HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **Bill 65 (2025), CD1**

A BILL FOR AN ORDINANCE

RELATING TO BUDGET EXECUTION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend provisions related to budget execution.

SECTION 2. Section 2-17.2, Revised Ordinances of Honolulu 2021 ("Budget execution"), is amended by amending subsection (c) to read as follows:

"(c) *Transfer of funds.*

(1) *Transfers between activities.* No transfer of funds from an activity [~~shall~~] may be executed without council approval by resolution when the cumulative amount of transfers from that activity [~~shall total in excess of~~] exceeds $100,000 or 10 percent of the amount appropriated for that activity in the executive operating budget ordinance, as may be amended, whichever is less. No transfer of funds to an activity [~~shall~~] may be executed without council approval by resolution when the cumulative amount of transfers to that activity [~~shall total in excess of~~] exceeds $100,000 or 10 percent of the amount appropriated for that activity in the executive operating budget ordinance, as may be amended, whichever is less. A report of all individual transfers of funds between activities occurring within each month [~~shall~~] must be filed with the office of the city clerk within 15 days after the end of the month. [~~Such~~] The report [~~shall~~] must include but need not be limited to the following information:

(A) The amount of funds transferred;

(B) The source of funding of the transferred funds;

(C) The originating activity and character of expenditure thereof from which the funds are transferred;

(D) The activity and character of expenditure thereof to which the funds are transferred;

(E) The purpose for the transfer; and

(F) The impact of the loss of funds on the originating activity.

(2) *Transfers between characters of expenditure.* Except as otherwise provided in subdivision (4), no transfer of funds between characters of expenditure within the same activity [~~shall~~] may be executed without council approval by resolution when the cumulative amount of such transfers exceeds the lesser of:

(A) $100,000; or

(B) The greater of:

(i) Ten percent of the appropriation for either the originating or receiving character of expenditure; or

(ii) $10,000.

A report of all individual transfers of funds between characters of expenditure [~~shall~~] must be filed with the office of the city clerk within 15 days after the end of the month. [~~Such~~] The report [~~shall~~] must include but need not be limited to the following information:

(i) The amount of funds transferred;

(ii) The source of funding of the transferred funds;

(iii) The originating character of expenditure from which the funds are transferred;

(iv) The character of expenditure to which the funds are transferred;

(v) The purpose of the transfer; and

(vi) The impact of the loss of funds on the originating character of expenditure.

(3) *Definitions.* For the purposes of this subsection, "character of expenditure" [~~has~~] and "function" have the same meaning as defined in § 2-18.1.

(4) *Transit management services contractor appropriation transfers.* [~~Council~~] Notwithstanding subdivision (2), council approval [~~shall~~] is not [~~be~~] required for transfers of funds between characters of expenditure within the same activity when the funds transferred are from and will remain a part of the appropriations to the transit management services contractor as defined in [~~Chapter 15B.~~] § 15B-1.1. A report of all individual transfers of funds as provided herein [~~shall~~] must include the same information prescribed in subdivision (2). The report [~~shall~~] must be filed with the office of the city clerk within 15 days after the end of the month and a copy of the report [~~shall~~] must be transmitted to the council.

(5) *Consolidated quarterly report.* Beginning December 31, 2025, and every three months thereafter, except for funds appropriated to the transit management services contractor as defined in § 15B-1.1, the director of budget and fiscal services shall compile and transmit to the council, a consolidated quarterly report listing all individual transfers of funds between activities and all individual transfers of funds between characters of expenditure within the same activity occurring within the quarter just ended. The report must be provided within 30 days after the end of each quarter. The report must:

(A) Include but need not be limited to the following information:

(i) The amount of funds transferred;

(ii) The source of funding of the transferred funds;

(iii) The originating function, program, activity, and character of expenditure thereof from which the funds are transferred; provided that if multiple transfers are made from the same originating activity, the cumulative total amount of the individual transfers must also be provided;

(iv) The function, program, activity, and character of expenditure thereof to which the funds are transferred; provided that if multiple transfers are made to the same receiving activity, the cumulative total amount of the individual transfers must also be provided;

(v) The purpose of the transfer and whether the funds were needed for new or continuing expenses; and

(vi) The reduction or increase, clearly identified, in expenditures by the impacted department or departments;

(B) Organize and present the individual transfers by source of funding, function, program, activity, and character of expenditure;

(C) Separately include, for the purpose of comparison, the information required by this subdivision for each of the preceding 11 quarterly periods; and

(D) Be provided in both a portable document format ("PDF") and a data-rich format as defined in § 2-19.1.

(6) *Consolidated annual report.* Beginning July 1, 2026, and every year thereafter, except for funds appropriated to the transit management services contractor as defined in § 15B-1.1, the director of budget and fiscal services shall compile and transmit to the council, a consolidated annual report listing the fiscal year-end cumulative total amount of funds transferred between activities and the fiscal year-end cumulative total amount of funds transferred between characters of expenditure within the same activity occurring within the fiscal year just ended. The report must be provided within 30 days after the end of each fiscal year. The report must:

(A) Include but need not be limited to the following information:

(i) The fiscal year-end total cumulative amount of funds transferred;

(ii) The fiscal year-end total cumulative reduction or increase, clearly identified, in expenditures by the impacted department or departments;

(B) Organize and present fiscal year-end total cumulative amounts of funds transferred for each source of funding, function, program, activity, and character of expenditure; and

(C) Be provided in both a portable document format ("PDF") and a data-rich format as defined in § 2-19.1."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring. The Revisor of Ordinances shall, pursuant to the Revisor's authority under SECTION 2 of Ordinance 23-7, update the Reporting Requirements Table to include the amendments to the reporting requirements enacted by SECTION 2 of this ordinance.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

Tommy Waters

DATE OF INTRODUCTION:

September 24, 2025
Honolulu, Hawai‘i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

_____
Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ___ .

_____
RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Budget and Fiscal Services ("BFS"); BFS Director; Budget Execution; Report; Transfer of Funds; Form; Comparison; PDF; Data-rich Format

Description:
Beginning December 31, 2025, and every three months thereafter, requires the BFS Director to compile and transmit to the Council a consolidated report of all individual transfers of funds between activities and all individual transfers of funds between characters of expenditure within the same activity occurring within each quarter. Requires that the report include specified information for the preceding quarter and for each of the preceding 11 quarterly periods. Beginning July 1, 2026, and every year thereafter, requires the BFS Director to compile and transmit a consolidated report of all fiscal year-end total cumulative amounts of funds transferred. Requires that the consolidated report include specified information for the preceding fiscal year.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.