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HONOLULU POLICE DEPARTMENT
KA 'OIHANA MĀKA'I O HONOLULU
CITY AND COUNTY OF HONOLULU
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OUR REFERENCE RH-PH

October 9, 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 authorization to transfer up to $21,600,000 in the following moneys for Fiscal Year 2027 (FY27):

- $10,200,000 in General Fund (GN) moneys from the Current Expense (CE) character of expenditure (COE) within the activities of the Police Commission, Office of the Chief of Police, Patrol, Special Field Operations, Investigations, Support Services, and Administrative Services to the Salaries (S) COE within the Patrol and Support Services activities.

- $7,000,000 in GN moneys from the Equipment (E) COE within the Support Services activity to the S COE within the Administrative Services activity.

- $2,000,000 in Highway Fund (HW) moneys from the S COE within the Investigations activity to the S COE within the Patrol activity.

DEPT. COM. 639(26)

- $2,400,000 in HW moneys from the CE COE within the Investigations activity to the S COE within the Patrol activity.

From	To	Fund	Amount
Police Commission (CE)	Support Services (S)	GN	$75,000
Office of the Chief of Police (CE)	Support Services (S)	GN	$70,000
Patrol (CE)	Patrol (S)	GN	$500,000
Special Field Operations (CE)	Support Services (S)	GN	$155,000
Investigations (CE)	Support Services (S)	GN	$200,000
Support Services (CE)	Patrol (S)	GN	$8,900,000
Administrative Services (CE)	Support Services (S)	GN	$300,000
Support Services (E)	Administrative Services (S)	GN	$7,000,000
Investigations (S)	Patrol (S)	HW	$2,000,000
Investigations (CE)	Patrol (S)	HW	$2,400,000

The Honolulu Police Department (HPD) is now requesting the transfer of funds between activities and COE to address projected year-end FY27 salary deficits and sustain essential departmental operations.

The projected salary deficit is the cumulative result of several factors affecting personnel costs, including contractual salary obligations, overtime required to maintain minimum staffing levels during persistent vacancies, increased recruit hiring, and other personnel-related operational requirements and initiatives that are unbudgeted.

For FY27, the City's proposed operating budget submitted to the City Council totaled approximately $396 million for the HPD, including approximately $326 million for salaries. The City's proposed budget incorporated an approximately $17 million reduction in salary funding as part of balancing the overall City budget.

During the City Council's review and adoption process, the HPD's salary appropriation was additionally reduced by approximately $1.8 million and about another $1.8 million in salary funding was restricted, resulting in a final adopted salary budget of approximately $322 million under Ordinance 26-18.

During consideration of the FY27 budget, the HPD expressed concern regarding additional reductions to salary funding because several significant personnel-related obligations had materialized during FY26 and were expected to continue affecting expenditures in FY27.

Most significantly, new collective bargaining agreements affecting multiple bargaining units became effective during FY26. These agreements included a 5 percent salary increase for police officers retroactive to July 1, 2025, followed by an additional 5 percent increase at the beginning of FY27. Based on information available during the budget process, the HPD projected salary expenditures of approximately $312 million for FY26 and approximately $328 million for FY27.

The HPD also increased the July 2026 recruit class to approximately 66 recruits, substantially above the estimated 30 to 40 recruits generally entering previous classes. This increase was part of the department's continuing efforts to address the significant number of vacant sworn positions and improve staffing levels throughout the department.

Increasing recruit classes is operationally necessary, but it also affects the amount of salary savings available to the HPD. Police recruit positions are not separately funded and must generally be supported through salary savings generated by vacant police officer positions. As vacancies are filled and recruit classes increase, the amount of vacancy-generated savings available to support recruits and other personnel-related obligations correspondingly declines.

In prior fiscal years, available salary savings also helped the HPD absorb costs associated with overtime, contract employees, recruitment and retention initiatives, school resource officers, vacation payouts, incentives, and other operational requirements. As contractual salary costs increased and hiring accelerated, the HPD's ability to continue absorbing these obligations through vacancy savings became increasingly limited.

Accordingly, the current projected salary deficit reflects the cumulative effect of several developments occurring over multiple budget cycles.

- Salary expenditures have increased.
- Collective bargaining obligations have increased.
- Salary funding associated with vacancies was reduced in the HPD's FY27 appropriation.
- Recruit hiring has accelerated in FY27, appropriately reducing vacancies in the long term but causing an immediate reduction in salary savings generated by those vacancies.
- Other unbudgeted personnel-related operational requirements and initiatives have continued to rely, in part, on available vacancy savings.

The HPD is currently projecting an FY27 General Fund salary shortfall of approximately $31 million.

Throughout the beginning of this fiscal year, the department has continued to monitor expenditures, identify available savings, evaluate planned purchases, and consider opportunities to defer or reprioritize expenditures where doing so would not unduly affect public safety operations. These efforts have allowed the HPD to identify approximately $21.6 million in existing appropriations that can be redirected toward salary requirements.

However, given the magnitude of the projected salary deficit and the department's ongoing objective of reducing sworn vacancies, ordinary vacancy savings and routine expenditure controls alone are not expected to be sufficient to address the projected shortfall.

Before seeking additional funding, the HPD is therefore requesting authorization to reallocate existing appropriations from areas where estimated lapses, cost savings, expenditure deferrals, or other available balances have been identified.

The proposed sources of funding are as follows:

From	Fund	Amount	Source of Funds
Police Commission (CE)	GN	$75,000	Estimated CE lapses
Office of the Chief of Police (CE)	GN	$70,000	Estimated CE lapses
Patrol (CE)	GN	$500,000	Estimated CE lapses
Special Field Operations (CE)	GN	$155,000	Estimated CE lapses
Investigations (CE)	GN	$200,000	Estimated CE lapses
Support Services (CE)	GN	$8,900,000	Estimated CE lapses, firearm portal and alarm tracking cost savings, deferring P25 portable radio purchases
Administrative Services (CE)	GN	$300,000	Estimated CE lapses
Support Services (E)	GN	$7,000,000	Police patrol vehicles
Investigations (S)	HW	$2,000,000	Estimated S lapses
Investigations (CE)	HW	$2,400,000	Estimated CE lapses and deferring P25 portable radio purchases

This request does not further increase the HPD's FY27 budget allotment. Rather, it reallocates existing allotments between activities and COE to address operational requirements and ensures the department can continue functioning effectively within its total authorized budget.

This transfer request is therefore necessary to ensure sufficient salary funding through the remainder of FY27, and 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 T. Hironaka of our Finance Division at (808) 723-3219.

Sincerely,

David Lazar
Chief of Police

Attachments

APPROVED:

Krishna F. Jayaram, 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 $10,200,000 in General Fund (GN) moneys between the Police Commission, Office of the Chief of Police, Patrol, Special Field Operations, Investigations, Support Services, and Administrative Services activities, current expense (CE) character of expenditure (COE), to the Patrol and Support Services activities, salaries (S) COE; and

WHEREAS, the HPD is requesting a transfer of up to $7,000,000 in GN moneys between the Support Services activity, Equipment (E) COE, to the Administrative Services activity, S COE; and

WHEREAS, the HPD is requesting a transfer of up to $2,000,000 in Highway Fund (HW) moneys between the Investigations activity, S COE, to the Patrol Activity, S COE; and

WHEREAS, the HPD is requesting a transfer of up to $2,400,000 in HW moneys between the Investigations activity, CE COE, to the Patrol activity S COE; and

WHEREAS, the HPD is requesting these transfers of funds between activities and COEs to address projected year-end Fiscal Year 2027 salary deficits and sustain essential departmental operations. The projected salary deficit is the cumulative result of several factors affecting personnel costs, including contractual salary obligations, overtime required to maintain minimum staffing levels during persistent vacancies,

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No._____

RESOLUTION

increased recruit hiring, and other personnel-related operational requirements and initiatives that are unbudgeted; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that $21,600,000 in GN and HW moneys be transferred between the following activities:

From	To	Amount	Fund
Police Department, Police Commission (CE)	Police Department, Support Services (S)	$75,000	GN
Police Department, Office of the Chief of Police (CE)	Police Department, Support Services (S)	$70,000	GN
Police Department, Patrol (CE)	Police Department, Patrol (S)	$500,000	GN
Police Department, Special Field Operations (CE)	Police Department, Support Services (S)	$155,000	GN
Police Department, Investigations (CE)	Police Department, Support Services (S)	$200,000	GN
Police Department, Support Services (CE)	Police Department, Patrol (S)	$8,900,000	GN
Police Department, Administrative Services (CE)	Police Department, Support Services (S)	$300,000	GN
Police Department, Support Services (E)	Police Department, Administrative Services (S)	$7,000,000	GN
Police Department, Investigations (S)	Police Department, Patrol (S)	$2,000,000	HW
Police Department, Investigation (CE)	Police Department, Patrol (S)	$2,400,000	HW

; and

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

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

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RESOLUTION

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

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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Honolulu, Hawai'i Councilmembers

HPDTRANSFUNDS FIN FY27

Report Title:
Budget, Police, FY2027, Transfer Funds, Salaries

Description:
Request to transfer FY2027 funds to cover projected salary deficits due to the cumulative result of several factors affecting personnel costs, including contractual salary obligations, overtime required to maintain minimum staffing levels during persistent vacancies, increased recruit hiring, and other personnel-related operational requirements and initiatives that are unbudgeted.

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