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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEIA

ANDREW T. KAWANO
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PO'O

CARRIE CASTLE
DEPUTY DIRECTOR
HOPE PO'O

May 7, 2026

The Honorable Val Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Suite 202
Honolulu, Hawai'i 96813

Dear Chair Okimoto and Councilmembers:

SUBJECT: Proposed Amendments to Bill 22 (2026), CD2
Executive Operating Budget and Program for the Fiscal Year 2027

Attached are the departmental comments on the proposed amendments to Bill 22 (2026) for CD2.

If you have any questions, please contact me by telephone at (808) 768-3901 or by email at andy.kawano@honolulu.gov.

Sincerely,

Andrew T. Kawano
Director

Attachments

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

DEPT. COM. 321(26) BUD

DEPARTMENT OF BUDGET AND FISCAL SERVICES
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HOPE PO'O

May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Dennis Kanno
Budget Program Administrator

FROM: Andrew T. Kawano
Director

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

DEPARTMENT: BUDGET AND FISCAL SERVICES

ADMINISTRATION
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(10,534)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. The majority of BFS Administration's budgeted current expenses support activities associated with the preparation of the City's Annual Comprehensive Financial Report (ACFR), a key financial document that ensures transparency and compliance with reporting standards. The proposed reduction would jeopardize the Department's ability to complete all of the required actuarial reports, audits, and related financial reporting activities that are necessary for issuance of the ACFR. These include the Other Post-Employment Benefits (OPEB) Actuarial Valuation Report, audit of the Employer-Union Health Benefits Trust Fund (EUTF) financial statements and actuarial census data, Governmental Accounting Standards Board (GASB) 75 OPEB Valuation Report, GASB 68 Pension Actuarial Report, and audit of the Employees' Retirement System (ERS) employer allocations.

These services are mandatory components of the City's financial reporting process, and failure to adequately fund any one of these requirements would delay and otherwise negatively impact issuance of the ACFR.

Equally important, roughly $4,000 of the proposed reduction would negatively impact City's risk management program, which plays a central role in controlling and containing insurance costs. This function is especially critical in light of the significant losses sustained during recent storm events and the resulting Presidential Disaster Declaration. The City's Risk Management Officer has advised that insurance underwriters are increasingly concerned about the scale of recent damage on O'ahu, placing additional scrutiny on the City's risk profile.

Maintaining access to the global insurance market is essential. A substantial portion of the City's approximately $300 million property insurance program is placed through insurers in the London market, as domestic capacity is insufficient to meet the needs of an entity of this size. These insurers require in-person engagement, and travel to London is a necessary and standard business practice to secure and maintain coverage on favorable terms.

Reducing funding in this Division will significantly limit the City's ability to effectively engage with underwriters, proactively manage risk exposure, and negotiate competitive coverage. The result would likely be higher premiums, reduced coverage, or both—leading to materially higher short- and long-term costs to the City.

Lapses in the prior year's current expenses are due to invoices associated with the ACFR audits being encumbered up front based on the availability of funds clause in the memoranda of understanding, and other invoices being received later than expected.

ACCOUNTING AND FISCAL SERVICES
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(55,328)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. The current expense budget includes approximately $73K to begin the process to procure and implement new software to produce the City's ACFR. The current process is manual New technology using ACFR software will create an efficient and automated process to streamline the creation of the ACFR automatically. With ongoing changes to fund structures, generally accepted accounting standards and reporting requirements, these updates are essential to ensure the ACFR remains accurate, compliant, and accessible.

PURCHASING AND GENERAL SERVICES
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(2,855)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. Current expenses reflected in the Division's requested budget are tightly aligned with the increase in the Division's staff capacity. Even this small reduction will impact the needed furniture, accessories, and computer equipment necessary to support our new employees. We also anticipate that our meager postage and printing budgets will also be eliminated due to this reduction. As such, every dollar will be needed to support the larger staff necessary for annual requirements.

TREASURY
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(194,635)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. This Division has been assigned the responsibility for the billing and collection of the Downtown Honolulu Business Improvement District (DoHO BID). Insufficient funding would compromise compliance with the Ordinance 25-47, enacted on October 20, 2025, and

could delay or disrupt the administration and enforcement of these assessments. Treasury has made sincere efforts to prepare the billings as mandated to be effective July 1, 2026. We are requesting funding to allow the Division to provide the services going forward including but not limited to office supplies, postage, and the further development of a billing and collection software application that can address DoHO and other BID requirements and responsibilities including Waikiki BID. Any reduction in funding would stymie the forward movement already in place to implement and manage special assessments within the BIDs as these funds support essential software and consulting services.

REAL PROPERTY

Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(97,908)	GN	Reduce funding for current expenses
$(60,991)	GN	Reduce funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration. We respectfully request full restoration of both current expense and salary funding to allow the Division to maintain operations, continue rebuilding capacity, and protect the City's fiscal integrity. The Division's FY 2027 budget request has already been significantly constrained, with reductions applied across nearly all discretionary current expense categories. Reducing funding now would not only undermine these operational improvements but also weaken the City's ability to safeguard real property tax revenues, which is its largest and most stable source of funding. In effect, the proposed cuts risk creating downstream revenue losses that would far exceed the short-term savings.

The remaining funding is largely committed to fixed and essential costs, including software maintenance, equipment rentals, and postage—each of which is necessary to carry out core functions. The proposed reduction would directly impair the Division's ability to sustain basic operations and maintain service levels.

The proposed salary reduction is particularly concerning, given that the Division has already absorbed a substantial vacancy reduction of $452,530. While meaningful progress has been made by filling 7 of the previously identified 16 vacancies, additional cuts at this stage would halt that progress and prevent the Division from restoring critical staffing capacity needed to meet operational workload demands.

We prioritized reactivating three positions for FY 2027 to strengthen the Real Property Compliance Unit. These positions are a targeted investment designed to improve compliance oversight, address increasingly complex legal and assessment issues, and enhance responsiveness to taxpayers. This work is directly tied to protecting and strengthening the City's revenue base by ensuring that assessments are accurate,

exemptions are properly granted only to eligible recipients, and potential lost real property tax revenue is minimized.

BUDGETARY ADMINISTRATION
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(4,697)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration.
The Division's current expense budget totals $182,662, of which $152,790 is dedicated to software supporting the annual Executive Program and Budget book process and related system improvements. The remaining $29,872 represents the Division's limited discretionary funding for essential day-to-day operations. The proposed reduction of $4,697 eliminate approximately 16% of the Division's discretionary operating funds and would leave insufficient resources to sustain normal operations for the Fiscal Year. This may result in a transfer of funds from salaries to current expense to cover any shortfall, which will delay hiring or loss of budgeted overtime that will affect operation deliverables.

These reductions would directly impact the Division's ability to support critical operating budget development and expenditure functions and have an adverse effect across the City agencies.

FISCAL/CIP ADMINISTRATION
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(5,291)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. The proposed reduction of $5,291 is over 37% of current expenses for the group that works on the CIP budget, revenues and provisions. A cut of this magnitude would affect our ability to pay for required operating expenses, such as copy machine expenses which total $4,000 per year. Please note that if the proposed cut was based on FY 2025 lapses, the lapses in that fiscal year were higher than usual because the vendor did not send the invoices for about six months of copy machine expenses until after the fiscal year ended. As a result, the invoices were paid from the FY 2026 budget, resulting in a shortage of appropriations and the need for a transfer of funds to cover regular operating costs. A cut of $5,291 would result in a similar situation during FY 2027.

DEPARTMENT: BUDGET AND FISCAL SERVICES

PROVISION FOR SALARY ADJUSTMENTS AND ACCRUED VACATION PAY
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(614,000)	GN	Reduce funding for current expenses
$(15,300,000)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. These funds have been specifically set aside to cover negotiated bargaining unit increases that were not finalized in time for inclusion in departmental budgets. A reduction would impair the City's ability to meet its contractual salary obligations, including those for employees in Hawaii Fire Fighters Association Bargaining Unit (BU) 11, Water Safety Officers in BU 15, and State of Hawai'i Organization of Police Officers in BU12 that are estimated at $16.6 million.

PROVISION FOR OPERATIONS AND EMERGENCY RECOVERY
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$41,507,015	GN	Establish new provisional account under OTHER MISCELLANEOUS function.

Department's Comments and Concerns:

BFS rejects the Council's consolidation of provisional funds into one omnibus fund requiring council approval. This structure is contrary to charter and is disruptive to efficient operations.

The Revised Charter of the City and County of Honolulu (RCH 9-106.2) provides in relevant part: "Executive agencies authorized to make expenditures under the executive operating budget ordinance may proceed **without other authority from the council to incur obligations or make expenditures** for proper purposes to the extent that the moneys are available." The administration expresses strong disagreement with the Council's proposal to aggregate provisional funds into one account, with no transparent sub-allocations, thereby adding unnecessary bureaucratic processes to operations and violating the constitutional doctrine of separation of powers. This new proposal from Council is contrary to Mayor Blangiardi's 2026 State of the City speech which highlighted the need for efficient government operations in service of the people. Requiring unnecessary processes only complicates, slows down and, often, frustrates the provision of core services to the public. For example, the "Provision for Operations and Emergency Recovery" fund is used to provide for operations and services in emergency conditions, and legal settlements are paid directly from the "Provision for Judgments, Settlements, and Losses" account. Under the Council's proposal, although already appropriated, these funds would be available to every City department and the administration would have to go through a resolution approval process for each

allocation of provisional funds, adding an unnecessary step and time to the executive branch's legitimate Charter authority and power and hindering timely legal settlement payments, which are sometimes critical. The Council's proposal is not legitimate "checks and balances" by the legislative branch; this is an example of legislative overreach and will only delay versus expedite services to the public. Since the "Provision for Operations and Emergency Recovery" would be available to everyone, who will manage the allocation of the funds to ensure there are funds to settle cases and pay judgements? If the City does not have enough funding to settle litigation, it would be burdened with added costs.

Additionally, the proposed requirement that expenditures from this provisional account be subject to Council resolution may impede timely response and operational continuity. Such a restriction could limit the Administration's ability to respond efficiently and effectively to emergency needs and raise concerns regarding the balance of authority as outlined in the City Charter.

PROVISION FOR ENERGY COSTS
Council Member: Val Okimoto (Budget Committee Chair)

Amount	Fund	Description
$(4,100,000)	GN	Reduce funding for current expenses

Department's Comments and Concerns
The administration rejects the proposed reduction and asks for restoration. The department has concerns regarding the proposed reduction to the Provision for Energy Costs. In light of Hawaiian Electric Company's proposal to seek utility rate increases over the next two years, along with ongoing global factors contributing to rising fuel costs, a reduction to this provision would be imprudent. Such a reduction will hinder the City's ability to meet anticipated increases in energy expenses.

The Hawaiian Electric press release dated April 1, 2026, indicates potential increases in energy costs. See https://www.hawaiianelectric.com/as-iran-conflict-pushes-up-oil-prices-electric-bills-will-be-higher-in-coming-months.

For an example, an estimated breakdown of electricity and gas cost projections for just one activity, the Department of Facility Maintenance, Public Building and Electrical Maintenance Division, is noted below. Other activities within the City will also illustrate shortages as fuel and energy costs rise.

Obj Code	Obj Name	Appropriation	YTD Exp and Encum 4/17/2026	YTD Balance	Projected Exp + 30% increases through 6/30/26	Projected surplus/deficit
3302	Electricity	$8,085,981.00	$5,629,044.26	$2,456,936.74	$2,703,201.47	$ (246,264.73)
3303	Gas (Consumption)	$ 24,558.00	$ 27,617.27	$ (3,059.27)	$ 13,808.64	$ (16,867.91)

DEPARTMENT: BUDGET AND FISCAL SERVICES

	Total Fund 110	**$8,110,539.00**	**$5,656,661.53**	**$2,453,877.47**	**$2,717,010.11**	**$ (263,132.64)**
3302	Electricity	$5,666,939.00	$3,686,832.19	$1,980,106.81	$2,127,490.65	$ (147,383.84)
	Total Fund 120	**$5,666,939.00**	**$3,686,832.19**	**$1,980,106.81**	**$2,127,490.65**	**$ (147,383.84)**

DEPARTMENT OF COMMUNITY SERVICES
KA 'OIHANA LAWELAWE KAIĀULU
CITY AND COUNTY OF HONOLULU

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MAYOR
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ANTON C. KRUCKY
DIRECTOR
PO'O

AEDWARD LOS BANOS
DEPUTY DIRECTOR
HOPE PO'O

May 5, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Anton C. Krucky, Director
Department of Community Services

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

ACTIVITY TITLE (Office of Grants Management)

Councilmember: Tommy Waters

Amount	Fund	Description
($4,000)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for full restoration of funding requested by the Office of Grants Management (OGM).

DCS' General Funds are extremely lean and heavily leveraged against funding that are restricted by ordinance or other Federal/State grant requirements so even a small amount has a significant impact on operations. We respectfully ask for full restoration of the amount. The Office of Grants Management (OGM) has a total of $46,900 in General Funds for current expenses to use for non-GIA expenses, of which $30,000 is budgeted for the Honolulu Committee on the Status of Women, leaving only $16,900 to administer the $10.6 million of grants. While the $4,000 reduction is small, it represents 24% of the OGM's discretionary funding.

ACTIVITY TITLE (Elderly Affairs)

Councilmember: Tommy Waters

Amount	Fund	Description
($11,002)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for full restoration of funds as the amount requested by the Elderly Affairs Division (EAD).

DCS's General Funds are extremely lean and are already heavily leveraged to support programs constrained by ordinance and federal/state grant requirements. As a result, even a modest reduction can have a significant impact on operations. We respectfully request the full restoration of the Elderly Affairs Division's (EAD) original General Fund current expenses in the amount of $123,092, which represents just 0.75% of EAD's total current expenses. Of this amount, $89,000 is dedicated to the City's participation in the National Age-Friendly Cities program sponsored by the World Health Organization (WHO) and AARP. While the proposed reduction of $11,002 may appear minimal, it represents 32% of EAD's available discretionary funding to administer $18.1 million in state and federal grant funds.

ACTIVITY TITLE (Community Assistance)

Councilmember: Tommy Waters

Amount	Fund	Description
($16,583)	GN	Reduce funding for current expenses
($167,536)	GN	Reduce funding for salaries

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for full restoration of funds as the amount requested by the Community Assistance Division (CAD).

DCS' General Funds are extremely lean and heavily leveraged against funding that are restricted by ordinance or other Federal/State grant requirements so even a small amount has a signficant impact on operations. We respectfully ask for full restoration of the amount. The Community Assistance Division (CAD) has a total of $40,585.59 in General Funds for current expenses to use for Federal grant and City program expenses. While the $16,583 reduction is small, it represents 40.9% of the CAD's discretionary funding that it uses to administer $108.7 million of Federal and City programs.

ACTIVITY TITLE (Community Based Development)

Councilmember: Tommy Waters

Amount	Fund	Description
($1,082,385)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for full restoration of funds as the amount requested by the Community Based Development Division (CBDD).

The City has made significant investments in homeless programs, that if not continued will result in program downsizing or termination. This disruption could lead relapses and other issues for clients in these programs. In FY 2026, DCS has needed to draw from the budgeted provisional funds to sustain programs and will already be facing an $8 million funding cliff from the State who did not pass continuing funding for HONU and A'ala Medical Respite programs. Restoration of this funding will be essential for the continued success of the City's Homeless programs.

These reductions will have a direct impact on CBDD programs, including those at Waikiki Vista and Aala Respite, which rely on consistent funding to remain safe, functional, and effective. Restoration of this funding is essential to maintaining service capacity, preserving critical infrastructure, and ensuring continuity of care for the individuals and communities these programs serve.

DEPARTMENT OF THE CORPORATION COUNSEL
KA 'OIHANA A'OA'O 'AHAHUINA
CITY AND COUNTY OF HONOLULU

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CORPORATION COUNSEL
A'OA'O 'AHAHUINA

RENEE R. SONOBE HONG
FIRST DEPUTY CORPORATION COUNSEL
HOPE PO'O MUA O KE A'OA'O 'AHAHUINA

May 4, 2026

MEMORANDUM

TO: Michael D. Formby, Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Dana M.O. Viola, Corporation Counsel

Digitally signed by Sonobe Hong, Renee R
Date: 2026.05.05 15:56:52 -10'00'

SUBJECT: Bill 22 (2026), CD2 Response (Comments and Concerns)

Attached are our department's comments and concerns to Bill 22, CD2.

Attachment

LAW: DEPARTMENT OF THE CORPORATION COUNSEL – LEGAL SERVICES

Amount	Fund	Description
$(1,285,949)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. The proposed $1,285,949 reduction in COR's current expenses will jeopardize COR's ability to vigorously defend the City, its agencies and employees, and the City Council when sued. Consultant services for specialized experts and special counsel account for over half of COR's requested $4,286,951 in current expenses for FY27. The inability to contract with experts well ahead of court-imposed deadlines and scheduled trials will detrimentally impact our ability to defend because it will leave us without the necessary consultant expertise to establish the strongest evidentiary defenses or to effectively negotiate advantageous settlements. Likewise, the inability to contract with special counsel for conflict cases will jeopardize the defense of not only the conflicted defendant, but also the City and all non-conflicted defendants, because COR will be left navigating competing legal interests, rights, and analyses. The inability to secure experts, consultants, and special counsel for conflict cases will detrimentally impact COR's ability to defend, which in turn may have the unintended consequence of increasing legal liability and risk to the City.

Further, the proposed $1.285M reduction will virtually eliminate COR's ability to pay for our legal subscriptions, legal education and training, case management costs, such as the transcription services for depositions and mock trial consultants, in addition to rent and other day to day operational costs.

Accordingly, COR requests the restoration of funds as originally requested for current expenses and salaries.

PROVISION FOR JUDGMENTS, SETTLEMENTS AND LOSSES

Amount	Fund	Description
$(17,600,000)	GN	Reduce funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration. A total of $19.1 million was originally requested for judgments, settlements, and losses in FY27. The City has carried two-tiered excess insurance for many years. The first-tier insurer's policy would be triggered when the City's self-insured retention is spent, and the second carrier's policy would be triggered when the first tier of insurance is spent. If both tiers of excess insurance are spent, then the duty to pay will fall on the City.

Estimate for FY2027
COR attorneys reviewed pending matters and cases for which we anticipate judgments or settlements, and estimated a total of $19.1 million will likely be needed to fund payouts from the Provision for Judgments, Settlements and Losses in FY2027. The matters included in the estimated total are likely to conclude between July 1, 2026 and June 30, 2027. This estimate also takes into consideration the related amount of self-insured retention per claim, which has incrementally increased in recent years from $2 million (FY2019), $5 million (FY2020), $7.5 million (FY2021), and $10 million (FY2022). The amount of deductible depends on when the event that led to the litigation occurred.

The $19.1 million originally requested represents COR's best-educated estimate of the outcome of the pending cases. There are a number of factors that may affect the final settlements and result in the City's payout of the full deductible for these cases, leaving the provisional short. Therefore, any cuts to this provisional account would mean the City could not pay for settlements or judgments, which may necessitate the structuring of multi-year agreements that generally result in higher costs to the City because of the interest required to settle a case with staggered payments or by order of the court.

The proposed depletion of the Provision for Judgements, Settlements and Losses and transfer of the entire $17,600,000 to the proposed Provision for Operations and Emergency Recovery will jeopardize COR's ability to pay judgments and resolve pre-litigation claims and lawsuits, deemed economically feasible after months to years of discovery and case analyses, because we will not be sure of the funding available in the new provisional account. Because the new provisional account will fund a broad range of existing City operations, there is no guarantee that sufficient funding will be available for the litigation costs the Provision for Judgements, Settlements and Losses is intended to cover. (We also note that COR has shared its concerns as to the legality of the Provision for Operations and Emergency Recovery.)

We respectfully request restoration of the $19.1 million in the Provision for Judgments, Settlements and Losses.

DEPARTMENT OF CUSTOMER SERVICES
KA 'OIHANA LAWELAWE KUPA
CITY AND COUNTY OF HONOLULU

ADMINISTRATION
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KIMBERLY M. HASHIRO
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PO'O

MEGAN JOHNSON
DEPUTY DIRECTOR
HOPE PO'O

May 5, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Kimberly M. Hashiro, Director
Department of Customer Services

Digitally signed by Hashiro, Kimberly
Date: 2026.05.05 12:53:10 -10'00'

SUBJECT: Bill 22 (2026), CD1 Executive Operating Budget Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

DEPARTMENT OF CUSTOMER SERVICES

PUBLIC COMMUNICATIONS

Councilmember(s): Tommy Waters

Amount	Fund	Description
$($41,281)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration.

The proposed reduction of $41,281 in current expenses would significantly compromise the Public Communications Division's ability to maintain essential media and public information services, specifically regarding community outreach and digital engagement tools. A reduction of this magnitude will compel immediate changes that will impact, for example, strategic communications support during citywide emergency situations and present challenges to the division's efforts to fulfill the research and archiving needs of the city. The proposed cuts would also result in a measurable decrease in printing as well as graphic design support for city departments and agencies, including the Honolulu City Council. Removing the funds would not just be a departmental loss, but would directly impede our ability to maintain the specialized software and hardware necessary for high-quality graphic design. Consequently, city departments and agencies – including City Council - would face significant production delays and be forced to rely on outdated or unprofessional visual assets for their recruitment and community outreach campaigns.

While the division will work to meet City Council's goals for fiscal responsibility, this level of reduction will result in a measurable decrease in the level of service our residents currently enjoy. These operating funds that are strategic and necessary for the Public Communications Division's organizational goals.

SATELLITE CITY HALL

Councilmember(s): Tommy Waters

Amount	Fund	Description
$(20,067)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration.

The proposed reduction of $20,067 in current expenses would significantly impact the division's ability to provide timely and accessible services to the public. Satellite City Halls serve as critical points of access for residents to conduct essential government transactions, including vehicle registration, driver licensing, and other city services. These operations are highly customer-service driven and rely on sufficient operational resources to maintain efficiency and reasonable wait times.

These funds support the day-to-day operations of Satellite City Hall locations, including necessary supplies, equipment, and other resources essential for processing high volumes of in-person transactions. A reduction in current expenses would constrain the

division's ability to maintain service levels across all locations. This may result in delays in processing transactions, reduced appointment availability, and longer wait times for the public. Additionally, limitations on operational resources could increase strain on staff and elevate the risk of errors in financial processing and reporting.

Satellite City Halls are often the most convenient and accessible option for residents, and any reduction in operational capacity would disproportionately impact those who rely on in-person services.

While the division remains committed to identifying efficiencies and supporting the City's fiscal goals, absorbing both the existing vacancy cutback and the proposed additional reductions would present substantial operational challenges. Further reductions at this level may necessitate service adjustments and could limit the division's ability to maintain current service standards.

For these reasons, we respectfully request full restoration of the proposed reduction, as it would adversely affect service delivery to the community and the division's ability to support ongoing operational demands.

DIVISION OF MOTOR VEHICLES

Councilmember(s): Tommy Waters

Amount	Fund	Description
$(278,721)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration.

The proposed reduction of $278,721 in current expenses would adversely impact the Division of Motor Vehicles' (DMV) ability to carry out its core responsibilities. The DMV provides essential, mandated services, including driver licensing and motor vehicle registration, in addition to providing abandoned vehicle complaint investigation and towing services, which require consistent funding to ensure timely and accurate delivery of services. Adequate funding is required for driver's license and State ID credential production, license plate manufacturing, system support, and day-to-day operations at multiple locations across Oahu. This reduction in current expenses would limit DMV's ability to procure necessary materials and maintain service levels, resulting in delays and reduced service capacity to the public.

CSD remains committed to fiscal responsibility and has implemented efficiencies wherever possible; however, rising operational costs require the funding levels as requested.

For these reasons, we respectfully request full restoration of the proposed reduction to current expenses, as it would hinder the DMV's ability to meet its statutory obligations and effectively serve the community.

DEPARTMENT OF DESIGN AND CONSTRUCTION
KA 'OIHANA HAKULAU A ME KE KĀPILI
CITY AND COUNTY OF HONOLULU

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HAKU MILLES, P.E.
DIRECTOR
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MARK YONAMINE, P.E.
DEPUTY DIRECTOR
HOPE PO'O

May 1, 2026

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Haku Milles, P.E., LEED AP, Director
Department of Design and Construction

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

ADMINISTRATION

Councilmember(s): Tommy Waters

Amount	Fund	Description
$(16,972)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration of $16,972 in General Funds (GN), particularly as it relates to essential operating costs.

The current expenses affected by this reduction—such as copier and printing services, telephone and communication costs, professional membership dues, and career fair registrations – are foundational to day-to-day operations. These are not discretionary items; they support basic communication, documentation, staff development, and recruitment efforts that keep departments functioning effectively. Restoring this funding would ensure that core operations remain uninterrupted and that staff have the tools and resources they need.

PROJECT AND CONSTRUCTION MANAGEMENT

Councilmember(s): Tommy Waters

Amount	Fund	Description
$(415,144)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration of $415,144 in General Funds (GN) in current expenses. The proposed reduction would directly impact critical operating obligations, including consultant service contracts, Energy Savings Performance Contract (ESPC) lease payments, unanticipated hazardous materials (hazmat) investigations, relocation expenses for various City offices, and unanticipated renovation costs for City spaces.
These are not discretionary expenses—they are integral to maintaining project delivery, regulatory compliance, and risk management across active and planned CIP projects. Without adequate resources, projects could be halted, delayed, or exposed to significant liability.

Restoring the $415,144 would help ensure continuity, protect the City's investments, and support safe and efficient project delivery.

Amount	Fund	Description
$(174,052)	GN	Reduce funding for salaries

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration of $174,052 in General Funds (GN) for salaries. The Project & Construction Management (PCM) Divisions have ten (10) vacancies for Engineers and Architects and are actively recruiting

for these positions, aiming to fill them by June 30th, 2026. With the Council's proposed reduction of $174,052, the PCM Activity will be $618,860 short in total for salaries. This reduction will eliminate funding for five-six (5-6) Engineering/Architectural positions, thereby restricting the Department's ability to implement CIP projects on time, even as the number of construction and consultant contracts slated for FY27 has increased.

At least nineteen (19) percent of the current Engineering and Architectural staff are already eligible for service retirement, representing a significant and immediate risk to workforce continuity. These are licensed and highly specialized positions that require substantial time to recruit, onboard, and train before staff can effectively manage complex CIP projects. Without sufficient funding to hire in advance of these departures, the Department will face a critical loss of institutional knowledge and technical expertise, leading to project delays, increased reliance on costly consultants, and reduced oversight capacity. Proactive recruitment is essential to ensure continuity of operations, maintain project delivery schedules, and mitigate the operational impacts of an aging workforce expected to retire.

In addition, the funding cuts will eliminate our ability to recruit and hire above the minimum (RAM/HAM), which has been imperative for filling our vacancies lately, given the limited pool of applicants and competitive pay in the private sector.

Furthermore, should the salaries of the Engineering/Architectural Class positions increase effective July 1, 2026, the PCM will have to fund those increases within the approved budget. At that point, we may encounter an even greater funding shortfall to cover the pay for the filled positions.

LAND SERVICES

Councilmember(s): Tommy Waters

Amount	Fund	Description
$(15,286)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration of $15,286 in General Funds (GN) in current expenses. The division makes every effort to maximize the operating budget funds, and lapses very little of them. The operating expenses were budgeted to meet actual needs, and further cuts may adversely affect operations.

Amount	Fund	Description
$(87,026)	GN	Reduce funding for salaries

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration of $87,026 in General Funds (GN) for salaries needed to fill our vacancies. We are actively recruiting and aim to fill three (3) of the seven (7) vacant positions by June 30, 2026. The proposed and existing salary cuts will eliminate funding for three (3) vacant positions. It would also

limit our ability to reallocate staff upward within the class progression, as many of our positions are filled at the entry level.

HONOLULU EMERGENCY SERVICES DEPARTMENT
KA 'OIHANA LAWELAWE ULIA PŌPILIKIA O HONOLULU
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEIA

JAMES H.E. IRELAND, M.D.
DIRECTOR
PO'O

IAN T. T. SANTEE, MPA
DEPUTY DIRECTOR
HOPE PO'O

May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: James H.E. Ireland, M.D., Director
Honolulu Emergency Services Department

SUBJECT: Bill 22 (2026) CD2, CD1 Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

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ADMINISTRATION

Councilmember: Tommy Waters

Amount	Fund	Description
($411,585)	GN	Reduce funding for salaries.

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration.

HESD's Administration Division requests the restoration of funding for salaries to support EMT, paramedic, and community health worker positions, ensuring we can meet our operation needs as planned for Fiscal Year 2027. This support is essential to maintaining reliable emergency response capabilities of our Specialized Community Medicine Branch and the Community Outreach Response and Engagement (CORE) Program. CORE services Oahu's unsheltered population with community partners and practices trauma-informed care, crisis prevention and intervention, and culturally responsive approach when working with individuals or specialized medical interventions. Reduction in salaries would limit the number of personnel that CORE has the ability to hire, which will reduce the effectiveness of the MH3 workload.

EMERGENCY MEDICAL SERVICES

Councilmember: Tommy Waters

Amount	Fund	Description
($43,388)	GN	Reduce funding for salaries.

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration.

HESD's Emergency Medical Services Division requests the restoration of funding for salaries to support EMT and paramedic positions, ensuring we can meet our operation needs as planned for Fiscal Year 2027. Adequate staffing is essential to maintaining timely emergency response, meeting increasing service demands, and continuing to provide a high standard of care to the community.

HEALTH SERVICES

Councilmember: Tommy Waters

Amount	Fund	Description
($24,540)	GN	Reduce funding for salaries.

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration.

HESD's Health Services Branch requests restoration of funding for salaries to support positions in the branch to ensure we can meet our operational needs as planned for Fiscal Year 2027; the branch is already operating at a minimum staffing/maximum load levels. This support is essential to maintaining services to all City for pre-employment and periodic physical medical evaluations for all City personnel as required for their positions and/or maintenance of licensure or physical fitness standards as mandated by the City, State, and Federal regulating agencies as well as provide other medical assistance to other City and State programs, including blood draws for DUI cases as requested by the Honolulu Police Department. The branch recently hired a new Medical Assistant that will begin employment on May 18, 2026 and are currently interviewing for an Office Assistant II that is anticipated to being employment at the start of Fiscal Year 2027.

DEPARTMENT OF FACILITY MAINTENANCE
KA ʻOIHANA MĀLAMA HALE
CITY AND COUNTY OF HONOLULU

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MAYOR
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GENE C. ALBANO, P.E.
DIRECTOR AND CHIEF ENGINEER
PO'O A ME LUNA NUI 'ENEKINIA

WARREN K. MAMIZUKA
DEPUTY DIRECTOR
HOPE PO'O

May 6, 2026

IN REPLY REFER TO:
26-141

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Gene C. Albano, P.E.
Director and Chief Engineer
Digitally signed by Albano, Gene
Date: 2026.05.06 13:27:38-10'00'

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

ACTIVITY TITLE: DIVISION OF AUTOMOTIVE EQUIPMENT SERVICE

Councilmember: Tommy Waters

Amount	Fund	Description
($39,107)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration of the $39,107 in current expenses. The proposed reduction in current expenses will directly affect the Division's ability to purchase the parts, supplies and materials required for vehicle repairs. While the reduction may appear modest, the Division is already experiencing increased costs for fuel, tires, and other essential operating expenses. Any further decrease in funding will limit the Division's capacity to cover these rising costs and consequently reduce its ability to maintain equipment relied upon by City agencies.

ACTIVITY TITLE: PUBLIC BUILDING AND ELECTRICAL MAINTENANCE DIVISION

Councilmember: Tommy Waters

Amount	Fund	Description
($355,653)	GN	Reduce funding for current expenses.
($582,005)	GN	Reduce funding for salaries.

Department's Comments and Concerns:

The administration rejects the proposed reduction and asks for restoration of the $355,653 for current expenses. Full funding is needed due to anticipated cost increases in supplies and materials due to shipping and manufacturer costs. Reduction of general funds will detrimentally affect the completion of work requests and services to buildings and preventive maintenance will be deferred.

The administration rejects the proposed reduction and asks for restoration of the $582,005 for salaries. Full funding is needed as we are actively trying to fill all of our vacancies. Reduction of general funds will detrimentally affect the staffing required to address the current backlog of requests for repair and maintenance of buildings and street lights, as well as the many requests from other agencies. Without adequate staff, work requests and services to buildings will be delayed and preventive maintenance will be deferred. Salary cuts are already included in the budget and further cuts will result in reduction in core services.

Councilmember: Val Okimoto

Amount	Fund	Description
($25,000)	GN	Delete funding for current expenses. Delete proviso: "At least $25,000 out of current expenses shall be appropriated for cattle gate installations at the Waianae Neighborhood Community Center."

Department's Comments and Concerns:

The DFM appreciates the deletion of the additional $25,000 funding and proviso for the appropriation for cattle gate installations at the Waianae Neighborhood Community Center.

ACTIVITY TITLE: DIVISION OF ROAD MAINTENANCE (DRM)

Councilmember: Matt Weyer

Amount	Fund	Description
$150,000	GN	Add funding for current expenses. Add proviso: "At least $150,000 out of current expenses shall be appropriated to develop a report that evaluates the City's stream maintenance plan and provides a timeline for planned clearing of streams."

Department's Comments and Concerns:

The Department of Facility Maintenance (DFM) appreciates the added funding that increases current expenses to develop a report that evaluates the City's stream maintenance plan and provides a timeline for planned clearing of streams but respectfully declines the added funds as the additional funding comes at the expense of another activity in the City, which may have unintended consequences.

Councilmember: Tommy Waters

Amount	Fund	Description
$200,000	GN	Add funding for current expenses in Obj Code 3033 – Grounds Maintenance. Add proviso: "At least $200,000 out of current expenses shall be appropriated for a temporary restroom structure to be set up in collaboration with Waikiki Business Improvement District Association."
($509,458)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:

The DFM respectfully declines the additional $200,000 of current expense funding in FY27 until more information on the location and scope for the temporary restroom structure project is provided. Monthly sewer, water, and electrical utilities will be needed and modifications to the planned location will need to be properly evaluated for environmental and regulatory permits.

The DFM respectfully requests the restoration of current expense funds due to anticipated cost increases in supplies and materials due to shipping and manufacturer costs. Reduction of general funds will detrimentally affect contract services and refuse disposal pertaining to stream maintenance and flood control facilities.

Councilmember: Scott Nishimoto

Amount	Fund	Description
($1,000,000)	GN	Delete funding for current expenses. Delete proviso: "At least $1,000,000 out of current expenses shall be appropriated for emergency and routine maintenance and repair of streams, channels, and ditches within the Ala Wai Watershed."
$1,065,800	GN	Add positions and funding for salaries. Add proviso: "At least $1,065,800 out of current expenses shall be appropriated for stream maintenance and inspection."
$150,000	GN	Add funding for current expenses. Add proviso: "At least $150,000 out of current expenses shall be appropriated for emergency and routine inspection, maintenance and repair of streams, channels, and ditches."
$300,000	GN	Add funding for equipment. Add proviso: "At least $300,000 out of equipment shall be appropriated for the emergency and routine inspection, maintenance, and repair of streams, channels, and ditches."

Department's Comments and Concerns:

The DFM appreciates the deletion of the additional $1,000,000 funding and proviso for the appropriation of emergency and routine maintenance and repair of streams, channels, and ditches within the Ala Wai Watershed.

The DFM appreciates the added funding that increases salaries and positions for stream maintenance and inspection but respectfully declines the added funds because there are sufficient salary funds for the present work force and anticipated

hires/promotions in FY27. The addition of positions can be considered to reactivate GN positions that were deactivated by prior administration that would provide increased flexibility to the DRM stream maintenance and inspection services.

The DFM appreciates the added funding that increases current expenses for emergency and routine inspection, maintenance and repair of streams, channels, and ditches but respectfully declines the added funds as the additional funding comes at the expense of another activity in the City, which may have unintended consequences.

The DFM appreciates the added funding that increases equipment funds to purchase equipment for the emergency and routine inspection, maintenance and repair of streams, channels, and ditches but respectfully declines the added funds as the additional funding comes at the expense of another activity in the City, which may have unintended consequences.

Councilmember: Radiant Cordero

Amount	Fund	Description
$15,000	GN	Add funding for equipment. Add proviso: "At least $15,000 out of equipment shall be appropriated for the purchase of a drone to support stream maintenance enforcement."

Department's Comments and Concerns:

The DFM appreciates the added funding that increases equipment funds to purchase a drone to support stream maintenance enforcement but respectfully declines the added funds because at the present time, the DRM does not have qualified personnel to operate this equipment and will need to modify the position description of at least one position to include the acquisition of proper operator certification and duties related to drone operation.

DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHANA
CITY AND COUNTY OF HONOLULU

RICK BLANGIARDI
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NOLA N. MIYASAKI
DIRECTOR
PO'O

KAREN MILLER
ASSISTANT DIRECTOR
KŌKUA PO'O

May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Nola N. Miyasaki, Director
Department of Human Resources
Nola N. Miyasaki Digitally signed by Miyasaki, Nola Date: 2026.05.06 16:34:23 -10'00'

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

DEPARTMENT: Human Resources

ADMINISTRATION
Councilmember(s): Tommy Waters

Amount	Fund	Description
($1,037)	GN - CE	Reduction funding for current expenses
($57,850)	GN - S	Reduction funding for salaries

Department's Comments and Concerns: The Administration rejects the proposed reductions and requests restoration of the funding to avoid disruption in services.

A reduction of ($1,037) in current expense funding will have negative operational consequences for the Administration Division. Specifically, the Department will not be able to pay essential costs that include postage, copier costs and a recently implemented Microsoft 365 subscription which is necessary due to insufficient storage for files and emails. In addition to managing department operations, the Administration Division provides important Citywide functions that include the City's Equal Opportunity Office; the City's Enterprise Resources and Planning Office (managing the Human Resources Information Systems (Advantage) which contains all employee information that is connected to DIT and BFS Payroll); and the Civil Service Commission. Any reduction to the very limited Administration budget would hinder the Division's ability to sustain efficient day-to-day operations and the services that impact all City employees.

A reduction of ($57,850) in salary funding would have severe operational impacts because it would prevent the Administration Division from filling an essential vacant position that provides administrative support to the Civil Service (CS) Commission. This position was vacated in February 2026. It was not immediately filled due to a budget shortfall in DHR which required a transfer of funds. That fund transfer has been completed, and the position is now open on NeoGov for recruitment. The Civil Service Secretary IV position requires some level of legal administrative background because the Civil Service monthly hearings are comparable to legal hearings, staffed by an assigned attorney general. Often the employee is represented by legal counsel, who contacts the Civil Service Secretary for questions and other matters related to the hearings. Copies of pleadings are handled and disseminated by the Civil Service Secretary, who is also responsible for the hearing transcriptions. Therefore, the specialized responsibilities of this position and the volume of the work cannot be assigned to other clerical staff in the Division. Once the CS position is filled, this budget reduction will require DHR to do a RIF (Reduction in Force) or furlough several employees in the Admin Division for a few hours every month.

EMPLOYMENT AND PERSONNEL SERVICES
Councilmember(s): Tommy Waters

Amount	Fund	Description
($4,223)	GN	Reduction funding for current expenses
($126,856)	GN	Reduction funding for salaries

Department's Comments and Concerns: The Administration rejects the proposed reductions and requests restoration of the funding to avoid disruption in services.

A reduction of ($4,223) in current expense funding will have negative operational consequences on Citywide recruitment, examinations for special recruitments such as the FY27 Firefighter recruitment, processing of Citywide promotions, employee transactions, administration of employee benefits and employee retention programs.

A reduction of ($126,856) in salary funding would have severe operational impacts on day-to-day operations. There is currently only one (1) vacancy in the Division. Therefore, to absorb this reduction, the Division would eliminate progressional reallocations to employees who have earned these promotions, which will have a severely negative impact on morale and retention. In addition, the Division will eliminate or significantly reduce all non-holiday overtime pay and eliminate the contract workers who staff the large-scale firefighters' recruit examination. The reduction of non-holiday overtime pay will also eliminate the ability of the Outreach Recruitment team to conduct Same Day Hiring events, career events, partnership events with the universities, colleges and high schools. Finally, the loss of part time, retiree contract staff will eliminate the division's capacity to maintain the efficiency of the hiring process during peak hiring periods, as well as to provide training for less experienced staff.

DEPARTMENT: Human Resources

CLASSIFICATION AND PAY
Councilmember(s): Tommy Waters

Amount	Fund	Description
($9,474)	GN	Reduction funding for salaries

Department's Comments and Concerns: The Administration rejects the proposed reductions and requests restoration of the funding to avoid disruption in services and to continue the essential modernization efforts in progress.

A reduction of ($9,474) in salary funding would have negative operational impacts and would prevent C&P from continuing normal operations. C&P currently has only one (1) vacancy, which is currently in the process of recruitment. The reduction in salary would either eliminate funding to fill the vacant position or it would require furlough of several hours a month for each employee. In either case, reduction in the staffing hours would slow all classification processes due to capacity issues. The Division has reduced classification request processing from twelve days to five days, enabling departments to make classification changes as needed and fill vacancies faster. With this efficiency, focus has shifted to modernizing approximately 1,400 class specifications to reflect current operations and attract qualified applicants. This substantial project must occur concurrently with daily classification activities and is already challenging the capacity of the current staff. Without fully staffing the Division and filling the sole vacant position, C&P cannot modernize specifications while maintaining efficiency.

INDUSTRIAL SAFETY AND WORKER'S COMPENSATION
Councilmember(s): Tommy Waters

Amount	Fund	Description
($40,683)	GN	Reduction funding for salaries

Department's Comments and Concerns: The Administration rejects the proposed reductions and requests restoration of the funding to avoid a warm body reduction in force (RIF).

A reduction of ($40,683) in salary funding would require warm-body reduction in force (RIF) and would have severe operational impacts that prevent ISWC from continuing normal operations. The division currently has no vacancies. This warm-body reduction would prevent the division from operating at full capacity which is needed. The RIF would directly impair two primary functions: (1) providing safety-related training for City employees and conducting hazard-reduction inspections, and (2) managing workers' compensation medical cases. ISWC handles over 2,300 open cases with 1,100 new injuries annually, where examiners already manage 300-400 cases each (vs. private sector 125-150). This reduction would materially impair essential safety and statutory medical services for City employees.

LABOR RELATIONS AND TRAINING
Councilmember(s): Tommy Waters

Amount	Fund	Description
($23,767)	GN	Reduction funding for current expenses
($95,930)	GN	Reduction funding for salaries

Department's Comments and Concerns: The Administration rejects the proposed reductions and requests restoration of the funding to avoid a disruption in labor relations services as well as employee training (mandatory as well as elective).

A reduction of ($23,767) in current expense funding would have significant negative operational consequences for the Labor Relations and Training (LRT) Division and for all City Departments. LRT's current expense budget includes essential items such as arbitration costs (Citywide); training contracts for employee training programs; printing/binding services for new employee orientation, Po'okela interns, and employee training materials. A funding reduction would prevent DHR from providing these critical services. The Labor Relations Branch provides enterprise-wide support to the City—including grievance arbitrations across multiple departments. The Training Branch conducts New Employee Orientation for all new hires, City-wide training initiatives, and the Po'okela internship program, which is expanding this year to include a full-time, summer internship program. Reductions would result in negative Citywide impact for all departments and for City employees.

DEPARTMENT: Human Resources

A reduction of ($95,930) in salary funding would have severe operational impacts and would prevent the Labor Relations and Training (LRT) Division from continuing normal operations. All vacancies are currently in the process of recruitment and are essential to maintaining Division operations. To avoid a warm body reduction in force (RIF) or furloughs, LRT would eliminate the highly popular and beneficial Po'okela Internship program. This would be unfortunate. The Pookela Internship program provides opportunities for local students at universities and community colleges across the island to gain experience working for the City. Not only does the Po'okela Program expose our next generation of workers to the City, it also helps the City build relationships with colleges and universities across the island, serves as a pipeline for new talent, and helps Departments work on projects that otherwise cannot be accomplished due to capacity limitations.

DEPARTMENT OF INFORMATION TECHNOLOGY
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CITY AND COUNTY OF HONOLULU

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PO'O AND KAHU LUNA 'IKEPILI

STEPHEN COURTNEY
DEPUTY DIRECTOR
HOPE PO'O

May 5, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: ~for~ Brian C. McKee, Director and Chief Information Officer
Department of Information Technology

Digitally signed by Courtney, Stephen
Date: 2026.05.05 16:14:42 -10'00'

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

ADMINISTRATION

Councilmember: Tommy Waters

Amount	Fund	Description
$ (257,396)	GN	Reduce Funding for current expenses

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $257,396 in General Funds (GN) in Current Expenses to fund critical systems. A reduction in current services would negatively impact Administration to fully-fund the roll-out of Microsoft 365 G5 City-wide.

This initiative is critical to the organization's cybersecurity posture. Any reduction in funding would directly impact our ability to acquire approximately **455 licenses of Microsoft 365 (M365 G5)**, which equates to **two or more departments losing access to essential security and productivity services**. Without these licenses, those teams would be left without the protections that M365 G5 provides, creating immediate vulnerabilities across the entire enterprise.

The organization experiences **a high volume of attempted intrusions every single day**—ranging from phishing attempts and exploitation attempts targeting our internal systems. Even a small reduction in coverage creates blind spots that attackers can exploit. This project will standardize security, reduces phishing and ransomware risk, and modernizes collaboration across all departments. Ensuring full M365 G5 licensing is not optional; it is a foundational requirement for maintaining a secure environment and reduces the risk of cyber-attacks.

A key reason M365 G5 is important is its ability to support collaboration and remote work. It enables teams to work together in real time and enhances coordination with police, fire, and EMS agencies particularly during severe storms that may significantly impact lives and properties.

APPLICATIONS

Councilmember: Tommy Waters

Amount	Fund	Description
$ (61,344)	GN	Reduce Funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $61,344 in General Funds in Salaries so that the Applications Division can meet its payroll obligations in FY27.

The Application Division is at 95% staffing, due to a recently vacated position and will fill this position in FY27. The proposed cut of $61,344 would leave the department without an Information Technology Specialist II, a critical position in the Applications Division that oversees the design, implementation, and maintenance of all in-house software solutions serving user agencies and ensuring technology aligns with business needs. Without this funding, the division would lack the staffing needed to work diligently with other departments on projects such as **ADA Title II Digital Accessibility Compliance**, an ongoing regulatory obligation.

The Applications Division serves the public by providing online portals, mobile apps, and self-service options that create shorter wait times as well as 24/7 access. By connecting Oahu residents with the services, they need, the division makes government interaction more convenient, reliable and trustworthy.

OPERATIONS

Councilmember: Tommy Waters

Amount	Fund	Description
$ (56,530)	GN	Reduce Funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $56,530 in General Funds in Salaries so that the Operations Division can meet its payroll obligations in FY27.

The Operations Division is at 95% filled with one vacancy due to a promotion. The proposed cut of $56,530 would leave this department without a Computer Operator II, a critical role for the Operations Division. The Operations Division serves as the backbone of DIT's technology environment, responsible for planning, administering, and coordinating all central and backup computer systems. This includes mainframes, servers, networked printers, scanners, and data-entry devices.

The division also implements financial and document controls to ensure data integrity, develops and executes computer job schedules, and manages the routing of documents and reports among users and agencies. It provides first-level troubleshooting and incident categorization, monitors security access and camera alarm systems at critical radio and microwave sites, and disseminates both urgent and routine technology notifications. Serving as the network control authority, the division oversees the installation and removal of operations center equipment, delivers telecommunications diagnostics, and coordinates hardware and software changes with client agencies. In addition, it develops and maintains comprehensive data and system recovery plans in support of the Emergency Operations Center (EOC) and citywide disaster response.

The division operates and maintains the City & County of Honolulu's two data centers located at the Frank F. Fasi Municipal Building (FMB) and Kapolei Hale. The Computer Operator II works the data centers 24 hours a day, 7 days a week. Operations staff cover three eight-hour shifts (day, swing, and midnight) to manage job schedules; monitor servers, storage, networks, and environmental systems (including cooling, power, and FM-200 fire-suppression); and support peripheral devices.

The team also provides scanning, imaging, secure document shredding, and hard-drive destruction services for all City departments, as well as after-hours triage for Help-Desk calls.

The Operations Division may not be visible to the public, but it underpins every digital interaction, physical facility, and emergency response that residents rely on daily. By delivering reliable infrastructure, ensuring continuity during crisis, and managing resources efficiently, the division directly enhances safety, convenience, and trust between the city and its residents. By losing this position it would force the remaining staff to work additional hours to cover the shift, increasing the risk of burnout and jeopardizing the reliability of the City's critical infrastructure.

TECHNICAL SUPPORT

Councilmember: Tommy Waters

Amount	Fund	Description
$ (71,747)	GN	Reduce Funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $71,747 in General Funds in Salaries so that the Technical Support Division may meet its payroll obligations in FY27.

This Division has two critical positions that need to be filled, one being the Chief Information Security Officer (CISO) and the Cloud Analyst I position. The CISO is the linchpin that protects every digital service the city provides—from public-facing websites and online permits to the internal systems that keep police, fire, and emergency service agencies running. Without strong leadership in cyber-security, a single breach could cripple essential operations, expose sensitive citizen data, and erode public trust.

The Cloud Analyst works at the intersection of cloud-technology strategy, operations, and security. The role supports the City's migration to, and ongoing management of, public-cloud platforms (e.g., Microsoft Azure, Amazon Web Services, Google Cloud) and private-cloud infrastructure housed at the FMB data center. By ensuring those platforms are secure, reliable, and cost-effective, the analyst creates tangible benefits for every resident of Honolulu.

The analyst will enable **faster, 24 / 7 online services** such as permit applications, bill payment, and public-record requests. Over time, the analyst will strengthen protection of personal data by implementing multi-factor authentication, encryption, and continuous security monitoring, thereby reducing the risk of data breaches that could expose residents' private information.

These responsibilities are critical to the department and **ensure** that the city remains digitally safe, which in turn directly improves the quality of life in Honolulu.

ERP/CSR

Councilmember: Tommy Waters

Amount	Fund	Description
$ (209,907)	GN	Reduce Funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $209,907 in General Funds in Salaries so that Enterprise Resource Planning /

Computer Services Representative (ERP/CSR) Division can meet its payroll obligations in FY27.

The proposed reduction would severely affect our ability to proceed with our plans for hiring four new permanent positions: two (2) Information Technology Specialist II, one (1) Professional Trainee II, and one (1) Computer Programmer II. These positions design and develop information technology systems and procedures for functionally distinct activities where a variety of problems and processes exist. They improve efficiency and help to meet operational demands.

As a result, we may be unable to staff several critical positions—most importantly, the CSR team supports every City agency and links those agencies to the public. Three of those positions are for CSR support of the 33 City agencies. If we take ENV, HFD, HESD and OSD out (these have dedicated CSR staff), that leaves us with 29 agencies supported by two sections. The two sections have a staff of 18 currently, with all positions filled. In addition to general IT support, the two sections are also the support for PC Replacement, DocuShare, M365 G5, and Airwatch projects to name a few.
The other position is for ERP. This position will be developing PowerBI dashboards and reports and will also be developing Robotic Process Automation (RPA) processes to help make the city more efficient and productive. We are looking to expand on processes like the HECO Invoice Payment RPA process which has made HECO billing almost entirely paperless and has almost eliminated late fees.

Among supporting the city agencies, CSR staff instantly field, resolve, analyze, and route requests, keeping essential services running without delay. A major portion of this department also provides technical implementation of Budget, Financial, Human Resource, Training, Timekeeping, and Payroll applications used by every City employee.

Because payroll affects all City personnel, any delay in the payroll system results in late paychecks for employees and financial hardship for their families. Thus, these teams are vital for keeping agency operations running smoothly.

Restoring the funding will allow us to continue providing these vital services with the additional positions we have identified and risk the loss or delay of payroll and Human Resources activities.

COMMUNICATIONS AND NETWORK

Councilmember: Tommy Waters

Amount	Fund	Description
$ (74,073)	GN	Reduce Funding for salaries

Department's Comments and Concerns:

The administration rejects the proposed reductions and asks for restoration of $74,073 in General Funds in Salaries so that the Communications and Network Division may meet its payroll obligations in FY27.

The department is the City's critical "digital backbone." It designs, builds, and operates the fiber-optic rings, microwave towers, antenna sites, and the city-wide surveillance-camera network that keep public safety, traffic-management, and municipal services connected. Because every agency—from Police and Fire to Facilities Maintenance and Planning & Permitting — relies on those links to exchange data, issue alerts, and deliver services, the department's work is absolutely essential to the City's mission.

The key ways this division's work directly benefits the public, which includes emergency-services are the Public-Safety Radio and Interoperability – which operates the microwave towers and UHF/VHF antenna sites that connect police, fire, EMS, and the Office of Emergency Management. First responders are able to stay in constant contact, enabling coordinated response to accidents, natural disasters, and large-scale events. 911 Emergency calls which the Communications and Network Division maintains over the Voice-over-IP (VoIP) backbone. Calls are able to reach police, fire, and EMS without delay, even if a single fiber link or antenna fails.

The Communications & Network Department is the invisible engine that powers every City service. Continued City Council funding is not a discretionary expense—it is an essential investment that protects public safety, preserves revenue, and enables the City's smart-city vision. Without that support, the integrity of our cameras, towers, and antenna systems—and the services they enable—would be compromised, directly affecting the community's safety and quality of life. To put it clearer, they do far more than keeping cables and towers running; they help to protect lives, enhances everyday convenience, and strengthens the city's ability to serve its people!

The Department of Information Technology is investing in Honolulu's future! We stand ready to deliver on the City's strategic priorities: modernized, secure

communications; seamless digital services for residents; and unwavering support for the public-safety agencies that protect us daily.

DEPARTMENT OF HOUSING AND LAND MANAGEMENT
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May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Kevin D. Auger, Director
Department of Housing and Land Management

SUBJECT: FY2027 Proposed Amendments for CD2, Bill 22 (2026), CD1

Attached are our agency's comments and concerns to the FY2027 Proposed Amendments for CD2, Bill 22 (2026), CD1.

Attachment

HOUSING PROPERTY/ASSET MANAGMENT

Councilmember: Val Okimoto

Amount	Fund	Description
$1,000,000	GN	Add funding for current expenses. Add proviso: "At least $1,000,000 out of current expenses shall be appropriated for the planning and design of a mixed income, mixed-use project on the Pearlridge (Kalauao) rail station site."

Department's Comments, Concerns and Support or Opposition to the Amendment:
The Department of Housing and Land Management respectfully declines the proposed $1,000,000 of funding for planning and design at the Pearlridge (Kalauao) rail station site. The site is currently under active federal procurement by the Department of Transportation Services for the Pearlridge mobility hub, which has completed or is about to complete NEPA environmental review, secured federal funding approvals, and is proceeding toward imminent construction procurement. Introducing an independent planning process on this parcel through a separate department at this stage creates a documented record that federal oversight agencies will scrutinize, risks reopening any federal environmental clearance that took years to obtain and could jeopardize the potential delivery of federal funds. The cost of reopening the federal environmental process, and jeopardizing the potential delivery of federal funds, would cost far more than the value of this appropriation.

DHLM shares the Council's commitment to housing development at this site. We understand from DTS that the mobility hub design was deliberately developed to anticipate future mixed-use housing — the integration is already in the approved plans. Funding a parallel planning process before the hub is built does not accelerate housing; it creates a competing site vision during an active federal procurement and puts the clearance that enables housing at risk.

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HOPE PO'O HO'OKELE

May 11, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Krishna F. Jayaram, Deputy Managing Director
Office of the Managing Director

SUBJECT: FY2027 Proposed Amendments for CD2, Bill 22 (2026), CD1

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

OFFICE OF ECONOMIC REVITALIZATION

Councilmember: Okimoto

Amount	Fund	Description
	GN	Add proviso: "At least $658,404 out of salaries shall be appropriated to maintain three positions in the Honolulu Film Office, three Community Equity Liaison positions, and the position required pursuant to Charter Section 6-109"

Department's Comments and Concerns:
The administration rejects the proposed reduction and requests full restoration of OER's budget, including funding for the three Community Equity Liaison positions. The total FY27 budget request for the Office of Economic Revitalization (OER) and Honolulu Film Office (HFO) is $2,278,988 in salaries for 27 FTEs and $593,669 in current expenses.

Reducing OER to four positions would effectively eliminate the City's capacity to design and implement policies, programs, and funding that support small business development, innovation and technology, agriculture, regenerative tourism, and workforce development.

OER welcomes City Council input on the Commission's 5-year strategic plan for economic development in the City and County of Honolulu.

Proposed OER Cuts Would Dismantle Honolulu's Economic Development Infrastructure

This Is Not a Trim—It's a Shutdown

Eliminating 20 of 24 positions and all funding at OER would functionally shut down the City's only economic development activity. The impacts would be immediate, measurable, and long-lasting—hurting small businesses, farmers, job seekers, and communities across O'ahu.

At a moment when Honolulu needs stability, recovery, and forward-looking investment, these cuts would move the City backward.

O'ahu cannot afford to eliminate economic revitalization.

If these cuts move forward, the City would lose the following:

1. **Elimination of Small Business and Entrepreneur Support**

   Every City-led small business support program would end, including:

- O'ahu Business Connector. A City-run program that connects thousands of small businesses annually to funding and technical support. $750,000 in Federal and State funds would not be distributed to community serving business and technical assistance providers.
- Small Business Incubator (Idea2Biz). The only incubator designed to launch O'ahu entrepreneurs. A second cohort planned for 20 entrepreneurs in the Ko'olauloa region in summer 2026 would be canceled—cutting off public and private funding in an area that already faces economic barriers.
- Kona Low Business Recovery Grants and Disaster Preparation - $4 million in state funding for disaster recovery grants for businesses impacted by the Kona Low storms
- Micro-Loan Program (launching May 20, 2026). A new program slated to provide $300,000+

2. Elimination of City Support for Local Agriculture

- No City role in strengthening local agriculture, expanding markets, or developing new supply chains—directly undermining local food security and economic resilience.
- Elimination of a $500,000 contract supporting 100 farmers' markets across O'ahu over the next 2 years. The markets support local vendors selling fresh, local produce, proteins and value-added goods.
- Coordination of Kona Low farmer relief and disaster funding assistance would diminish due to elimination of the position in OER.

3. Elimination of City Support for Workforce Development and Good Jobs

The City's role in building clear pipelines to good-paying jobs would be significantly weakened.

- OER manages the $5M Good Jobs O'ahu and other City-supported workforce pipelines that connect residents directly to employment opportunities. This work would be eliminated.
- Honolulu residents would face fewer structured, accessible pathways into City Jobs and emerging industries that depend on City leadership and alignment.

At a time when residents are struggling with high living costs, these cuts would reduce access to economic mobility.

4. Loss of Citywide Economic Data, Planning, and Coordination - Essential to Compete for Federal, State and Private Funding.

OER serves as the City's central economic coordinator, ensuring that programs, partners, and investments are aligned with a long-term strategy. The other 3 counties have well resourced offices of economic development. Eliminating OER would mean:

- No City-level economic coordination or convening power.
- No seat at economic development tables.
- No new economic development funding from the public and private sector.
- No innovative programs bringing together City, State, Federal and private partners for economic development at the City level.
- No leadership to expand digital access, to investment in Opportunity and Enterprise Zones, or to develop new industries like advanced manufacturing and the blue economy.
- Cancellation of critical 2026 planning efforts that guide public and private investments—essential to enable the City to compete for funding
    - O'ahu Tourism Strategic Plan
    - O'ahu Comprehensive Economic Development Strategy (CEDS)
    - Economic Forecast for O'ahu

DEPARTMENT OF PARKS AND RECREATION
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May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Laura H. Thielen, Director
Department of Parks and Recreation

SUBJECT: Bill 22 (2026), CD1, Proposed CD2 Amendments Executive Operating Budget Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 22 (26), CD1 proposed amendments for the Special Budget Committee meeting of May 1, 2026.

Attachment

DEPARTMENT: Department of Parks and Recreation

ADMINISTRATION

Council Chair Tommy Waters

Amount	Fund	Description
$(51,536)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. The proposed amendment would result in reduction of funding for escalation costs for security guard services for the 400+ acre park property and campgrounds resulting in less patrols and monitoring, escalation in Pearl City Warehouse lease for Honolulu City Lights Statues. Reduction of funding for escalation costs associated with hosting Kapolei City Lights, Mayor's Memorial Day Program, and provide less mid-level management training for park personnel.

DIVISION OF URBAN FORESTRY

Council Chair Tommy Waters

Amount	Fund	Description
$(32,084)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. The requested funding of $32,084 is essential to support our current expense budget in light of rising operational costs. In particular, increased green waste disposal fees associated with intensified efforts to combat the coconut rhinoceros beetle (CRB) have placed significant strain on our resources.

As of April 2026, the Division of Urban Forestry (DUF) has averaged approximately $19,000 per month in green waste disposal fees in FY26. These costs are expected to rise substantially following a recent fee increase of 140.24%. The Department of Environmental Services (ENV) issued a memorandum on March 9, 2026, announcing this increase after the FY27 budget had already been finalized. Under the previous contract, the rate was $97.10 per ton; the new contract rate, effective April 2026, is $233.27 per ton.

This unanticipated increase has created a significant budget shortfall and underscores the need for additional funding to maintain current service levels without disruption. Proposed amendment would result in reduction of funding for escalation costs for green waste disposal fees associated with robust efforts to combat the coconut rhinoceros beetle (CRB).

DEPARTMENT: Department of Parks and Recreation

Councilmember Val Okimoto

Amount	Fund	Description
$(100,000)	GN	Reduce funding for current expenses. Amend proviso to read: "At least $100,000 out of current expenses shall be appropriated to add to the tree canopy in Council District 4."

Department's Comments and Concerns:
The department respectfully requests deferral of the Council initiated budget proviso.

MAINTENANCE SUPPORT SERVICES

Councilmember Val Okimoto

Amount	Fund	Description
$(350,000)	GN	Delete funding for current expenses. "Reduce funding for current expenses. Amend proviso to read: "At least $150,000 out of current expenses shall be appropriated for the installation of a dog park at the Keehi Lagoon Beach Park.""

Department's Comments and Concerns:
The department respectfully requests deferral of the Council initiated budget proviso.

Councilmember Val Okimoto

Amount	Fund	Description
$(500,000)	GN	Delete funding for current expenses. Delete proviso: "At least $500,000 out of current expenses shall be appropriated for turf and electrical improvements at the Keehi Lagoon Beach Park pavilion."

Department's Comments and Concerns:
The department respectfully requests deferral of the Council initiated budget proviso.

Council Chair Tommy Waters

Amount	Fund	Description
$(140,004)	GN	Reduce funding for current expense

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. MSS received over 1,000 emergency calls to repair broken pipes and comfort station bathroom fixtures as well as over 100 calls for sidewalk repairs. Proposed amendment would result in reduction of funding for supplies to support these types of repairs.

DEPARTMENT: Department of Parks and Recreation

RECREATION SERVICES

Council Chair Tommy Waters

Amount	Fund	Description
$(228,797)	GN	Reduce funding for salaries

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration as the department's original budget proposal reflected a 5% vacancy cut back salary reduction. The proposed amendment to reduce salaries reflect a 6.3% total reduction in salaries for the Department of Parks and Recreation. The proposed CD2 reduction in salaries will result in no filling of vacant positions. The initial Councilmember proposed reduction in salaries would have resulted in some cases the termination of persons in existing civil service or contract positions across the department.

RECREATION SERVICES

Council Chair Tommy Waters

Amount	Fund	Description
$(191,527)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. The proposed amendment would result in reduction of funding for escalation costs for security guard services resulting in less ability to include additional parks for this security guard service and monitoring. The department will struggle in FY27 to meet increased operational costs, including increased costs for supplies, equipment, safety supplies and program materials to run programs such as Summer Fun (increases in bus fares and unsubsidized lunch services) and Senior Programs.

GROUND MAINTENANCE

Council Chair Tommy Waters

Amount	Fund	Description
$(400,000)	GN	Reduce funding for salaries

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration as the department's original budget proposal reflected a 5% vacancy cut back salary reduction. The proposed amendment to reduce salaries reflect a 6.3% total reduction in salaries for the Department of Parks and Recreation. The proposed CD2 reduction in salaries will result in no filling of vacant positions. The initial Councilmember proposed reduction in salaries would have resulted in some cases the termination of persons in existing civil service or contract positions across the department.

DEPARTMENT: Department of Parks and Recreation

GROUND MAINTENANCE

Council Chair Tommy Waters

Amount	Fund	Description
$(287,089)	GN	Reduce funding for current expenses

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. The proposed amendment would result in reduction of funding for escalation costs for security guard services for Bellows, CORP/Waipi'o, Kualoa Regional Park and locking and unlocking of gates and comfort station at city park properties and campgrounds. This reduction would result in less ability to include additional parks for locking and unlocking comfort stations. The department will struggle in FY27 to meet increased operational costs vandalism and emergency repairs, expanded fire hazard mitigation to create firebreak clearing and vegetation management around more parks, and sewer fee costs.

DEPARTMENT OF PLANNING AND PERMITTING
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May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director
Office of the Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Dawn Takeuchi Apuna, Director
Department of Planning and Permitting

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

Please find attached the Department of Planning and Permitting's comments and concerns regarding Bill 22 (2026), CD1 proposed amendments for CD2.

Attachment

DEPARTMENT: Planning and Permitting

BUILDING
Councilmember: Kiaaina

Amount	Fund	Description
$240,000	GN	Add funding for salaries. Add proviso: "At least $240,000 out of salaries shall be appropriated for OC 1123 – Recruit & Retention Incentive for the implementation of an educational loan forgiveness program for up to 20 engineers.

Department's Comments and Concerns:
While the Department of Planning and Permitting (DPP) appreciates this proposed amendment, we will respectfully decline this addition.

ADMINISTRATION
Councilmember: Waters

Amount	Fund	Description
$(2,004,460)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of $2,004,460 funding for current expenses. This reduction would significantly impact the Department's core operations, as the majority of this activity supports the essential systems and services required to deliver daily permitting, planning, inspection, and customer-facing functions. Current expenses fund the maintenance and support of DPP's primary operational platforms, including permit intake and routing systems, plan review software, inspection scheduling tools, records and document maintenance systems. Reducing the funds would limit the department's ability to sustain software licenses, vendor support, and required maintenance, resulting in increased system instability, slower troubleshooting and recovery, and greater reliance on manual workarounds. These impacts would slow permit processing, increase backlogs, reduce transparency and customer access to information, and delay continued modernization and reform efforts.

In addition, this activity provides the grant funding and administrative capacity necessary to implement Bill 7 affordable housing projects. Any reduction will constrain the City's ability to administer these funds, delay or even cancel projects, and reduce the timely delivery of affordable housing.

ADMINISTRATION
Councilmember: Waters

Amount	Fund	Description
$(415,574)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $415,574 reduction of salaries. The Administration Activity requires approximately $2.6

million in salary funding to support its existing filled positions, which provide the core administrative, fiscal, procurement, technology, and operational support necessary for daily departmental functions. This activity also includes staffing for the Honolulu Land Information System (HoLIS), which maintains the City's geographic, permit, and land records database. HoLIS is a foundational system that supports Citywide operations, including land use decision making, emergency response, infrastructure coordination, and public facing property information services.

In addition to civil service staff, this activity currently relies on eight (8) contract positions that provide dedicated capacity for modernization, system integration, fiscal processing, and operational support. Without sufficient salary funding, these contract positions cannot be sustained, and their workload will shift to existing civil service staff who are already operating at maximum capacity. This will create burnout and turnover risk and reduce the Department's ability to maintain continuity of operations.

Salary savings in this activity also provides essential flexibility to support recruitment incentives, reallocations, promotions, and limited duration staffing needed to manage transitions without disrupting services. Without full restoration, DPP will be unable to fill critical vacancies or retain the staffing levels required to support modernization efforts, fiscal processing, procurement and contract administration, HoLIS operations, customer service functions, and provide essential day-to-day support that keeps all DPP programs functioning and responsive to operational demands. This will result in delays to core services and reduced operational capacity across the Department.

SITE DEVELOPMENT

Councilmember: Waters

Amount	Fund	Description
$(2,584)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $2,584 reduction to current expenses. The Site Development Activity relies on these funds to support the day-to-day operating needs that keep field and review functions moving, including required supplies, technical support, coordination costs, and routine expenses that enable timely plan review and field verification. These resources are essential to maintaining operational continuity, particularly during storm events when Site Development staff perform critical field assessments, infrastructure adequacy checks, and interagency coordination to support community recovery and protect public safety. Even a small reduction constrains the activity's ability to sustain these core functions, resulting in slower turnaround times for technical reviews, reduced capacity for field verification, and delays that affect both public and private development. These operational constraints also create compounding impacts on City capital improvement projects and time sensitive infrastructure work, ultimately extending permit and project timelines and reducing service predictability for constituents.

DEPARTMENT: Planning and Permitting

SITE DEVELOPMENT
Councilmember: Waters

Amount	Fund	Description
$(121,062)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $121,062 reduction to salaries. The Site Development Activity is staffed primarily by engineers, inspectors, and planners whose work is essential to horizontal development and subdivision review, enforcing grading and infrastructure standards, conducting required site inspections, and providing timely technical review and infrastructure adequacy comments. These positions directly support both public and private development, including City capital improvement projects and time sensitive infrastructure work.

Without full restoration, the Department will be unable to fill critical vacancies, resulting in reduced capacity to perform field verification, slower processing of site development permits, and delays in coordinating technical reviews across departments. These impacts extend project timelines, increase costs for both the City and private applicants, and reduce the Department's ability to respond effectively during storm events when field assessments and interagency coordination are essential to public safety and community recovery.

Maintaining full salary funding is necessary to sustain operational capacity and ensure timely, predictable service delivery.

LAND USE PERMITS
Councilmember: Waters

Amount	Fund	Description
$(143,704)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $143,704 reduction to current expenses. This amendment would create a technical error in the Operating Budget by resulting in a negative appropriation for the Land Use Permits Activity. For FY 2026, this activity is budgeted at $34,500 in current expenses, and for FY 2027, the proposed budget is $24,500. The proposed reduction exceeds the total FY 2027 current expense budget, which would result in a negative appropriation and eliminate the funding necessary to support essential operational needs.

Current expense funding in this activity supports the administration of land use regulations, processing of LUO and SMA permits, coordination of environmental review, and support for coastal zone management and affordable housing applications.

DEPARTMENT: Planning and Permitting

Restoration of this funding is required to correct the technical error and ensure continuity of these core regulatory functions.

LAND USE PERMITS
Councilmember: Waters

Amount	Fund	Description
$(74,693)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $74,693 reduction to salaries. The Land Use Permits Activity provides Citywide regulatory services, including administering land use regulations, processing LUO and SMA permits, coordinating environmental review, and supporting coastal zone management and affordable housing applications.

Since February, the Department has filled one vacancy in this activity and anticipates filling two additional vacancies by the end of the fiscal year. Without full restoration, the activity will not have sufficient salary funding to sustain this hiring progress or fill remaining vacancies needed to meet workload demands. Reduced staffing capacity will slow discretionary permit processing, extend review timelines, and limit the Department's ability to provide timely customer assistance. These delays create compounding impacts on housing, public facilities, and infrastructure projects that rely on predictable permitting schedules. Maintaining full salary funding is essential to preserve service levels, support ongoing recruitment efforts, and ensure continuity of core regulatory functions.

PLANNING
Councilmember: Waters

Amount	Fund	Description
$(66,789)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $66,789 reduction to current expenses. The Planning Activity currently has an appropriation of $960,000 for FY 2026 and a proposed budget of $833,900 for FY 2027, already reflecting a reduction of $126,100. The majority of these funds—approximately $730,000—support consultant services that are essential to delivering core planning work products, including the Area Adaptation Plan for the Primary Urban Center Development Plan, land use modeling, and the Master Planning: Transit Oriented Development (TOD) analysis and technical assistance contract.

These consultant supported deliverables are relied upon across City operations to inform land use decisions, coordinate interdepartmental planning, and advance project readiness for housing, transportation, and infrastructure initiatives. Any further reduction will delay critical planning milestones, constrain the Department's ability to execute

mandated work on established schedules, and create downstream impacts on permitting, capital project coordination, and implementation timelines. As delays accumulate, customers and partner agencies will experience slower progress on community planning efforts, reduced predictability in project delivery, and delayed benefits from initiatives intended to support housing production and resilient infrastructure.

PLANNING

Councilmember: Waters

Amount	Fund	Description
$(120,000)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $120,000 reduction to salaries. The Planning Activity—which includes both long range planning and the City's Transit Oriented Development (TOD) program—anticipates filling seven positions by the end of the current fiscal year, and full salary funding is required to support these hires and maintain adequate staffing levels for FY 2027. These positions are essential to sustaining plan review, policy implementation, TOD planning and coordination, community planning, and the development of land use and infrastructure strategies that support housing production and multimodal transportation investments.

In addition to supporting civil service positions, a portion of the activity's salary savings is currently used to fund limited duration contract support that provides critical capacity for technical analysis, modeling, project coordination, and preparation of planning deliverables, including TOD related studies and implementation work. Without full restoration, the activity will face a salary shortfall that will prevent the Department from filling vacancies and maintaining the staffing and contract support needed to meet workload demands. This will delay key planning initiatives, hinder TOD implementation, reduce the Department's ability to manage staffing transitions, and slow progress on Citywide priorities related to housing, infrastructure coordination, and resilient land use planning. Maintaining full salary funding is necessary to preserve service levels and ensure timely advancement of both long-range planning and TOD initiatives.

CUSTOMER SERVICE

Councilmember: Waters

Amount	Fund	Description
$(21,460)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $21,460 reduction to current expenses. The Customer Service Activity relies on these funds to support essential day-to-day operational needs, including supplies, equipment, technology support, and basic operating costs that enable front line staff to provide

timely assistance to applicants and the public. As of this fiscal year, year to date expenses and encumbrances total $130,632, which already exceeds the proposed FY 2027 current proposed expense budget of $119,500, a significant reduction from the $173,350 budgeted in FY 2026. The Department is already working diligently to avoid any shortfall under the reduced FY 2027 allocation; however, any further reduction will leave the activity without sufficient funding to sustain core customer facing operations.

Customer Service administers building permit intake, application guidance, status inquiries, and troubleshooting. Reductions of this scale directly constrain our ability to maintain consistent service levels. Insufficient funding will result in backlogs, slower response times, reduced availability of assistance, and diminished predictability for applicants navigating the permitting process. Maintaining full current expense funding is necessary to ensure stable, reliable customer service and to support the Department's broader efforts to improve transparency, communication, and public access to permitting information.

CUSTOMER SERVICE
Councilmember: Waters

Amount	Fund	Description
$(120,000)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $120,000 reduction to salaries. The Customer Service Activity is responsible for front line permit intake, application guidance, triage, and public assistance, and relies on adequate staffing to maintain predictable service levels for applicants and the community. The activity is continuing to fill vacancies and is actively reviewing positions to ensure they align with current processes and workflows resulting from ongoing modernization and reform efforts. Full salary funding is required to support these hires and to complete necessary position realignments that strengthen the operational needs of this activity.

In addition to supporting civil service positions, the activity currently relies on four (4) contract filled positions that provide essential capacity to manage the high volume of customer inquiries, permit intake, and application troubleshooting. These positions are funded through salary savings, and the proposed reduction would jeopardize their continuation in FY 2027. Losing these contract positions—or being unable to fill other critical vacancies—would significantly reduce the Department's ability to maintain service counters, respond to inquiries, and support applicants navigating the permitting system. Salary savings are also used to support position redescriptions and adjustments needed to ensure roles match evolving responsibilities and service demands.

Without restoration, the activity will face a salary shortfall that will limit staffing, disrupt modernization aligned position updates, and reduce the Department's capacity to

provide timely, reliable customer service. Maintaining full salary funding is essential to preserve customer facing operations, support recruitment and retention, and ensure continuity of services that directly affect public access to permitting information and assistance.

BUILDING
Councilmember: Waters

Amount	Fund	Description
$(143,226)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $143,226 reduction to current expenses. The Building Activity is budgeted at $563,347 in FY 2026 and $561,540 in FY 2027, and these funds support essential operational needs for building code review, inspections, and enforcement. As of this fiscal year, year to date expenses and encumbrances total $362,256, with an additional $63,000 in anticipated mileage costs alone through the end of the fiscal year. After accounting for these obligations, the activity retains very limited remaining capacity to absorb unplanned or emergency operational needs.

This constrained balance is particularly concerning given the Department's critical role in responding to disaster related events, including damage assessments and field inspections during Kona Low storms and other severe weather incidents. Any further reduction will significantly constrain the activity's ability to maintain service levels, respond to inspection requests, and support emergency operations when the City requires rapid deployment of building inspectors. Maintaining full current expense funding is essential to ensure continuity of building code services, protect public safety, and preserve the Department's capacity to respond effectively during both routine operations and disaster events.

BUILDING
Councilmember: Waters

Amount	Fund	Description
$(205,960)	GN	Reduce funding for salaries.

Department's Comments and Concerns:
The administration rejects the proposed reductions and asks for restoration of the $205,960 reduction to salaries. The Building Activity is responsible for building, electrical, and plumbing code review, inspections, and enforcement, and relies on adequate staffing to maintain timely plan reviews, respond to field inspection requests, and ensure compliance with safety standards. The activity is continuing to fill vacancies and is actively reviewing positions to ensure they align with current processes, workflows, and responsibilities resulting from ongoing modernization and reform efforts. Full salary funding is required to support these hires and to complete necessary position realignments that strengthen the operational needs of this activity.

DEPARTMENT: Planning and Permitting

In addition to supporting civil service positions, the activity currently relies on two (2) contract technical staff who provide essential capacity to manage volume, respond to field requests, and support specialized code enforcement needs. These positions are funded through salary savings, and the proposed reduction would jeopardize their continuation in FY 2027 or limit the Department's ability to fill other critical inspector and reviewer vacancies. Salary savings are also used to support position redescriptions and adjustments needed to ensure roles match evolving operational requirements, including modernization driven workflow changes.

Without restoration, the activity will face a salary shortfall that will reduce inspection coverage, extend plan review timelines, and diminish the Department's ability to respond to emergency events such as Kona Low storms, where rapid deployment of inspectors is essential for damage assessments and public safety. Maintaining full salary funding is critical to preserve core regulatory functions, support recruitment and retention, sustain modernization efforts, and ensure continuity of services that directly protect public safety and support timely project delivery.

DEPARTMENT OF THE PROSECUTING ATTORNEY
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CITY AND COUNTY OF HONOLULU

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HOPE MUA LOIO HO'OPI'I

May 6, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: Steven S. Alm, Prosecuting Attorney Brady for
Department of the Prosecuting Attorney

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

'26MAY 7 AM 8:18CIP&OPER

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2 after attending the Special Budget Committee meeting on May 1, 2026.

Attachment

Prosecution

Councilmember: Okimoto

Amount	Fund	Description
	GN	Add proviso: "At least $1,158,840 out of salaries shall be appropriated for ten permanent Deputy Prosecuting Attorney positions."

Department's Comments and Concerns:
The Department of the Prosecuting Attorney (PAT) sincerely appreciates the Council Member's proposed amendment to establish ten permanent Deputy Prosecuting Attorney (DPA) positions. This thoughtful action reflects a meaningful commitment to public safety and to the dedicated professionals who carry out the Department's mission every day.

To fully realize the amendment's intended impact, PAT respectfully requests a few minor technical modifications to the amendment language. Specifically, the amendment should ensure that salary allocations for permanent DPA positions may be used to hire Law Clerks on personal services contracts. These Law Clerks are DPA hires operating under one of two pathways authorized by the Hawaii Supreme Court: (a) Rule 7, which allows recent law school graduates to appear in court under the supervision of a licensed Hawaii attorney, or (b) a recent Supreme Court Order permitting limited bar admission for attorneys licensed in good standing in other states who are employed in criminal litigation by specific government agencies, including PAT. These are proven and necessary pathways that allow PAT to bring qualified candidates on board without delay and transition them directly into the permanent positions they were hired to fill. Ensuring the amendment fully accommodates this structure is essential to maximizing the impact of both the newly authorized permanent positions and the funding.

In this regard, PAT consulted with the Department of Budget and Fiscal Services (BFS) regarding the proposed proviso language. BFS indicated that such language may inadvertently restrict PAT's ability to use the salary allocations for the permanent DPA positions to hire Law Clerks on personal services contracts, as provisos impose additional limitations and reduce operational flexibility regardless of the underlying intent. To avoid any procedural complications and ensure that all authorized funds may be utilized without restriction to appropriately staff the Department, PAT respectfully requests that the "Add proviso" designation be removed from the amendment and that the description for the Prosecution Activity amendment be revised to read: "Add ten permanent Deputy Prosecuting Attorney positions and funding for Prosecution Activity salaries."

PAT is deeply grateful for the Council Member's steadfast support and looks forward to working collaboratively to craft an amendment that best serves the Department's immediate operational needs and its long-term mission to pursue justice and protect the people of O'ahu.

DEPARTMENT OF TRANSPORTATION SERVICES
KA 'OIHANA LAWELAWE 'ŌHUA
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RICK BLANGIARDI
MAYOR
MEIA

J. ROGER MORTON
DIRECTOR
PO'O

HONGLONG LI, Ph.D., P.E.
DEPUTY DIRECTOR
HOPE PO'O

May 5, 2026

MEMORANDUM

TO: Michael D. Formby, Managing Director

VIA: Andrew T. Kawano, Director
Department of Budget and Fiscal Services

FROM: J. Roger Morton, Director
Department of Transportation Services

SUBJECT: Bill 22 (2026), CD1, Proposed Amendments for CD2 Response (Comments and Concerns)

2026 MAY 5 PM 2:26 OCC HNLU

Attached are our agency's comments and concerns to Bill 22, CD1 proposed amendments for CD2.

Attachment

Attachment

Administration
Councilmember: Tommy Waters:

Amount	Fund	Description
$(116,997)	GN	Reduce funding for current expenses.

Department's Comments and Concerns:
The administration rejects the proposed reduction and asks for restoration. We respectfully request the restoration of the $116,997 in General Funds (GN). The reduction of $116,997 is the majority of the $120,000 of our total $133,632 in our FY27 GN funds current expense budget request. These funds are required to pay for our City share required per Revised Ordinances of Honolulu (ROH) 17-57 and 17-58 that established the Waikiki Transportation Management Association (WTMA), see ROH Chapter 28 – Special Improvement Districts. Calculation, $10,000 x 12 months = $120,000. If this reduction remains, the DTS does not have enough GN to cover this expense. Without this funding, the WTMA may not be able to provide the types of supplemental services and improvements outlined in ROH § 28-1.5. impacting the residents, business, and visitors in City Council District IV.