



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

Finance Committee Meeting
Mission Memorial Annex Conference Room
550 South King Street, Honolulu, Hawaii
Thursday, November 21, 2013, 10:00 am

PRESENT:	Keslie Hui Donald G. Horner Robert "Bobby" Bunda	Carrie Okinaga Ivan Lui-Kwan
ALSO IN ATTENDANCE: (Sign-In Sheet and Staff)	Russell Honma Dwayne Takeno Charles Goodin Joe Magaldi Lori Hiraoka Matt Cairns John White Harrison Rue Shannon Wood Doug Chun Henry Oviedo Allison Gammel	Dan Grabauskas Diane Arakaki Jeanne Mariani-Belding Michael McGrane Lorenzo Garrido Akira Fujita Matt Scanlon Karley Halsted Gary Takeuchi Joyce Oliveira Andrea Tantoco Cindy Matsushita
EXCUSED:	George Atta Michael Formby	Glenn Okimoto

I. Call to Order by Chair

HART Finance Committee Chair Keslie Hui called the meeting to order at 11:13 a.m.

II. Public Testimony on all Agenda Items

Mr. Hui called for public testimony.

Russell Honma offered testimony regarding the effects of cash flow on financing.

Mr. Hui thanked Mr. Honma, and said that a discussion on financing would occur at a future meeting of the Finance Committee.

III. Approval of the January 10, 2013 Minutes of the Finance Committee Meeting

Mr. Hui called for approval of the minutes of the January 10, 2013 Finance Committee meeting.

HART Finance Committee Meeting Minutes
November 21, 2013

Committee member Carrie Okinaga requested a revision regarding the reference to Tesoro on page 4. She also stressed the importance of a staffing plan, which is integral to HART's income statement, as indicated on page four of the minutes. Mr. Hui agreed, and said that the staffing plan would be a topic of future discussion, as it impacted future borrowing.

The minutes were unanimously adopted with the amendment noted by Ms. Okinaga.

IV. FY2015 Operating and Capital Budget

Mr. Hui said that the Fiscal Year 2015 Operating and Capital budgets had been approved by the HART Board for further processing. He called for a motion to have the Executive Director/CEO transmit the budgets to the Mayor and City Council for their input. Committee member Donald Horner so moved, and Committee member Ivan Lui-Kwan seconded the motion. It was noted that the budgets are subject to final Board approval later. All being in favor, the motion carried unanimously.

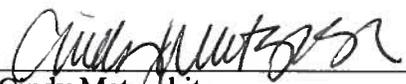
V. Executive Session

There was no need for executive session.

VI. Adjournment

Mr. Hui adjourned the meeting at 11:21 a.m.

Respectfully Submitted,



Cindy Matsushita
Board Administrator

Approved:



Kessie W.K. Hui
Chair, Finance Committee

OCT 9 2014

Date

ATTACHMENT A



IN REPLY REFER TO:
CMS-AP00-00564

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

November 21, 2013

BOARD OF DIRECTORS

Ivan M. Lui-Kwan, Esq.
CHAIR

Donald G. Horner
VICE CHAIR

George I. Atta
Robert Bunda
Michael D. Formby
William "Buzz" Hong
Keslie W.K. Hui
Damien T.K. Kim
Glenn M. Okimoto, Ph.D.
Carrie K.S. Okinaga, Esq.

The Honorable Kirk Caldwell, Mayor
City and County of Honolulu
530 South King Street, Room 300
Honolulu, Hawaii 96813

and

The Honorable Ernest Y. Martin, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Mayor Caldwell, Chair Martin, and Councilmembers:

On behalf of the Finance Committee of the Honolulu Authority for Rapid Transportation (HART), I transmit for your consideration and input HART's proposed Fiscal Year (FY) 2015 Operating and Capital Budgets in the amounts delineated below, and Exhibits A and B with explanations for these amounts (as attached).

Total FY 2015 Operating Budget.....\$21,481,029
Total FY 2015 Capital Budget..... \$1,560,404,400

HART's proposed FY 2015 budgets do not include any request of City general fund monies. However, the proposed Operating Budget includes \$2,044,307 as direct reimbursement to general fund and central administrative services expense, and the Capital Budget includes monies for HART's Capital Improvement Bond Fund subsidiary account.

Please note that HART anticipates requesting General Obligation Bond authorization from the City Council in FY 2015, which will be transmitted separately. The HART organization looks forward to working with the City Council in this regard.

Sincerely,

Daniel A. Grabauskas
Executive Director and CEO

Attachments

cc: HART Board of Directors

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
Proposed Operating Expense Budget
For Fiscal Year 2015

<u>Budget Description</u>	<u>2014 Budget</u>	<u>2015 Budget</u>
<u>Personnel</u>		
Regular Pay	9,052,649	9,414,755
Overtime, Night Shift, Temp Assign Pay	84,480	95,000
Fringe Benefits	3,892,237	4,332,670
Service or Merit Awards	1,000	1,000
Personnel Expense Subtotal	13,030,366	13,843,425
<u>Current Expenses</u>		
Office & Computer Supplies	147,000	147,000
Meals & Foods	2,300	6,500
Safety & Misc Supplies	9,300	9,300
Parts / Equip	210,000	210,000
Legal Services	1,702,354	1,202,354
Professional Svcs. Direct Reimb	1,982,031	2,044,307
Professional Svcs. Other	280,000	250,000
Postage & Shipping	9,000	9,000
Telephone	32,000	40,000
Communication Svcs	170,000	170,000
Relocation - New hires	30,000	30,000
Travel Expense - Out-of-State	82,475	95,000
Advertising, Publication of Notices	14,474	45,000
Insurance on Equip. & Gen. Liab.	12,000	18,000
Liability Insurance (Dir. & Off)	62,000	55,000
Printing & Binding	1,500	1,500
Other Repairs to Bldgs & structures	300,000	300,000
R&M - office furniture & equip	5,000	12,000
Rentals	2,230,959	2,378,643
Fees (memberships, Registration & parking)	50,000	50,000
Computer Software maintenance agreements	48,500	58,000
Other Fixed Charges	500,000	500,000
Current Expenses Subtotal	7,880,893	7,631,604
<u>Equipment & Software</u>		
	6,000	6,000
Totals	20,917,259	21,481,029
Total Full-time Equivalent Positions	139	139

Honolulu Authority for Rapid Transportation
Proposed Capital Improvement Budget for Fiscal Year Ending June 30, 2015
FY 2015

	Planning	Design	Construction	Inspection	Land	Relocation	Equipment	Grand Total
Construction								
Pearl Highlands Parking Structure/Bus Transit Center			\$155,591,300					\$155,591,300
Airport Station Group Construction			\$63,346,900					\$63,346,900
City Center Section Utilities Construction			\$63,025,100					\$63,025,100
Airport and City Center Sections Guideway			\$682,463,200					\$682,463,200
Elevators and Escalators			\$6,148,000					\$6,148,000
On-Call Hazardous Materials Removal Contractor			\$1,000,000					\$1,000,000
Owner-Controlled Insurance Program (OCIP)			\$20,000,000					\$20,000,000
Construction Total			\$991,574,500					\$991,574,500
Design								
Pearl Highlands Parking Structure/Bus Transit Ctr		\$17,916,100						\$17,916,100
UH West Oahu Park-and-Ride and Ho'opili Station		\$2,465,900						\$2,465,900
Design Total		\$20,382,000						\$20,382,000
Inspection								
Pearl Highlands Parking Structure/Bus Transit Center				\$9,568,600				\$9,568,600
Airport SG, Dillingham/Kaka'ako SG CE&I Services				\$16,533,200				\$16,533,200
Inspection Total				\$26,101,800				\$26,101,800
Programmatic Agreements								
Kako'o Consultant	\$200,000							\$200,000
Historic Preservation Committee (HPC)			\$900,000					\$900,000
Programmatic Agreements Total	\$200,000		\$900,000					\$1,100,000
Consultants								
Program Management Support Consultant (PMSC-2)		\$6,696,100						\$6,696,100
Gen Engineering Consultant FD-Construction			\$8,851,400					\$8,851,400
HDOT Traffic Management Consultant		\$200,000						\$200,000
HDOT Coordination Consultant - West Oahu/Farrington		\$1,750,000						\$1,750,000
HDOT Coordination Consultant - Kamehameha		\$2,000,000						\$2,000,000
HDOT Coordination Consultant - Airport Section		\$2,000,000						\$2,000,000
HDOT Coordination Consultant - City Center Section		\$4,314,800						\$4,314,800
HDOT State Safety Oversight Agency (SOA)	\$591,700							\$591,700
Real Estate Consultant					\$188,700	\$188,700		\$377,400
Owner-Controlled Insurance Program (OCIP) Consultant			\$208,100					\$208,100
Consultants Total	\$591,700	\$16,960,900	\$9,059,500		\$188,700	\$188,700		\$26,989,500
Right of Way					\$126,700,000	\$11,500,000		\$138,200,000
Utility Work by Private Utility Owners			\$95,000,000					\$95,000,000
Quality Audits		\$56,600						\$56,600
Grand Total	\$791,700	\$37,399,500	\$1,096,534,000	\$26,101,800	\$126,888,700	\$11,688,700		\$1,299,404,400
Allowance for Contingencies								\$161,000,000
Allowance for Recertification								\$100,000,000
Grand Total with Contingencies	\$791,700	\$37,399,500	\$1,096,534,000	\$26,101,800	\$126,888,700	\$11,688,700	\$0	\$1,560,404,400