



Lori M.K. Kahikina, P.E.
Executive Director and CEO |
Poʻo Hoʻokō a Kahu Luna Nui Hoʻokō

Mike O'Keefe
Deputy Executive Director and COO |
Hope Poʻo Hoʻokō a Kahu Luna Hoʻoponopono

BOARD OF DIRECTORS | KA PAPA ALAKA'I

Kika G. Bukoski
Chair | Lāla

Chris Takashige
Vice Chair | Hope Lāla

Anthony B. Aalto
Dawn Takeuchi Apuna
Lisa J. Baker
Natalie Iwasa

John H. Katahira
Jared N. Kawashima
Nelson Lee
J. Roger Morton

Joseph V. O'Donnell
Kaulana Park
Edwin H. Sniffen
Kathy Sokugawa

March 12, 2026

The Honorable Val A. Okimoto, Chair,
and Members of the Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Okimoto:

Subject: Budget Communication No. 9
Request for Additional Information Relating to HART Operating Budget

This is in response to your letter dated March 9, 2026, requesting additional information relating to the FY27 operating budget request of the Honolulu Authority for Rapid Transportation (HART).

As noted in your letter, Page 3 of Bill 26 (2026) states that \$172,566,527 will transfer to the General Fund from the Transit Fund for Debt Service, while page C-7 of the Program Book states that "Recov Debt Svc-HART" will be \$169,667,000.

	HART	BFS	Difference
Expenditure	\$ 172,566,527		\$ -
Recovery	\$ -	\$ 169,667,000	\$ -
Total	\$ 172,566,527	\$ 169,667,000	\$ 2,899,527

For FY27, HART has budgeted \$172,566,527 for payment of General Obligation (G.O.) bond debt service. In accordance with a Memorandum of Understanding (MOU) with the City's Department of Budget and Fiscal Services (BFS), HART will transfer these funds on a monthly basis to BFS, which will make the debt service payments on HART's behalf.

The reason HART's budget of \$172,566,527 does not match the \$169,667,000 in the Program Book relates to the difference in the timing between HART's transfers and BFS' actual payment of the debt (principal and interest). According to the terms of the MOU, HART transfers funds on or before the 25th of every month in time for BFS to make the payment on the 1st of the following month. At the end of every fiscal year, the HART transfer occurs on or before June 25 and the subsequent BFS expense is recorded on July 1, the following fiscal year. Principal and interest amounts fluctuate every year based on the amortization schedules of the bonds.

The Honorable Val Okimoto, Chair
And Members of the Committee on Budget
Page 2
May 12, 2026

The \$2,899,527 noted above is the difference between what HART will transfer and what BFS will records as an expense (as it related to HART's debt service) in FY27. Any difference (in excess) remains in a separate account with BFS and is used for future payment of HART's G.O. bond debt service.

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 Y. Nishimoto, Vice Chair
Councilmember Esther Kia'āina
Councilmember Augie Tulba