



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 202
HONOLULU, HAWAII 96813-3065
TELEPHONE: (808) 768-5010 • FAX: (808) 768-5011

RADIANT CORDERO
Councilmember, District VII
Chair, Committee on Budget
(808) 768-5007
E-mail: rcordero@honolulu.gov

February 3, 2023

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. 3**
Fiscal Year 2024 Departmental Budget Briefing Procedures, Schedule, and Calendar

Attached for your information is the Annual Budget Review's Departmental Budget Briefing Schedule and calendar for Fiscal Year (FY) 2024. Please note that this year's briefings will start with the Administrative Overview followed by Departmental Capital (CIP) and Operating Budget Reviews.

Please have each department submit 30 copies of their presentation to the Budget Committee Clerk, Ms. Darcie Nago, before or at the time of their scheduled presentation.

Presentations should be designed as follows:

Administrative Overview

Presentation to contain, but not limited to, the following (please present in a graphic presentation):

1. Policies and priorities that guided preparation of the FY24 Operating and CIP Budgets and program.
2. Comparison of the FY23 Operating and CIP Budgets to the FY24 Operating and CIP Budgets by Source of Funds and by Function (pie charts).
3. Projections for FY24 through FY34 for the amount of new general obligation (G.O.) bond issuances, G.O. requirements, and net debt issuance.

4. Projections for FY24 through FY34 for the amount of debt service, in total amount and as a percentage of the Operating Budget, associated with the net debt issuance determined above in item #3.
5. A graph depicting: a) the amount of the City's outstanding debt as of the date of the presentation, including that which can be legally excluded; and b) the amount of the City's current authorized, but unissued debt, as of the date of the presentation.
6. Details of the bond issuances and/or restructuring (including commercial paper) proposed for FY24. Details should include but not be limited to the amount of issuance/restructuring, estimated interest rate, term, structure, projected date of issuance, and projected annual debt service payments.
7. A graph depicting unreserved, undesignated fund balances (General Fund & Highway Fund), and unrestricted net assets (Sewer and Solid Waste Funds) from FY18 to FY22.
8. A graph depicting budgeted revenues for FY22, actual revenues for FY22, budgeted revenues for FY23, and projected revenues for FY24 and the percentage change between the same.
9. A graph showing expenses divided into fixed (uncontrollable) and discretionary (controllable) for FY22 budgeted expenses, FY22 actual expenses, FY23 budgeted expenses, FY23 projected expenses, and FY24 proposed expenses and the percentage changes between each of those years.
10. List of fees charges by department and identify any proposed increase from FY23 to FY24 and the justification for any proposed increase.

Departmental Budget Briefing Schedule

Each Department will make one presentation, which will cover both CIP and Operating budgets.

Departments should allow not more than **10 minutes** to present their department budgets in order to have adequate time for questions and answers after the presentation.

Operating Budget Review

I am requesting that the Operating Budget Review Presentations be brief and focused on the changes departmental budgets. I am further requesting that each department meet with each councilmember individually prior to the departmental budget briefings to provide an introductory overview of their department, which would include, but is not limited to, narrative details such as historical background, national comparisons, mission statements, responsibilities and goals, and objectives and outcomes.

I am additionally requesting that each department's Operating Budget slides and presentation should contain **only** the following information:

1. Details of **changes** between the FY23 and FY24 Operating Budgets.
2. Discussion of **budget issues** - new proposals or changes in operations.
3. Discussion of **vacancies**, including the current number of vacant positions, the number of vacancies that are expected to be filled by July 1, the number of vacancies that are expected to be filled during FY24, and the number of vacant positions that may be abolished.
4. Discussion of **changes in revenue sources** for the department's budget.

Please refrain from diverting from the briefing parameters discussed above to allow for sufficient time for questions and answers by councilmembers.

Capital Budget Review

Project Review

In view of the city's increasing debt burden, new CIP projects should be justified as to: (1) why they are necessary; and (2) why they must be implemented in this budget cycle. This requirement for justification includes projects that received planning and/or design funding in the past, but have not yet gone out to bid. Ongoing projects should be discussed in terms of their current status, projected completion date, and amounts expended and encumbered to date versus amounts appropriated.

Multiple Work Phases

Section 9-106.3(a) of the Revised Charter of Honolulu 1973 (2017 Edition), as amended, establishes that appropriations in the capital budget are valid only for the fiscal year from which it is made and for the twelve months thereafter. Very few projects appropriating funds for both pre-construction (i.e., land acquisition, planning, design) and construction work phases within the same budget ordinance are implemented within the 24-month period. Therefore, please justify why projects proposing such multi-phase funding should be appropriated. Explain in detail how all proposed budgeted phases would be implemented within the 24-month period.

Departmental Budget Briefing Schedule

Adherence to the Departmental Budget Briefing Schedule should be made a priority. However, should a department wish to change the designated slot for its presentation, the following procedure is to be followed:

1. Requests for changes will only be accepted on or before Tuesday, February 21, 2023.

Managing Director Formby
February 3, 2023
Page 4

2. Each department wishing to make a change must confer with the department they wish to exchange slots with. The initiating department will then call the Budget Committee Clerk, Ms. Darcie Nago, at Extension 83819 to confirm the switch.

Your cooperation with the above process would be appreciated. I look forward to an informative departmental budget review.

Sincerely,

A handwritten signature in black ink, appearing to read "Radiant Cordero", with a horizontal line extending from the end of the signature.

RADIANT CORDERO, Chair
Committee on Budget

Attachment: Departmental Budget Briefing Schedule (Exhibit A)
Budget Calendar (Exhibit B)

cc: All City Departments

EXHIBIT A

FY2023-2024 ANNUAL BUDGET REVIEW DEPARTMENTAL BUDGET BRIEFING SCHEDULE CITY COUNCIL CHAMBER

Monday, March 6, 2023 – Administrative Overview and CIP and Operating Budget Review by Department

9:00 a.m. Administrative Overview

Office of the Mayor/Managing Director
(Office of Economic Revitalization, Film Office, Culture and Arts,
Neighborhood Commission, Office of Housing, Office of Climate
Change, Sustainability and Resiliency)
Department of Budget and Fiscal Services
Department of the Medical Examiner
Department of Emergency Management
Emergency Services Department
(EMS, Ocean Safety)
Honolulu Police Department
Honolulu Fire Department
Department of the Prosecuting Attorney

Tuesday, March 7, 2023 – CIP and Operating Budget Review by Department

9:00 a.m. Royal Hawaiian Band
Department of Information Technology
Liquor Commission
Department of Transportation Services
Honolulu Authority for Rapid Transportation
Department of Enterprise Services
(Auditoriums, Golf Courses, Zoo, Concessions)
Department of Customer Services
Department of Environmental Services
Department of the Corporation Counsel
(Ethics Commission)

Wednesday, March 8, 2023 – CIP and Operating Budget Review by Department

9:00 a.m. Department of Parks and Recreation
Department of Community Services
Department of Land Management
Department of Planning and Permitting
Department of Facility Maintenance
Department of Design and Construction
Department of Human Resources

EXHIBIT A

Legislative Branch
(City Auditor, City Clerk, City Council, Council Services)

CIP and Operating Budget Review: For additional requests of any department on particular projects and/or programs.

Thursday, March 9, 2023 – CIP and Operating Budget Review

9:00 a.m. Set as a contingency day in the case Committee members have additional requests of any department on particular projects and/or programs.

EXHIBIT B

March 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 COMMITTEE	2 COMMITTEE Mayor's Budgets Due	3	4
5	6 Departmental Budget Briefing	7 Departmental Budget Briefing	8 Departmental Budget Briefing	9 Departmental Budget Briefing (Contingency Day)	10	11
12	13	14	15 COUNCIL (BUDGET/1st Rdg)	16	17	18
19	20	21	22	23	24	25
26 Prince Jonah Kūhiō Kalaniana'ole Day	27 Prince Jonah Kūhiō Kalaniana'ole Day (Observed)	28	29	30 Special CD1 Budget Meeting	National League of Cities Conf., Washington D.C., 3/24-3/28	
National League of Cities Conference, Washington D.C., 3/24-3/28						

EXHIBIT B

April 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4 COMMITTEE	5 COMMITTEE	6 COMMITTEE	7 Good Friday	8
9	10	11	12	13	14	15
16	17	18	19 COUNCIL (Budget/PH-2nd Rdg)	20	21	22
23	24	25	26	27	28	29
30						

EXHIBIT B

May 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 COMMITTEE	3 COMMITTEE	4 COMMITTEE	5	6
7	8	9	10	11	12	13
14	15 Special CD2 Budget Meeting	16	17 COUNCIL	18	19	20
21	22	23 COMMITTEE	24 COMMITTEE	25 COMMITTEE	26	27
28	29 Memorial Day	30	NACo WIR Conference, Washington County, UT, 5/24-5/26			31

EXHIBIT B**June 2023**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7 COUNCIL (Budget/3rd Rdg)	8	9	10
11 King Kamehameha Day	12 King Kamehameha Day (Observed)	13	14	15 Charter Deadline for Council to Adopt Budget & Revenue Program	16	17
18	19 Juneteenth	20 COMMITTEE	21 COMMITTEE	22 COMMITTEE	23	24
25	26	27	28	29	30	