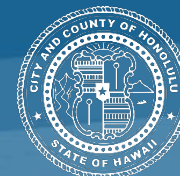


FY2027 Operating and Capital Budgets

PRESENTATION TO CITY COUNCIL BUDGET COMMITTEE
MARCH 11, 2026



FY2027 HART Operating and Capital Budgets

HART Board of Directors Finance Committee approved the submission of the FY2027 Operating and Capital Budgets on November 21, 2025 (under Section 17-104 (d) Revised Charter of the City & County of Honolulu)

Total Proposed Operating Budget: \$177.6 million

- FY2027 Operating Budget projections increase by \$2.8 million, or 1.6% over FY2026

Total Proposed Capital Budget: \$ 891.5 million

- FY2027 Capital Budget projections increase by \$97.8 million, or 12.3% over FY2026 Budget

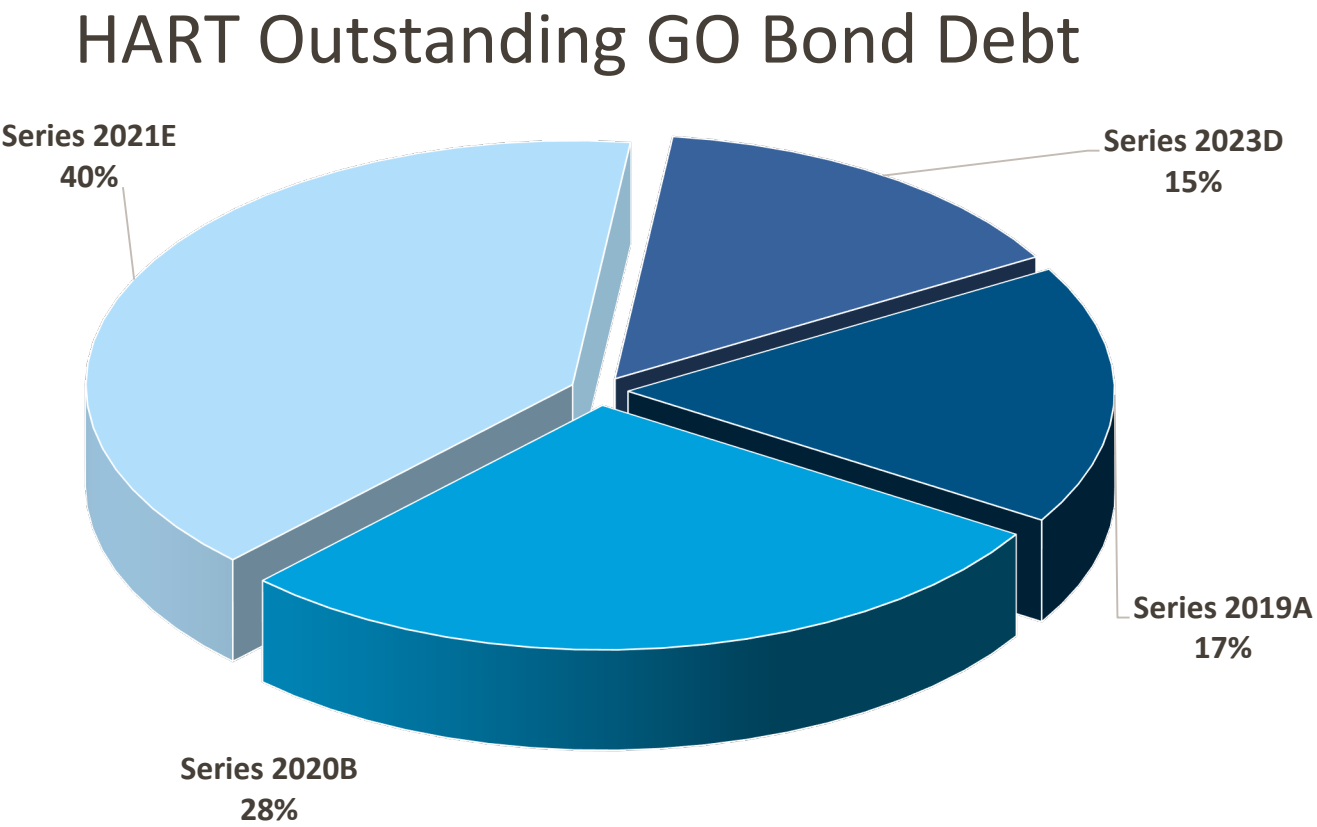
FY2027 Operating Budget Summary

- \$172.6 million of the budget – or 97% – is comprised of debt service expenditures, including:
 - \$135.5 million of principal payments on outstanding GO Bonds, an increase of \$6.5 million over FY2026
 - \$33.8 million of interest payments on debt, a decrease of \$6.4 million from FY2026
 - \$3.3 million related to interest and administrative charges for Tax Exempt Commercial Paper and projected arbitrage expenses
- Total labor costs are budgeted at \$1.3 million, a decrease of \$252,160 or 16.8% from FY2026

Category	FY2026 Operating Budget	FY2027 Proposed Operating Budget	Year over Year	
			\$ Change	% Change
Labor Costs	\$1,065,919	\$973,430	-\$92,489	-8.7%
Current Expenses	1,571,400	1,720,890	149,490	9.5%
City Charges	1,849,449	1,931,400	81,951	4.4%
Subtotal	4,486,768	4,625,720	138,952	3.1%
Board Labor Costs	439,471	279,800	-159,671	-36.3%
Board Current Exp.	74,000	84,160	10,160	13.7%
Subtotal - Board	513,471	363,960	-149,511	-29.1%
Debt Service	169,737,958	172,566,527	2,828,569	1.7%
Total	\$174,738,197	\$177,556,207	\$2,818,010	1.6%

HART Outstanding General Obligation (GO) Bond Debt as of March 2026

GO Bond Series	Principal & Interest Outstanding
Series 2019A	\$128,887,400
Series 2020B	213,400,600
Series 2021E	297,251,300
Series 2023D	110,788,900
Total	\$750,328,200



HART Staffing Summary

Budget Staffing Summary (FTEs HART only)

Filled Positions: 50 (as of February 2026)
Projected to be filled by end of FY2027: 22
Total Budgeted FTEs: 72
Operating Budget: 6.5
Capital Budget: 65.5
Total Authorized FTEs: 98

Vacancy Projections and Summary

Vacancies as of February 28, 2026: 22
Projected Vacancies to be filled by July 1, 2026: 8
Remaining Vacancies to be filled by June 30, 2027: 14
Positions under consideration to be abolished by July 1, 2027: 0

FY2027 Budget – Summary of Labor Costs

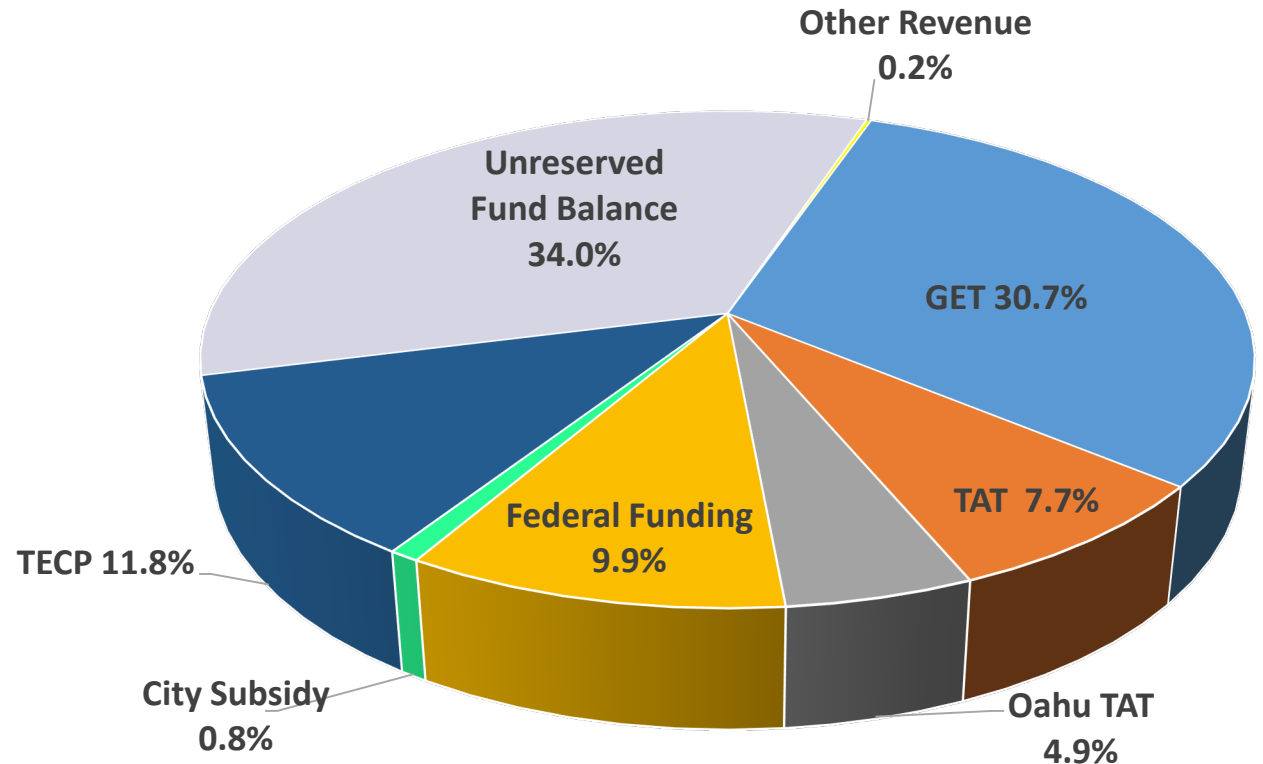
- Operating Salary & Benefits decrease of - \$92,489 from FY2026, or -8.7%, due to no Hazard Pay in FY2027
- Board Salary & Benefits decrease of -\$159,671 over FY2026, or -36.3%, resulting from reduction in Board staff and related Benefits and OPEB

Category	FY2026 Operating Budget	FY2027 Proposed Operating Budget	Year over Year	
			\$ Change	% Change
Salaries (Inc. OT, Misc. Pay & Vac Pay)	\$488,943	\$496,060	\$7,117	1.5%
Fringe Benefits	260,509	271,990	11,481	4.4%
Other Post Employment Benefits (OPEB)	200,467	205,380	4,913	2.5%
City Admin Expense Estimate	116,000	--	-116,000	-100.0%
Subtotal	1,065,919	973,430	-92,489	-8.7%
Board Salaries	226,205	140,900	-85,305	-37.7%
Board Fringe Benefits	120,522	78,800	-41,722	-34.6%
Board Other Post Emp. Benefits (OPEB)	92,744	60,100	-32,644	-35.2%
Subtotal	439,471	279,800	-159,671	-36.3%
Total	\$1,505,390	\$1,253,230	-\$252,160	-16.8%

FY2027 Expected Funding Sources

Funding Sources	Budgeted Amount
GET	\$389,300,000
TAT	97,000,000
Oahu TAT	61,800,000
Federal Funding	125,000,000
City Subsidy	10,000,000
Bonds	--
TECP	150,000,000
Other Revenue	2,200,000
Unreserved Fund Balance (Cash Balance forecast at 06/30/2026)	431,680,382
Total	\$1,266,980,382

Composition of
FY2027 Funding Sources



FY2026 & FY2027 Funding Sources

Funding Sources	FY2026 Budgeted Amount	FY2027 Budgeted Amount	Variance	% Change
GET	\$371,400,000	\$389,300,000	17,900,000	4.8%
TAT	89,700,000	97,000,000	7,300,000	8.1%
Oahu TAT	57,200,000	61,800,000	4,600,000	8.0%
Federal Funding	125,000,000	125,000,000	--	0%
City Subsidy	10,000,000	10,000,000	--	0%
Bonds	--	--	--	0%
TECP	--	150,000,000	150,000,000	100%
Other Revenue	4,300,000	2,200,000	-2,100,000	-48.8%
Unreserved Fund Balance (Cash Balance forecast at 06/30/2025 & 06/30/2026, respectively)	601,200,000	431,680,382	-169,519,618	-28.2%
Total	\$1,258,800,000	\$1,266,980,382	8,180,382	0.7%

FY2027 Proposed Capital Budget

Category	FY2026 Capital Budget	FY2027 Proposed Capital Budget
City Center Guideway and Stations	\$526,952,585	\$550,000,000
Pearl Highlands Transit Center and Access Ramp	223,630,000	231,430,000
Waipahu Station Makai Entrance	20,000,000	20,000,000
Park-n-Ride Lots Construction	--	67,144,091
HART Capitalized Project Management Costs	23,047,415	22,918,911
Total	\$793,630,000	\$891,493,002

Mahalo!

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