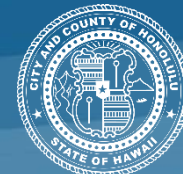


FY2026 Operating and Capital Budgets

PRESENTATION TO CITY COUNCIL BUDGET COMMITTEE
MARCH 12, 2025



FY2026 HART Operating and Capital Budgets

HART Board of Directors Finance Committee approved the submission of the FY2026 Operating and Capital Budgets on November 15, 2024 (under Section 17-104 (d) Revised Charter of the City & County of Honolulu)

Total Proposed Operating Budget: \$174.7 million

Total Proposed Capital Budget: \$793.6 million

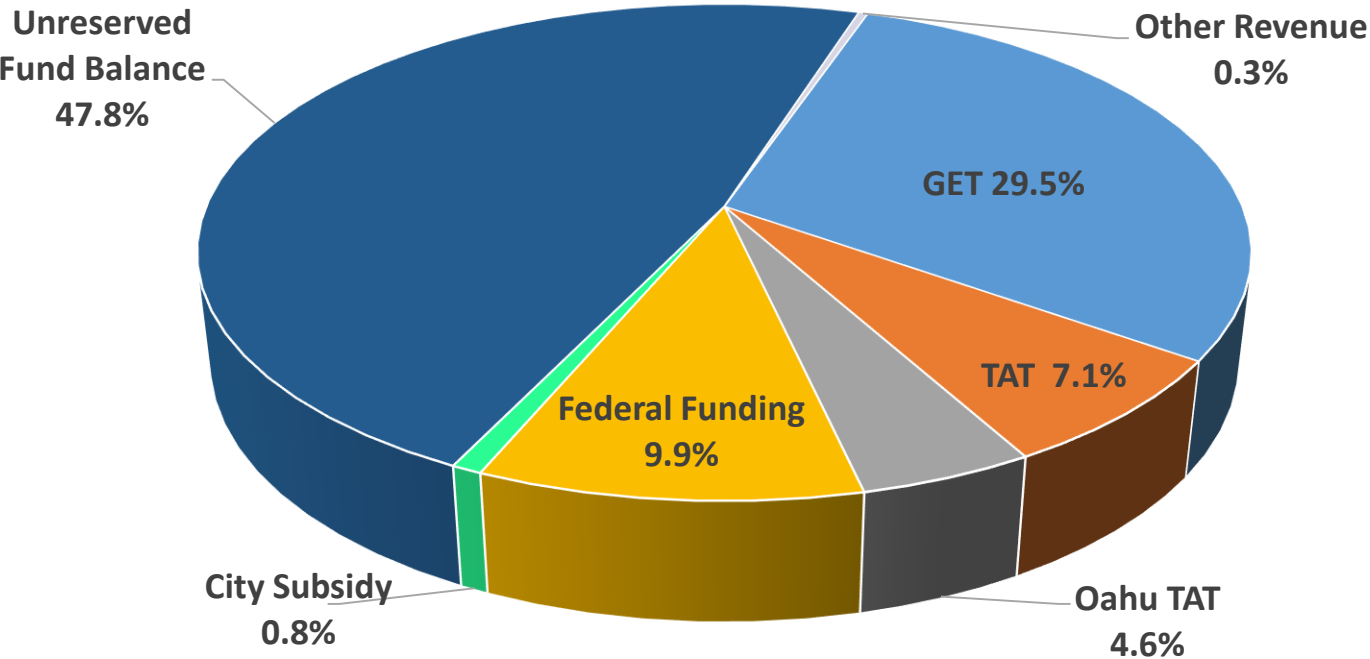
Budget Staffing Summary (FTEs of City/HART only)

- Filled Positions: 47 (as of February 2025)
- Projected to fill by FY2026: 25
- Total Budgeted FTEs: 72
 - Budgeted FTE Allocation:
 - Operating Budget: 6.7
 - Capital Budget: 65.3
- Total Authorized FTEs: 98

FY2026 Expected Funding Sources

Funding Sources	Budgeted Amount
GET	\$371,400,000
TAT	89,700,000
Oahu TAT	57,200,000
Federal Funding	125,000,000
City Subsidy	10,000,000
Bonds	--
TECP	--
Other Revenue	4,300,000
Unreserved Fund Balance (Cash Balance forecast at 06/30/2025)	601,200,000
Total	\$1,258,800,000

Composition of
FY2026 Funding Sources



FY2026 Operating Budget Summary

- Proposed FY2026 Operating Budget is \$174.7 million, an increase of \$36.4 million, or 26.3% over FY2025 Budget
- \$169.7 million of the budget – or 97% – is comprised of debt service expenditures, including:
 - \$129.0 million of principal payments on outstanding GO Bonds, an increase of \$40.8 million over FY2025
 - \$40.3 million of interest payments on debt, a decrease of \$4.6 million from FY2025
- Total labor costs are budgeted at \$1.5 million, an increase of \$368,153 or 32.4% from FY2025.

Category	FY2025 Operating Budget	FY2026 Proposed Operating Budget	Year over Year	
			\$ Change	% Change
Labor Costs	\$883,672	\$1,065,919	\$182,247	20.6%
Current Expenses	1,535,850	1,571,400	35,550	2.3%
City Charges	1,646,880	1,849,449	202,569	12.3%
Subtotal	4,066,402	4,486,768	420,366	10.3%
Board Labor Costs	253,565	439,471	185,906	73.3%
Board Current Exp.	514,000	74,000	-440,000	-85.6%
Subtotal - Board	767,565	513,471	-254,094	-33.1%
Debt Service	133,500,584	169,737,958	36,237,374	27.1%
Total	\$138,334,551	\$174,738,197	\$36,403,646	26.3%

FY2026 Budget – Summary of Labor Costs

- Operating Salary & Benefits increase of \$182,247 over FY2025, or 20.6%, largely results from \$116,000 of estimated charges for Hazard Pay
- Board Salary & Benefits increase of \$185,906 over FY2025, or 73.3%, results from changes to compensation for Board support staff and OPEB charges

Category	FY25 Operating Budget	FY26 Proposed Operating Budget	Year over Year	
			\$ Change	% Change
Salaries (Inc. OT, Misc. Pay & Vac Pay)	\$465,521	\$488,943	\$23,422	5.0%
Fringe Benefits	227,251	260,509	33,258	14.6%
Other Post Employment Benefits (OPEB)	190,900	200,467	9,567	5.0%
City Admin Expense Estimate	--	116,000	116,000	100.0%
Subtotal	883,672	1,065,919	182,247	20.6%
Board Salaries	165,312	226,205	60,893	36.8%
Board Fringe Benefits	88,078	120,522	32,444	36.8%
Board Other Post Emp. Benefits (OPEB)	175	92,744	92,569	52,897%
Subtotal	253,565	439,471	185,906	73.3%
Total	\$1,137,237	\$1,505,390	\$368,153	32.4%

FY2026 Proposed Capital Budget

Category	FY2025 Capital Budget	FY2026 Proposed Capital Budget
City Center Guideway and Stations	\$482,409,929	\$526,952,585
Pearl Highlands Transit Center and Access Ramp	--	223,630,000
Waipahu Station Makai Entrance	14,000,000	20,000,000
Dynamic Voltage Compensator	60,000,000	--
HART Capitalized Project Management Costs	17,590,071	23,047,415
Total	\$574,000,000	\$793,630,000

Mahalo!

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