

**OFFICE OF THE MAYOR  
KE KE'ENA O KA MEIA  
CITY AND COUNTY OF HONOLULU**

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March 6, 2025

The Honorable Tyler Dos Santos-Tam, Chair  
and Members  
Committee on Budget  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Dear Chair Dos Santos-Tam and Councilmembers:

SUBJECT: Budget Adjustments and Reappropriation Requests

On behalf of the Office of the Mayor and Managing Director, we would like to notify the Budget Chair and members of the Committee on Budget of three budget issues within the Office of the Mayor and the Managing Director identified after finalization of the proposed budget.

**1. Waikī Security Enhancement – Managing Director's Office (MDO) and Department of Facility Maintenance (DFM)**

Upon finalizing the proposed budget, we recognized that \$250,000 for the Waikī Security Enhancement initiative, which we are executing in collaboration with the Waikī Business Improvement District Association (WBIDA), was inadvertently included in both the MDO and DFM budgets. Last fiscal year, MDO managed the procurement and oversight of these funds. However, to ensure the long-term sustainability of this initiative beyond this administration and because there is an existing mechanism through which DFM can provide these funds to the WBIDA, we determined the funding is best placed within the appropriate department, DFM. During the budget process, this duplication was not identified. Therefore, we respectfully request the reduction of \$250,000 from the Managing Director's Office, City Management Current Expenses line item.

**2. Office of Economic Revitalization (OER) – Salaries Line Item Adjustment**

In January, we received updated guidance from the Federal Government regarding the eligibility of American Rescue Plan Act State and Local Fiscal Recovery Funds (SLFRF) to cover existing positions through the end of Calendar Year 2026. Since OER has the most positions funded through SLFRF, we determined that utilizing the remaining SLFRF funds to support these positions was the most appropriate course

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of action. However, this guidance was received during the final stages of the budget preparation process, and as a result, OER's full budget request remains in the operating budget alongside the newly eligible SLFRF funding. As we are proposing to utilize SLFRF funds totaling \$594,900 to cover OER's salaries, only \$1,242,948 in operating funds is required for salary expenses.


Additionally, we respectfully request that \$218,000 of the \$594,900 savings be allocated to fund three newly added Community Equity Liaison positions. These three positions focus on building relationships with non-profits, government agencies, and businesses to support immigrant and disadvantaged communities through outreach, collaboration, and project coordination. It involves attending community meetings, advising on community needs, assisting with multilingual communication efforts, and ensuring equitable access to City Services. It was an oversight on our part that these three positions were not included in the proposed budget; therefore, we request the City Council reduce \$376,900 from the Managing Director's Office, Office of Economic Revitalization, Salaries line item and \$218,000 be reappropriated for these three positions.

**3. Office of Housing (HOU) – Budget Merger with the Department of Housing and Land Management (DHLM)**

As part of the Mayor's initiative to merge the Department of Land Management and the Office of Housing before Fiscal Year 2026, we requested the Department of Budget and Fiscal Services to combine the two budgets for presentation as a single entity. However, due to time constraints and oversight, one position and associated current expenses were unintentionally left in the Office of Housing budget. To align with the transition, we request the City Council reduce one (1) FTE position and the accompanying salary of \$54,984 and current expenses of \$43,300, totaling \$98,284, from the Managing Director's Office, Office of Housing, and add the position and associated salary and current expenses to the newly established Department of Housing and Land Management, Housing Policy Division.

We apologize for these issues and would appreciate the Council's favorable consideration and collaboration in resolving these budgetary matters. If you have any questions or require further clarification, please do not hesitate to contact Deputy Managing Director Krishna F. Jayaram at (808) 768-4811 or via email at [kjayaram@honolulu.gov](mailto:kjayaram@honolulu.gov).

Sincerely,



Michael D. Formby  
Managing Director