



Lori M.K. Kahikina, P.E.
Executive Director and CEO |
Po'o Ho'okō a Kahu Luna Nui Ho'okō

Rick Keene
Deputy Executive Director and COO |
Hope Po'o Ho'okō a Kahu Luna Ho'oponopono

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April 29, 2025

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

Dear Chair Dos Santos-Tam:

Subject: Budget Communication No. 19
Council Com. 122/BUD
Request for Additional Information Relating to HART Operating Budget

In response to your letter dated April 24, 2025, requesting additional information relating to the operating budget of the Honolulu Authority for Rapid Transportation (HART), we submit the following information:

Page 3 of Bill 26 (2025) states that \$169,737,958 will transfer to the General Fund (GN) from the Transit Fund (TR) for Debt Service, while page C-7 of the Program Book states that "Recov Debt Svc-HART" will be \$169,103,000.

	HART	BFS	Difference
Expenditure	\$ 169,737,958	\$ -	\$ -
Recovery	\$ -	\$ 169,103,000	\$ -
Total	\$ 169,737,958	\$ 169,103,000	\$ 634,958

HART budgeted \$169,737,958 for debt service in its operating budget based on the required monthly debt service payment schedule per HART's Memorandum of Understanding (MOU) with the City's Department of Budget and Fiscal Services (BFS). Based on a discussion with BFS, HART's expenditure will not match BFS's recovery in revenues because of a difference in the timing of debt service payments. As noted, HART makes monthly debt service payments to BFS

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BUD**

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based on its MOU. These payments from HART are deposited into a trust account that is used only for payment of debt service on General Obligation (G.O.) Bonds assigned to HART. However, the City makes debt service payments to bond holders twice a year from the funds that were paid in advance by HART. Any excess funding amount deposited in the trust account is not included in the City's budgeted revenues because the funds are restricted to debt service on G.O. Bonds assigned to HART.

If there should be any further questions, please do not hesitate to contact me.

Very truly yours,



Lori M.K. Kahikina, P.E.
Executive Director and CEO

cc: Office of the City Clerk
HART Board of Directors
Mr. Michael Formby, Managing Director
Mr. Andrew Kawano, Director of Budget & Fiscal Services
Ms. Carrie Castle, Deputy Director of Budget & Fiscal Services
Chair and Presiding Officer Tommy Waters
Councilmember Scott Nishimoto
Councilmember Radiant Cordero
Councilmember Esther Kia'āina
Councilmember Matt Weyer