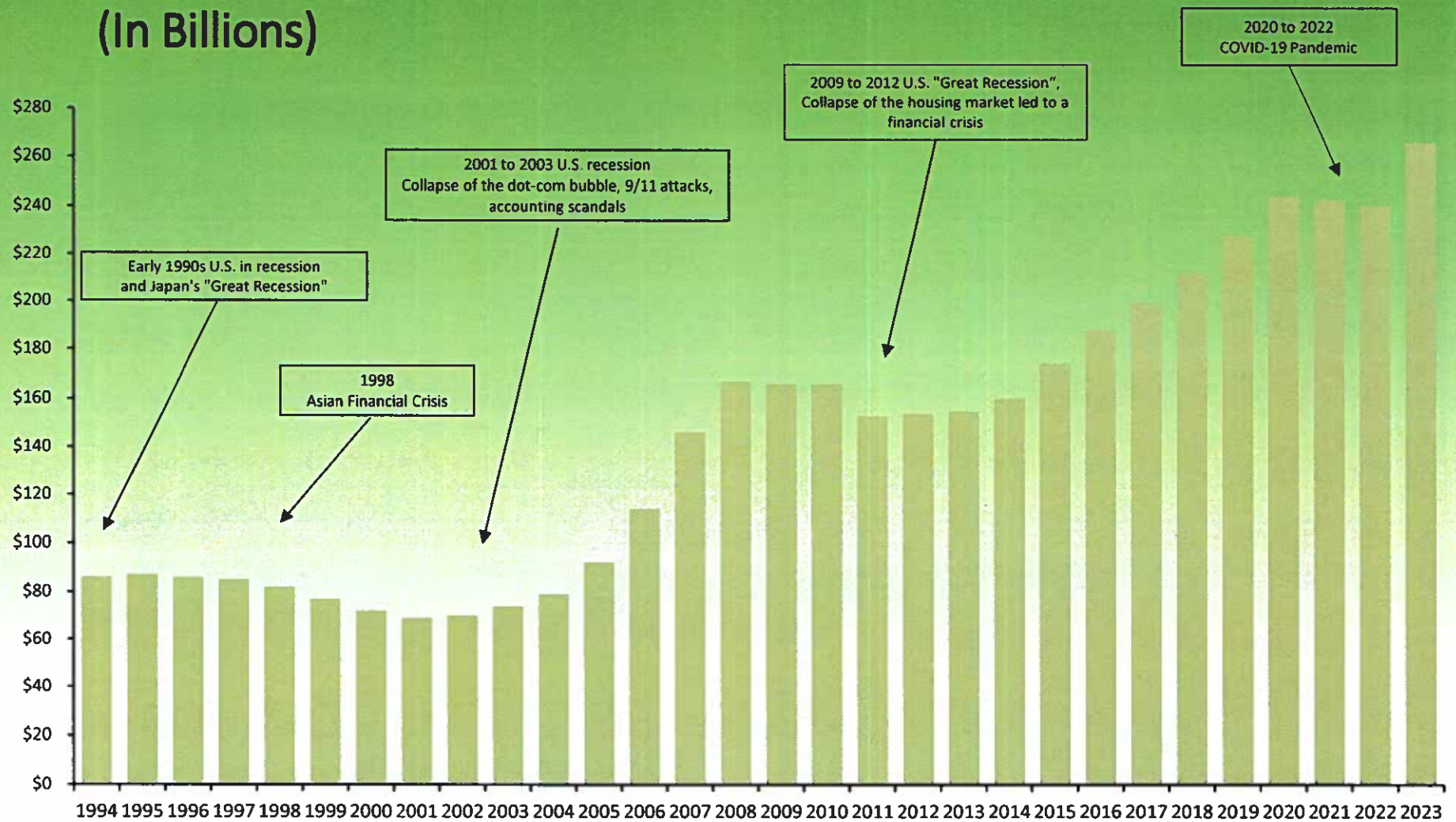
Revenues

Comparison of Key Revenues

(In Millions)

	<u>FY 2022 Appropriated</u>	<u>FY2023 Proposed</u>	<u>Increase (Decrease)</u>
Real Property Tax	\$1,381.5	\$1,504.8	\$123.3
Transient Accommodation Tax	\$0	\$85.8	\$85.8
Motor Vehicle Weight Tax	\$173.3	\$181.9	\$8.6
Fuel Tax	\$39.2	\$37.7	(\$1.5)
PUC Franchise Tax	\$47.7	\$43.8	(\$3.9)
Public Service Company Tax	\$44.4	\$44.0	(\$0.4)
	\$1,686.1	\$1,898.0	\$211.9

Real Property Assessments (In Billions)



Real Property Tax Revenues

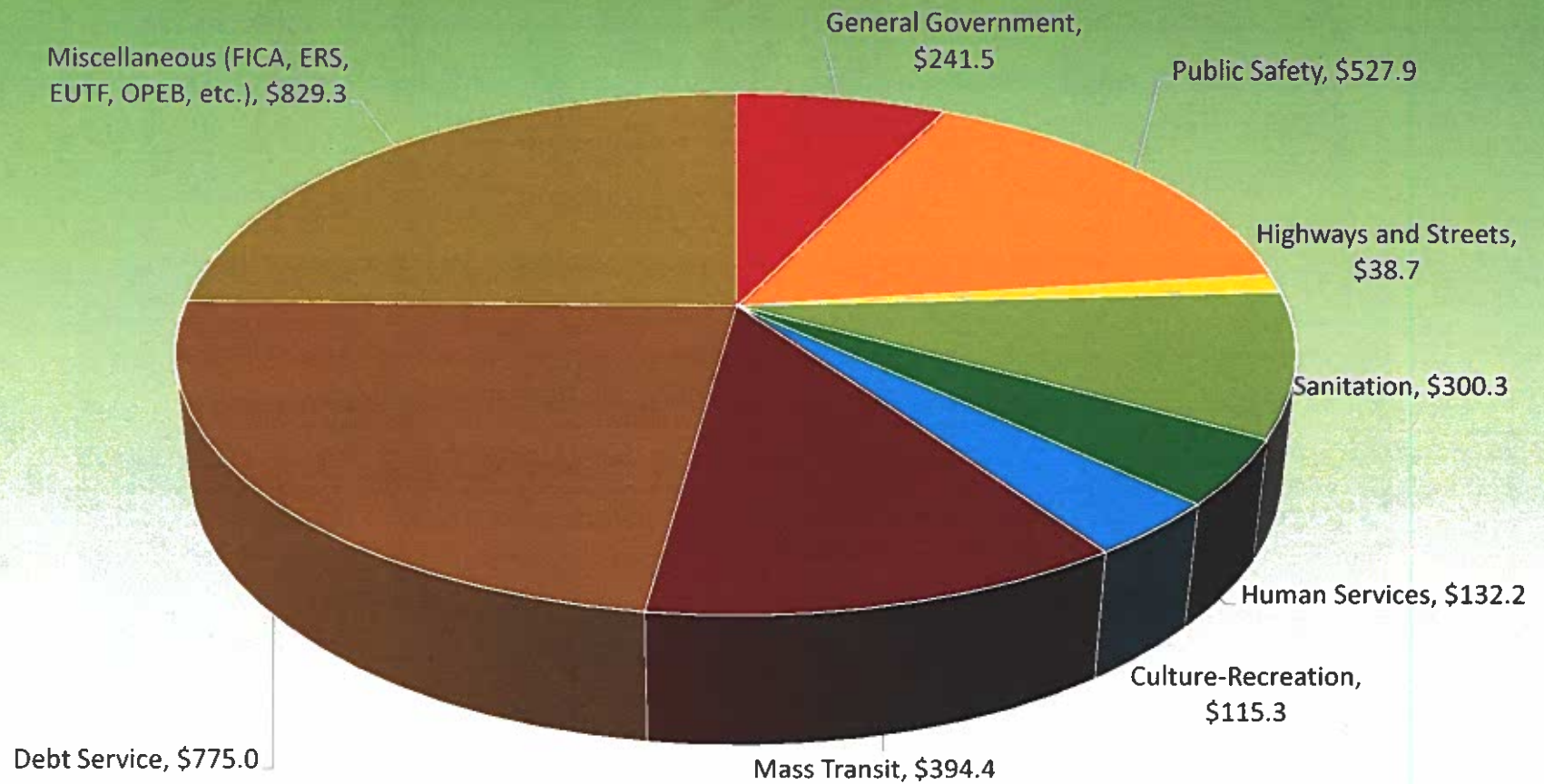
<u>Land Use Class</u>	<u>Tax Rate</u>	<u>FY 2022 Revenue</u>	<u>FY 2023 Revenue</u>
Residential	\$3.50	\$581,609,000	\$634,513,000
Residential A	\$4.50/\$10.50	\$158,398,000	\$216,599,000
Commercial	\$12.40	\$278,355,000	\$281,263,000
Industrial	\$12.40	\$157,495,000	\$160,236,000
Hotel/Resort	\$13.90	\$193,502,000	\$202,630,000
Other	\$5.70 TO \$8.50	\$12,150,000	\$9,607,000
Total		\$1,381,509,000	\$1,504,848,000

Operating Expenditures Budget Overview

Fiscal Year 2023 Operating Budget Expenditures

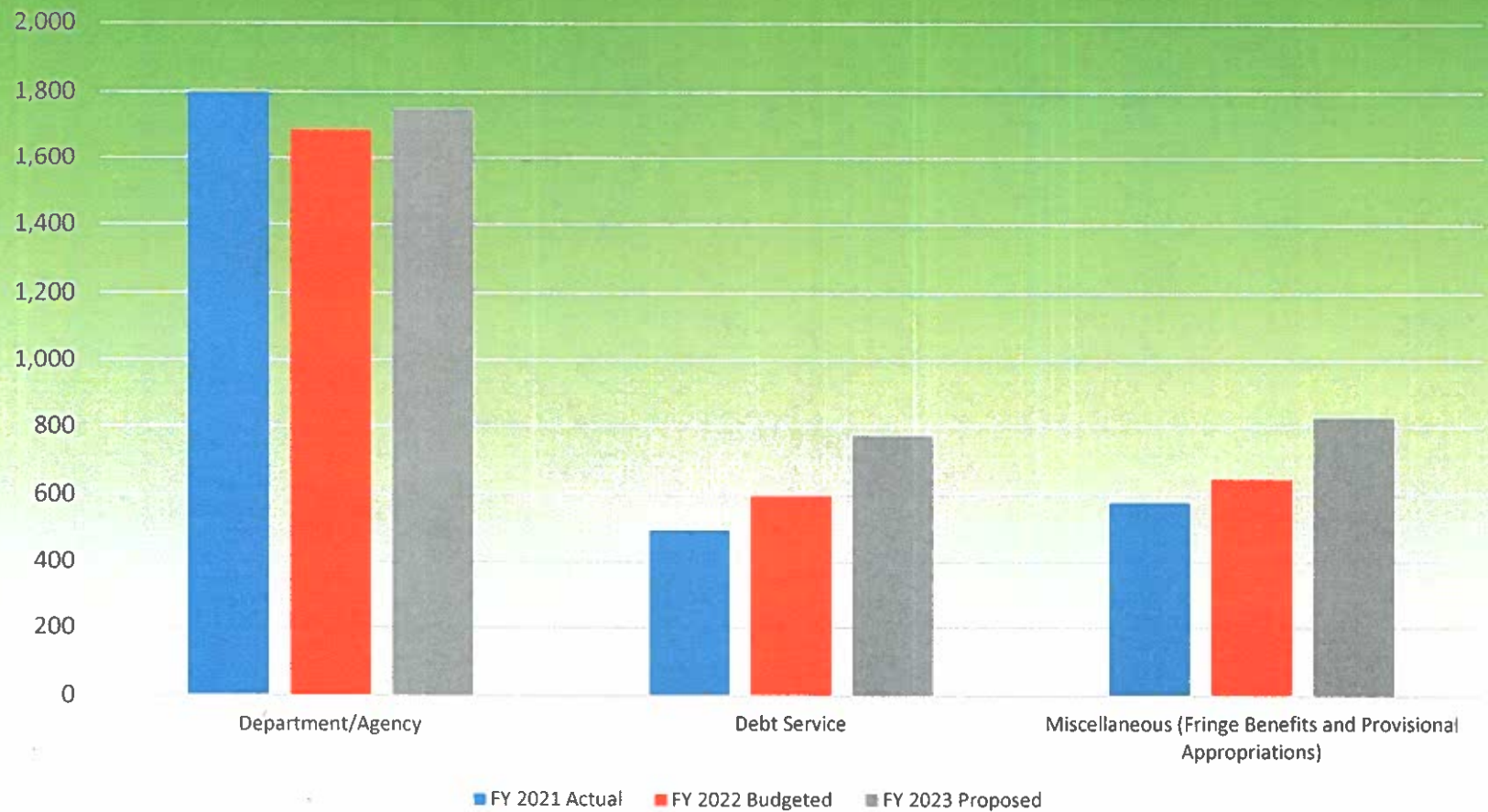
\$3.35 Billion

(In Millions)



Operating Expenditures Budget by Cost Element

\$3.35 Billion (In Millions)



Long-term Liabilities/Commitments

- OPEB
- ERS
- Debt Service
- Rail Operations and Project Costs
- Collective Bargaining Impact to FY23 and Future Years

OPEB Liability

- \$1.6 Billion Unfunded Liability for Retiree Health Care (as of July 1, 2021)
 - OPEB FY 2022 Annual Required Contribution (ARC) will be expended to fully fund the ARC
 - FY 2023 budget includes the full Annual Required Contribution Amount

Pension Liability

- \$2.9 Billion Pension Liability at June 30, 2021
- Rate increases from FY 2018 through 2021 for Employer Contributions passed by the State Legislature - Act 17 (2017)
- Budgeted Retirement System Contributions include increases for “spiking” benefits earned by recent retirees.

ERS and OPEB/EUTF Expenditures FY2015 to FY2023



Debt Service

- Positive Interest Rate Environment
- Tax-exempt advance refunding can only be done with taxable bonds

Rail Operations and Maintenance Costs

- \$96.5M operations and maintenance costs in DTS
- Act 1 Restricts the use of GET and TAT for operations and maintenance
- Ordinance 21-33 allocates 1.25% or .3333 of the 3% County TAT to the transit fund

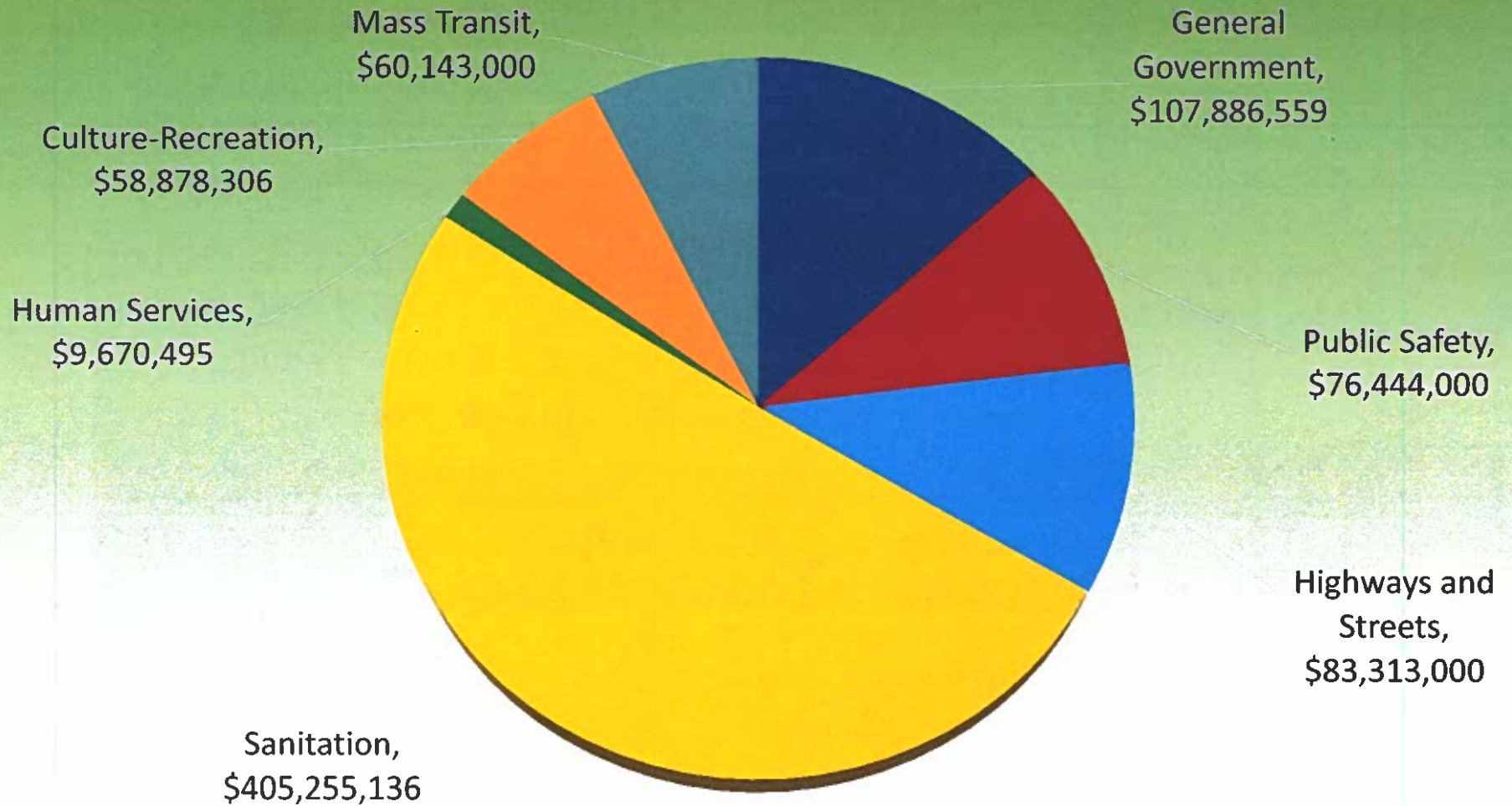
CIP Budget Overview

Focus

- Strategic Investments in Infrastructure
- Meet Health & Safety Needs
- Investment in City's Parks, Recreational & Cultural Facilities
- Drive Transit Oriented Development (TOD) & Multimodal Integration with Rail
- Fund Projects Mandated by State or Federal Law

Fiscal Year 2023 CIP Budget

\$801.6 Million



CIP Projects

- The FY 2023 CIP of \$801.6 million targets \$473.3 million for construction of:
 - H-Power Facility and Wastewater Treatment Plants Improvements
 - Sewer Infrastructure Improvements
 - Electrification of Transportation Infrastructure Improvements
 - Highways, Streets, and Bridge Improvements
 - Flood Control and Storm Drainage Improvements
 - Parks, Golf Courses and Zoo Improvements
 - Computerized Traffic Control System (Intelligent Transportation Systems) Infrastructure Expansion
- The FY 2023 CIP also includes \$116.8 million for the planning and design of improvements to support the delivery of core City services.



Thank You