'26MAY13 AM 10:08 CITY CLERK

HONOLULU POLICE DEPARTMENT
KA 'OIHANA MĀKA'I O HONOLULU
CITY AND COUNTY OF HONOLULU
801 SOUTH BERETANIA STREET • HONOLULU, HAWAI'I 96813
TELEPHONE: (808) 529-3111 • WEBSITE: www.honolulupd.org

RICK BLANGIARDI
MAYOR
MEIA

RADE K. VANIC
INTERIM CHIEF
KAHU MĀKA'I KŪIKAWĀ

BRANDON NAKASATO
RAYNOR M. IKEHARA
INTERIM DEPUTY CHIEFS
NĀ HOPE LUNA NUI MĀKA'I KŪIKAWĀ

OUR REFERENCE RH-PH

May 12, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Transfer of Funds

Sections 2-17.2(c) (1) and (2), Revised Ordinances of Honolulu 2021, as amended, requires the City Council's approval by resolution for any transfer of funds between activities or between characters of expenditures whenever the cumulative amount of transfers from or to an activity totals in excess of $100,000 or 10 percent of the amount appropriated for that activity in the executive operating budget ordinance, as it may be amended, whichever is less.

We request to transfer funds totaling $5,500,000 in General Fund (GN) monies between the activities of the Police Commission, Special Field Operations, and Administrative Services, Salaries (S) character of expenditure, to the Office of the Chief of Police, Patrol, Investigations, and Support Services activities, Salaries (S) character of expenditure, for Fiscal Year 2026 (FY26).

DEPT. COM. 332(26)

From	To	Fund	Amount
Police Commission (S)	Office of the Chief of Police (S)	GN	$50,000
Special Field Operations (S)	Patrol (S)	GN	$450,000
Special Field Operations (S)	Investigations (S)	GN	$150,000
Special Field Operations (S)	Support Services (S)	GN	$100,000
Administrative Services (S)	Office of the Chief of Police (S)	GN	$50,000
Administrative Services (S)	Patrol (S)	GN	$4,300,000
Administrative Services (S)	Investigations (S)	GN	$300,000
Administrative Services (S)	Support Services (S)	GN	$100,000

The Honolulu Police Department (HPD) is requesting the transfer of salary funds between activities during the fourth quarter of FY26 to address projected salary deficits necessary to sustain essential departmental operations. These projected deficits are primarily attributable to contractual salary obligations, overtime expenditures required to maintain minimum staffing levels during persistent vacancies, and unforeseen operational demands arising from emergency events, special operations, and public safety initiatives.

For FY26, the Mayor's proposed budget submitted to the City Council totaled approximately $390 million for HPD operations, including approximately $319.2 million allocated for salaries. During the budget review and adoption process, the City Council reduced the HPD's salary appropriations across all activities, resulting in a final adopted salary budget of approximately $306.6 million under Ordinance 25-38 — a reduction of approximately $12.7 million from the Mayor's proposal.

At the time the FY26 budget was under consideration, the HPD expressed concern regarding the proposed salary reductions because several known and anticipated obligations had not been incorporated into the department's financial projections. These obligations included ongoing collective bargaining agreement (CBA) negotiations, planned recruitment and retention initiatives, expansion of public communication functions, and anticipated overtime costs associated with staffing shortages and emergency operations.

Several of these anticipated obligations subsequently materialized during FY26 and significantly increased salary-related expenditures:

- New CBAs affecting multiple bargaining units became effective during FY26, including a five percent salary increase for police officers retroactive to July 1, 2025. Based on FY25 salary expenditures of approximately $297.3 million, the HPD estimates that negotiated compensation adjustments increased FY26 salary obligations by approximately $15 million.

- In September 2025, the Communications Division implemented monthly recruitment and retention incentive payments for Police Communications Officers to address ongoing staffing challenges in hard-to-fill positions. The projected FY26 cost of these incentives is approximately $1.7 million.

- The Office of the Chief established the HPD's Public Affairs Office to improve public communication, media coordination, and transparency. The office consists of one Director and four Information Specialists. The Director position and two of the Information Specialists are contract hires funded through salary savings generated by vacant positions.

- The HPD incurred substantial overtime expenditures associated with unbudgeted operational demands, including emergency response activities related to Kona Low storm events, public safety operations for large-scale events such as the Fiji tribute concert, enforcement initiatives, and other unforeseen operational requirements.

Although the HPD has continued implementing cost-saving measures, the department remains obligated to maintain public safety operations while meeting legally binding compensation obligations under negotiated CBAs. Like prior fiscal years, the HPD relied on salary savings generated by vacant positions to offset overtime expenditures and fund operational priorities; however, the magnitude of FY26 salary increases and operational demands substantially reduced the department's flexibility to absorb these costs internally.

To address CBA-related salary increases affecting City agencies, the Department of Budget and Fiscal Services submitted Resolution 26-5, which was approved in January 2026. The resolution authorized the transfer of up to $14,850,000

from the Provision for Salary Adjustments and Accrued Vacation Pay activity into HPD salary funds within the Patrol, Investigations, and Support Services activities.

The transfer amounts authorized to the HPD under Resolution 26-5 were based on the HPD's evaluation of projected salary deficits and anticipated lapses across departmental activities at that time. The HPD anticipated that projected lapses within the Administrative and Special Field Operations activities would offset remaining deficits in other activities, thereby minimizing the need for additional funds and promoting fiscally responsible budget management practices.

This transfer request is therefore necessary to realign existing salary allotments among activities to ensure sufficient salary funding through the remainder of FY26 while maintaining continuity of essential public safety services and fulfilling contractual compensation obligations.

This request does not further increase the HPD's FY26 budget allotment. Rather, it reallocates existing allotments between activities to address operational requirements and ensures the department can continue functioning effectively within its total authorized budget.

Activity	**Fund**	**City Council Salary Reductions to HPD's FY26 Budget in Ordinance 25-38**	**Proposed Transfer Amounts**
Police Commission (S)	GN	($71,016)	($50,000)
Office of the Chief of Police (S)	GN	($460,560)	$100,000
Patrol (S)	GN	($5,416,817)	$4,750,000
Special Field Operations (S)	GN	($1,599,216)	($700,000)
Investigations (S)	GN	($2,188,500)	$450,000
Support Services (S)	GN	($2,480,352)	$200,000
Administrative Services (S)	GN	($461,568)	($4,750,000)
Net Increase/Reduction to HPD's FY26 Budget	**GN**	**($12,678,029)**	**$0**

The requested transfer represents an administrative adjustment intended to align allotments with actual operational and contractual expenditures experienced during FY26. Approval of the transfer will assist the HPD in maintaining uninterrupted public safety services, supporting recruitment and retention efforts, meeting negotiated compensation obligations, and ensuring continued operational stability through the close of the fiscal year.

Should you have any questions, please call Major Ryan Hironaka of our Finance Division at (808) 723-3219.

Sincerely,

Rade K. Vanic
Interim Chief of Police

Attachments

APPROVED:

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

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No._____

RESOLUTION

RELATING TO THE TRANSFER OF FUNDS.

WHEREAS, Section 2-17.2(c)(1), Revised Ordinances of Honolulu 2021 ("ROH"), requires that the City Council ("Council") approve by resolution any transfer of funds between activities whenever the cumulative amount of transfers from or to an activity totals in excess of $100,000 or 10 percent of the amount appropriated for that activity in the executive operating budget ordinance, as it may be amended, whichever is less; and

WHEREAS, ROH Section 2-17.2(c)(2) requires that the Council approve by resolution any transfer of funds between characters of expenditure within the same activity whenever the cumulative amount of transfers from or to a character of expenditure exceeds the lesser of: (a) $100,000; or (b) the greater of: (i) 10 percent of the appropriation for either the originating or receiving character of expenditure; or (ii) $10,000; and

WHEREAS, the Honolulu Police Department ("HPD") is requesting a transfer of up to $5,500,000 in General Fund ("GN") monies between the activities of the Police Commission, Special Field Operations, and Administrative Services activities, Salaries ("S") character of expenditure, to the Office of the Chief of Police, Special Field Operations, Investigations, and Administrative Services activities, (S) character of expenditure, for Fiscal Year 2026 to cover projected salary deficits due to overtime expenditures as a result of staffing vacant positions and/or unforeseen weather events; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that $5,500,000 in GN monies be transferred between the following activities:

From	To	Fund	Amount
Police Commission (S)	Office of the Chief of Police (S)	GN	$50,000
Special Field Operations (S)	Patrol (S)	GN	$450,000
Special Field Operations (S)	Investigations (S)	GN	$150,000
Special Field Operations (S)	Support Services (S)	GN	$100,000
Administrative Services (S)	Office of the Chief of Police (S)	GN	$50,000

FY26 HPD TRANS FUNDS OT

D-332(26)

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No._____

RESOLUTION

Administrative Services (S)	Patrol (S)	GN	$4,300,000
Administrative Services (S)	Investigations (S)	GN	$300,000
Administrative Services (S)	Support Services (S)	GN	$100,000

BE IT FURTHER RESOLVED that the Mayor, or the Mayor's designee, is hereby authorized to carry out the provisions of this resolution; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Chief of Police of the Honolulu Police Department; and the Director of the Department of Budget and Fiscal Services.

INTRODUCED BY:

_____

_____

_____

_____

_____

_____

DATE OF INTRODUCTION: _____

_____

_____ _____

Honolulu, Hawai'i Councilmembers

FY26 HPD TRANS FUNDS OT

Report Title:
Budget, Police, FY2026, Transfer Funds, Salaries

Description:
Request to transfer FY2026 funds to cover projected salary deficits due to overtime expenditures as a result of staffing vacant positions and/or unforeseen weather events.

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