
Requested Operating & Capital Budgets

Fiscal Year (FY) 2018

Honolulu Authority for Rapid Transportation
Budget & Finance

November 21, 2016

HONOLULU AUTHORITY for RAPID TRANSPORTATION

November 14, 2016

BOARD OF DIRECTORS

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MEMORANDUM

TO: HART BOARD OF DIRECTORS

FROM: BRENNON T. MORIOKA, ACTING EXECUTIVE DIRECTOR 

SUBJECT: FISCAL YEAR 2018 BUDGET

Pursuant to the Honolulu Authority for Rapid Transportation's (HART) Financial Policies, Section III (C) and (D), this memorandum transmits for your consideration and input HART's Proposed Fiscal Year (FY) 2018 Operating and Capital Budgets in the amounts delineated below and in Exhibits A and B (as attached). The total FY 2018 Operating Budget has been revised based on direction from the HART Finance Committee at its November 10, 2016 meeting.

Total FY 2018 Operating Budget.....\$ 34,934,625
Total FY 2018 Capital Budget.....\$440,990,089

After the Board's review of the proposed budget, the Operating and Capital Budgets are transmitted to the Mayor and City Council for their review before December 1, 2016. HART's proposed FY 2018 budgets do not include any request of City general fund monies.



BRENNON T. MORIOKA
Acting Executive Director

Attachments

EXHIBIT A

Requested FY 2018 Operating Budget

Budget Description	2017	2018	YOY Change	
	Budget	Budget	Amount	%
<u>Labor Costs</u>				
Regular Pay	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	53,000	158,000	105,000	198.1%
Accumulated Lump Sum Vacation Pay	42,000	42,000	-	0.0%
Fringe Benefits	4,470,600	4,959,600	489,000	10.9%
Service or Merit Awards	1,000	1,000	-	0.0%
OPEB Contribution	292,000	386,000	94,000	32.2%
Labor Costs Sub-total	14,114,200	16,175,900	2,061,700	14.6%
<u>Current Expenses</u>				
Advertising, Publication of Notices	35,000	35,000	-	0.0%
Audit Service Fee	80,000	80,000	-	0.0%
Communication Services	142,500	158,500	16,000	11.2%
Computer Software Maintenance Ageement	100,000	14,400	(85,600)	-85.6%
Fees (Memberships, Registration & Parking)	40,000	136,390	96,390	241.0%
Insurance on Equipment & General Liability	73,000	73,000	-	0.0%
Legal Services (& Claims Support)	250,000	250,000	-	0.0%
Meals & Refreshments	6,500	6,500	-	0.0%
Office & Computer Supplies	130,000	130,000	-	0.0%
Other Repairs to Buildings & Structures	5,000	5,000	-	0.0%
Parts / Hardware	188,300	194,300	6,000	3.2%
Postage & Shipping	39,000	39,000	-	0.0%
Printing & Binding	11,500	11,500	-	0.0%
Professional Services Direct Reimbursement	2,070,800	2,117,955	47,155	2.3%
Professional Services Other	170,000	553,000	383,000	225.3%
R&M - Office Furniture & Equipment	12,000	12,000	-	0.0%
Rentals	1,739,167	2,415,600	676,433	38.9%
Safety & Misc Supplies	6,000	6,000	-	0.0%
Special Audit Services	-	250,000	250,000	-
Telephone	60,000	60,000	-	0.0%
Transit Mitigation Fund	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	47,500	135,080	87,580	184.4%
Current Expenses Sub-total	7,206,267	6,683,225	(523,042)	-7.3%
<u>Equipment</u>				
Equipment & Software	6,000	75,500	69,500	1158.3%
Equipment Sub-total	6,000	75,500	69,500	1158.3%
Total Operating Expenses	21,326,467	22,934,625	1,608,158	7.5%
<u>Debt Service</u>				
Interest Expense	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	10,000,000	12,000,000	2,000,000	20.0%
Grand Total	31,326,467	34,934,625	3,608,158	11.5%
Total Full-time Equivalent (FTE) Positions	139	137		

EXHIBIT B

Requested FY 2018 Capital Budget

Cost Type	CPP Number	Contract Name	Requested Appropriations for FY 2018
<input type="checkbox"/> Contract	<input type="checkbox"/> ART	Project-wide Art	2,320,500
	<input type="checkbox"/> DB320	Kamehameha Hwy Guideway (KHG) DB	36,848,659
	<input type="checkbox"/> DBB600	Park-and-Ride Lots Construction	15,765,860
	<input type="checkbox"/> MI900	Project-wide Fare Collection Design-Furnish-Install	2,408,440
	<input type="checkbox"/> MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	15,354,000
	<input type="checkbox"/> MI950	VAR Equipment Design-Furnish-Install	4,915,068
	<input type="checkbox"/> MM901	Program Management Support Consultant 2 (PMSC-2)	11,793,762
	<input type="checkbox"/> MM913	General Engineering Consultant, Construction (GEC-3)	7,536,287
	<input type="checkbox"/> MM915	HDOT Traffic Management Consultant	657,288
	<input type="checkbox"/> MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	1,079,907
	<input type="checkbox"/> MM921	HDOT Coordination Consultant – Kamehameha Section	3,311,120
	<input type="checkbox"/> MM922	HDOT Coordination Consultant - Airport Section	847,013
	<input type="checkbox"/> MM925	Hawaii Department of Transportation (HDOT) - Highway Group	846,863
	<input type="checkbox"/> MM937	ROW Engineering Support Services (including Mapping & Surveying)	1,579,370
	<input type="checkbox"/> MM941	Kako'o Consultant 2	434,483
	<input type="checkbox"/> MM950	Owner-Controlled Insurance Program (OCIP) Consultant	228,333
	<input type="checkbox"/> MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	3,903,330
	<input type="checkbox"/> MM960	Archeological & Cultural Monitoring Services	993,478
	<input type="checkbox"/> MM970	Fare Collection Consultant	400,000
	<input type="checkbox"/> MM981	Complex Real Property Nego & Lit. Services	400,000
	<input type="checkbox"/> MM982	On-Call Appraiser	400,000
	<input type="checkbox"/> MM983	Land Court Petition Services	292,631
	<input type="checkbox"/> PA102	Programmatic Agreement– Historic Preservation Committee	175,461
	<input type="checkbox"/> ROW	Real Estate/Right-of-Way Acquisition	76,545,000
	<input type="checkbox"/> UTIL	New Utilities or Relocations by Private Utility Owners	45,932,346
	<input type="checkbox"/> WSUC	West Side Utilities Clearance Issues	38,709,677
<input type="checkbox"/> Contingency	<input type="checkbox"/> Contingency	Project Contingency	167,311,211
Grand Total			\$ 440,990,089

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Section I

FY 2018 Budget Schedule

FY 2018 BUDGET SCHEDULE

Date	Meeting	Action & Process
October 27, 2016	HART Board of Directors	<ul style="list-style-type: none"> • Requested FY 2018 Operating & Capital Budgets, Six-Year Capital Plan submitted to HART Board of Directors by CEO & Executive Director • Board refers to HART Finance Committee for Review
November 10, 2016	HART Finance Committee	<ul style="list-style-type: none"> • Presentation of FY 2018 Requested Operating & Capital Budget and Six-Year Capital Plan • Public Hearing • Decision making re: Budgets and Six-Year Capital Plan recommendation to HART Board of Directors
November 21, 2016	HART Board of Directors	<ul style="list-style-type: none"> • Public hearing on Requested FY 2018 Operating & Capital Budgets • Decision making • If approved, FY 2018 Operating & Capital Budgets transmitted to Mayor and City Council by December 1, 2016 • Approval of Six-Year Capital Plan
December 1, 2016	HART Finance Committee	<ul style="list-style-type: none"> • Transmittal of approved FY 2018 Operating & Capital Budgets transmitted to Mayor and City Council by December 1, 2016
January – June 2017	City Council	<ul style="list-style-type: none"> • City Council Budget Committee review of FY 2018 Operating & Capital Budgets • City Council review of FY 2018 Operating & Capital Budgets completed by mid-June 2017
By June 30, 2017	HART Board of Directors	<ul style="list-style-type: none"> • Public hearing on FY 2018 Operating & Capital Budgets • Decision making re: adoption of FY 2018 Operating & Capital Budgets via Resolution • Decision making re: Six-Year Capital Plan via Resolution

Section II

Requested FY 2018 Operating Budget

REQUESTED FY 2018 OPERATING BUDGET

HART is requesting \$34,934,625 for appropriation to the operating account for FY 2018, which reflects an increase of \$3,608,158, or 11.5%, from FY 2017. The requested amount is broken down into four categories, in order: Labor Costs (personnel services), Current Expenses (other direct costs-ODC), Equipment (& Software), and Debt Service (interest expense). The FY 2017 adopted operating budget is also summarized to reflect any year-over-year (YOY) changes by identical categories and line items.

Budget Description	2017 Budget	2018 Budget	YOY Change	
			Amount	%
Labor Costs				
Regular Pay	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	53,000	158,000	105,000	198.1%
Accumulated Lump Sum Vacation Pay	42,000	42,000	-	0.0%
Fringe Benefits	4,470,600	4,959,600	489,000	10.9%
Service or Merit Awards	1,000	1,000	-	0.0%
OPEB Contribution	292,000	386,000	94,000	32.2%
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Audit Service Fee	80,000	80,000	-	0.0%
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Computer Software Maintenance Agreement	100,000	14,400	(85,600)	-85.6%
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Insurance on Equipment & General Liability	73,000	73,000	-	0.0%
Legal Services (& Claims Support)	250,000	250,000	-	0.0%
Meals & Refreshments	6,500	6,500	-	0.0%
Office & Computer Supplies	130,000	130,000	-	0.0%
Other Repairs to Buildings & Structures	5,000	5,000	-	0.0%
Parts / Hardware	188,300	194,300	6,000	3.2%
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Professional Services Direct Reimbursement	2,070,800	2,117,955	47,155	2.3%
Professional Services Other	170,000	553,000	383,000	225.3%
R&M - Office Furniture & Equipment	12,000	12,000	-	0.0%
Rentals	1,739,167	2,415,600	676,433	38.9%
Safety & Misc Supplies	6,000	6,000	-	0.0%
Special Audit Services	-	250,000	250,000	-
Telephone	60,000	60,000	-	0.0%
Transit Mitigation Fund	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	47,500	135,080	87,580	184.4%
Current Expenses Sub-total	7,206,267	6,683,225	(523,042)	-7.3%
Equipment				
Equipment & Software	6,000	75,500	69,500	1158.3%
Equipment Sub-total	6,000	75,500	69,500	1158.3%
Total Operating Expenses	21,326,467	22,934,625	1,608,158	7.5%
Debt Service				
Interest Expense	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	10,000,000	12,000,000	2,000,000	20.0%
Grand Total	31,326,467	34,934,625	3,608,158	11.5%
Total Full-time Equivalent (FTE) Positions	139	137		

Section III

Requested FY 2018 Operating Budget Detailed Schedules

Labor Costs
Current Expenses
Equipment and Software
Debt Service

LABOR COSTS

Labor costs for FY 2018 are estimated at \$16,175,900, which represents an increase of \$2,061,700, or 14.6%, from the FY 2017 adopted operating budget labor costs. The changes by budget line are outlined below:

Budget Description	2017 Budget	2018 Budget	YOY Change	
			Amount	%
Labor Costs				
Regular Pay	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	53,000	158,000	105,000	198.1%
Fringe Benefits	4,470,600	4,959,600	489,000	10.9%
OPEB Contribution	292,000	386,000	94,000	32.2%
Accumulated Lump Sum Vacation Pay, Merit	43,000	43,000	-	0.0%
Labor Costs Sub-total	14,114,200	16,175,900	2,061,700	14.6%

Regular Pay

Regular pay for FY 2018 is estimated at \$10,629,300 with 137 full-time equivalent (FTE) positions. This cost considers all current and estimated needs for the organization in FY 2018. Regular pay and position counts are summarized below by department and broken down into three lists: all positions, current and estimated vacant positions, and requested new positions.

Department	FY 2017		FY 2018		YOY Changes	
	FTE Position	Salary	FTE Positions	Salary	FTE Positions	Salary
Administrative Services	11.1	916,200	10.5	713,300	(0.6)	(202,900)
Budget and Finance	9.5	699,300	12.0	930,800	2.5	231,500
Civil Rights	2.0	99,900	3.0	138,300	1.0	38,400
Contract Administration and Change	7.0	628,000	6.0	388,500	(1.0)	(239,500)
Design and Construction	41.0	2,510,100	33.0	2,676,100	(8.0)	166,000
Executive Office	9.0	790,300	8.0	1,240,200	(1.0)	449,900
Government Relations	2.0	100,000	2.0	167,800	-	67,800
HART Board Support	1.0	83,200	3.0	158,000	2.0	74,800
Operations & Maintenance	1.0	126,400	2.0	166,000	1.0	39,600
Planning, Permitting, and Right Of Way	22.9	1,807,600	23.5	1,692,400	0.6	(115,200)
Procurement	6.0	453,700	8.0	626,500	2.0	172,800
Project Controls	13.0	625,500	14.0	853,500	1.0	228,000
Public Information	5.0	520,400	7.0	524,200	2.0	3,800
Quality Assurance	3.0	290,500	2.0	145,000	(1.0)	(145,500)
System Safety & Security	5.0	327,200	3.0	208,600	(2.0)	(118,600)
Grand Total	138.5	9,978,300	137.0	10,629,300	(1.5)	651,000

Note that the position count and salaries associated with FY 2017 are based on requested budget amounts, which are typically changed and adjusted prior to final adoption by the HART Board of Directors.

All positions funded through HART's FY 2018 operating account are listed next by department and HART title. This list includes all currently filled, vacant, and newly requested positions.

Department & HART Title	FTE Postions	Department & HART Title	FTE Postions	Department & HART Title	FTE Postions
Administrative Services	10.5	Engineering Manager (Engineering)	1.0	Land Use Planner	1.0
Administrative Specialist	1.0	H2R2 RAMP & FHSG Project Manager	1.0	Land Use Technician	1.0
Asset Manager	1.0	KHSG Project Manager	1.0	Lead Permits/ HazMat Coordinator	1.0
Data Processing Systems Analyst	1.0	Mechanical Engineer	1.0	Mitigation Compliance Planner	1.0
Director of Administrative Services	1.0	MSF Project Manager	1.0	Planner	3.5
Human Resource Specialist	1.5	Project Manager	1.0	Right of Way Agent	3.0
Information Technology Support Technician	2.0	Project Manager (Design)	1.0	Secretary	3.0
Multimedia Administrator	1.0	Project Manager (Utilities)	1.0	Sustainability Planner	1.0
Personnel Clerk	1.0	Secretary	4.0	Systems Planning Analyst	1.0
Rapid Transit Project Network Administrator	1.0	Transit Art Coordinator (Arts)	1.0	Systems Planning Manager	1.0
Budget and Finance	12.0	Transportation Planner	1.0	Procurement	8.0
Accountant	5.0	WOFH /KHG DB Project Manager	1.0	Agreements Arbitrator and Manager/Insurance Risk Manager	1.0
Budget Analyst	1.0	WOSG PNR & Ho'opili Project Manager	1.0	Deputy Director of Procurement	1.0
Budget Planner	1.0	Executive Office	8.0	Director of Procurement & Contracts	1.0
Chief Financial Officer	1.0	Deputy Executive Director	1.0	Procurement & Specification Clerk	1.0
Fiscal Officer	1.0	Director of Special Projects	1.0	Procurement & Specification Specialist	4.0
Internal Control Analyst	1.0	Executive Director and CEO	1.0	Project Controls	14.0
Internal Control Specialist	1.0	Grants Analyst	1.0	Assistant Project Controls Manager	1.0
Secretary	1.0	Grants Manager	1.0	CMS Training Specialist	1.0
Civil Rights	3.0	Private Secretary (Deputy Director)	1.0	Fiscal Analyst	1.0
Civil Rights Officer	1.0	Private Secretary (Executive Director and CEO)	1.0	IT Support Technician	2.0
Human Resources Specialist	1.0	Senior Clerk/ Receptionist	1.0	Lead Scheduler	1.0
Senior Clerk	1.0	Government Relations	2.0	Management Analyst	1.0
Contract Administration and Change Management	6.0	Director of Government Relations	1.0	Project Management Coordinator	2.0
Contract Management Assistant	3.0	Secretary	1.0	Records Management Analyst	2.0
Transit Contracts Manager	3.0	HART Board Support	3.0	Scheduler	1.0
Design and Construction	33.0	HART Board Clerk	1.0	Senior Clerk	1.0
Airport DB Asst. Project Manager	1.0	HART Board Executive Officer	1.0	Technical Support	1.0
Airport DB Project Manager	1.0	HART Board Staff Assistant	1.0	Public Information	7.0
Architect (Architecture)	1.0	Operations & Maintenance	2.0	Director of Communications	1.0
Assistant	1.0	Administrative Specialist	1.0	Information Specialist	3.0
Assistant Project Manager	2.0	Deputy Director of Operations and Maintenance	1.0	Information Specialist (Community & Business Outreach)	2.0
Assistant Project Manager (Utilities)	1.0	Planning, Permitting, and Right of Way	23.5	Public Relation Assistant	1.0
Assistant Transit Arts Coordinator (Arts)	1.0	Architectural Historian	1.0	Quality Assurance	2.0
CADD/Document Manager, CADD/ Graphic Tech (Engineering)	1.0	Asst. Deputy of Transit Property Acquisition and Relocation	1.0	Quality Assurance Engineer (Civil)	1.0
City Center DB Asst. Project Manager	1.0	Cultural Resources Planner/ Coordinator	1.0	Quality Assurance Engineer (Electrical)	1.0
Civil Engineer (Engineering)	2.0	Deputy Director of Planning	1.0	System Safety & Security	3.0
Deputy Director of Engineering and Design	1.0	Deputy Director of Transit Property Acquisition and Relocation	1.0	Safety Specialist	1.0
Director of Design and Construction	1.0	Director of Planning, Permitting, and Right of Way	1.0	System Safety Engineer	2.0
Electrical Engineer	3.0	Environmental Planner	1.0	Grand Total	137.0

Historically, consultants (HDR Engineering) and City and County of Honolulu (City) employees working on behalf of HART were included in total position counts. However, these positions are not funded through the operating account; consultants are funded through the capital account, and City employees are funded through direct reimbursement Memorandums of Understanding (MOUs) with the City. These positions are listed below by department.

Department & HART Title	FTE Postions	Department & HART Title	FTE Postions	Department & HART Title	FTE Postions
Budget and Finance	0.5	Executive Office	3.0	Project Controls	3.0
Senior Advisor & Risk Manager	0.5	Fare System Project Manager	1.0	Director of Project Controls	1.0
Contract Administration and Change Management	1.0	Project Director	1.0	Lead Project Controls Manager	1.0
Director of Contract Administration and Change Management	1.0	Secretary	1.0	Sharepoint Designer and Support	1.0
Design and Construction	7.0	Legal Counsel	4.0	State Oversight	1.0
City Center DB Project Manager	1.0	Deputy Corporation Counsel	4.0	Program Manager	1.0
Core Systems Asst. Deputy	1.0	Operations & Maintenance	1.0	System Safety & Security	2.0
Deputy Director Core Systems	1.0	Director of Operations & Maintenance	1.0	Chief Safety and Security Officer	1.0
East Area Construction Manager	1.0	Procurement	0.5	Safety Certification Manager	1.0
ELEV. ESC/ ON-CALL Contractor Project Manager	1.0	Senior Advisor & Risk Manager	0.5	Grand Total	24.0
Traffic Engineer Manager (Traffic Engineering)	1.0	Quality Assurance	1.0		
West Area Construction Manager	1.0	Director of Quality of Assurance and Quality Control	1.0		

Current vacancies and requested FY 2018 positions are listed below. Of the 29 positions listed, 16 positions are being requested for FY 2018.

New Requested Positions and Current Vacancies by Department	HART TITLE	FTE Positions	Status
Administrative Services	Information Technology Support Technician	1.0	
Budget and Finance	Accountant	3.0	New for FY 2018
	Budget Analyst	1.0	
	Internal Control Analyst	1.0	
Design and Construction	Assistant Project Manager	2.0	New for FY 2018
	WOSG PNR & Ho'opili Project Manager	1.0	
Executive Office	Executive Director and CEO	1.0	
	Grants Analyst	1.0	New for FY 2018
Operations & Maintenance	Administrative Specialist	1.0	New for FY 2018
Planning, Permitting, and Right Of Way	Right of Way Agent	1.0	New for FY 2018
	Sustainability Planner	1.0	
	Systems Planning Analyst	1.0	New for FY 2018
Procurement	Agreements Arbiter and Manager/Insurance Risk Manager	1.0	New for FY 2018
	Procurement & Specification Specialist	2.0	
	Procurement & Specification Clerk	1.0	New for FY 2018
Project Controls	CMS Training Specialist	1.0	
	Project Management Coordinator	2.0	New for FY 2018
	Scheduler	1.0	
	Technical Support	1.0	New for FY 2018
Public Information	Information Specialist	1.0	
	Information Specialist (Community & Business Outreach)	2.0	New for FY 2018
Quality Assurance	Quality Assurance Engineer (Civil)	1.0	
System Safety & Security	Safety Specialist	1.0	
Grand Total		29.0	

The 16 new positions for FY 2018 address critical issues, such as overtime, high turnover, key position backup/assistance, and project controls; they also address potential areas of opportunity and improvement, such as business and community outreach. Below, HART has identified how these new positions will align within the current organizational chart, any position justification or reasoning for them, and if cost-benefit quantifications can be made. Please reference the “FY 2018 supplemental organizational chart” to visually depict the integration of the new positions.

Position justifications:

Executive Office (1 total)

Grants Analyst (1)

Assist the Grants Manager with grants administration activities including staffing monthly Project Management Oversight (PMO) meetings, and coordination activities with the Federal Transit Administration (FTA).

Public Information (2 total)

Information Specialist (2)

These positions will perform public outreach functions, as well as address the need for assistance with the current public outreach staff and expand the reach to the contract area between Aloha Stadium and Middle Street. The need for more outreach is expected to increase with additional construction work, utility relocation work, and the need for education on how to use the rail system once it becomes operational.

Position justifications continued:

Budget & Finance (3 total)

Accountant III (1)

The position will perform invoice payment duties that have been increasing over time, and serve as a backup to the single Accountant who currently enters and processes approximately \$60 million a month of invoice payments.

Accountant IV (2)

These positions will perform financial reporting activities monthly, quarterly, and annually as per recent legislation; will help staff future financial and performance audits. Thereby, freeing up the Fiscal Officer's time to perform cash management, debt financing and required external reporting activities now that HART is debt financing the program's costs.

Operations and Maintenance (1 total)

Administrative Specialist (1)

This position will assist with developing the operations and maintenance function, and will also assist with fare collection system implementation.

Design and Construction (2 total)

Assistant Project Manager (2)

Current construction project managers are working at an unsustainable rate. As a result HART is experiencing a very high turnover rate in this area. The level of responsibility, volume of work and lack of any management assistance and back-up leads to the request of two Assistant Project Managers to focus on the WOSG, FHSG, and WOFH/KHG DB contracts.

Project Controls (3 total)

CMS Technical Support (1)

This position provides technical support to users of the CMS system which consists of Oracle Primavera Contract Management database and SharePoint, the repository of all data for the project. The position is responsible to help maintain the technical support help desk to respond to and address user questions and requests for the current hardware and software at the home office and in field office. The position will also free up current resources to perform the upgrades to current software and provide onsite support in the field offices. An increase in technical support positions for project controls is necessary in order to comply with the audit findings and to support the 450 users from multiple organizations for whom staff trains, helps with their hardware issues, and software support tickets. The processing of technical support tickets has doubled from 20 to 40 per day as well as the number of users logging into the system and HART expects this to increase with the new DB contract awarded for the Airport segment.

Project Management Coordinator (2)

These positions provides support to users of the CMS System. The position will provide assistance to CMS users in monitoring their projects to keep all processes and reporting running smoothly by reviewing, analyzing, and maintaining data and information in the system and overseeing the accuracy of data entry input for assigned contracts; ensure that needs are met for reporting and that plans and procedures are being followed.

Position justifications continued:

Planning, Permitting and Right of Way (2 total)

Systems Planning Analyst (1)

The position will support the Systems Planning Manager in environmental documentation, ridership studies, bus-rail integration, and external agency (OMPO, HCDA, and DOT) coordination.

Right of Way Agent (1)

The additional position will address current and future property acquisition needs by replacing currently contracted consultants given the high cost and frequent turnover. The addition of this position will enable the completion of expanding the scope of real property acquisition responsibilities, which includes obtaining numerous other temporary and permanent property access rights on behalf of utilities and other agencies to support construction of the project. Thereby, enabling efficiencies and realizing cost synergies that will ensure that negotiations and treatment of affected property owners will occur in an amicable and compassionate manner with minimal disruption to the negotiation and acquisition process.

Procurement (2 total)

Agreements Arbiter and Manager/Insurance Risk Manager (1)

The position will negotiate and administer all of HART's 3rd party contracts, including intergovernmental MOUs (City, State, Federal/Navy, and Aloha Stadium), Easements, and Construction Rights of Entry (UH, DLNR, HDOT joint use and occupancy agreements). Currently, there is no one person who is overseeing these agreements, but there is a need for continuity, consistency and an individual dedicated to these agreements for compliance and enforcement of deliverables. Ideally, the position will also administer HART's insurance risk program, including the Owner Control Insurance Program (OCIP) contracts.

Administrative Specialist (1)

Assist procurement department with administrative and clerical duties.

Overtime, Night Shift, Temp Assign Pay

Overtime labor costs have been identified as a portion of labor costs that have been historically over budget, including most recently in FY 2016, where overtime labor costs were 309% over budget. Since FY 2013, overtime labor costs have been increasing annually at an average of 33.10%, however, the budget for overtime labor costs have seen little to no increase in comparison. New positions, as requested for FY 2018, aim to alleviate the costly need for overtime labor costs, but it will not eliminate them. HART is requesting an increase in budget to accommodate future overtime labor costs. Historical overtime labor costs and budgeted amounts are summarized below.

Overtime Labor Costs						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Budget	53,000	70,480	68,500	53,000	53,000	158,000
Actual	70,554	118,849	148,163	164,076	211,000	N/A
Over/(Under)	\$ 17,554	\$ 48,369	\$ 79,663	\$ 111,076	\$ 158,000	
% Change in Budget						
Labor Costs	0.0%	33.0%	-2.8%	-22.6%	0.0%	198.1%
% Change in Actual						
Labor Costs	0.0%	68.5%	24.7%	10.7%	28.6%	N/A

The FY 2017 actual overtime labor cost used is an estimated amount based on data provided for quarter ending September 30, 2016, and then extrapolated, based on trended historical data for the remaining three quarters of FY 2017. Current overtime labor costs for quarter ending September 30, 2016 is roughly \$55,000.

Fringe Benefits

Below are the City’s revised employee fringe benefit rates, which are based on FY 2015-2016 cost data for use in cost calculations. Effective immediately, the rates are retroactive to July 1, 2016. The employer’s contribution calculation is a straight-line application based on the City’s effective rate and HART’s estimated FY 2018 regular pay labor cost, as shown below.

Forecasted FY 2018 Personnel Services: \$ 10,629,300		
Employer's Contributions:	Effective Rate	HART Contributions
Social Security (FICA)	7.65%	813,100
Retirement System	17.00%	1,807,000
Worker's Compensation	2.75%	292,300
Unemployment Compensation	0.08%	8,500
Health Fund	19.18%	2,038,700
Total Employer's Contributions	46.66%	\$ 4,959,600

OPEB Contribution

Other Post Employment Benefit (OPEB) contributions are summarized below with an actuarial valuation of HART’s liabilities associated with the employer financed retiree health benefits provided through the Hawaii Employer-Union Health Benefits Trust Fund (EUTF). The valuations are provided by Gabriel Roeder Smith & Company Consultants & Actuaries for fiscal year ending July 30, 2018. OPEB contribution amounts suggested for FY 2017 are also summarized to reflect any YOY changes.

ACT 268 Minimum Contribution Summary			
			YOY Change
Fiscal Year Ending	June 30, 2017	June 30, 2018	
Annual Required Contribution	574,000	594,000	20,000
Projected pay-as-you-go benefits	-98,000	-112,000	-14,000
OPEB Trust Contribution to Fully Fund ARC	476,000	482,000	6,000
ACT 268 Phase-In	60%	80%	20%
Minimum OPEB Trust Contribution	\$286,000	\$386,000	\$100,000

CURRENT EXPENSES SUMMARY

HART is requesting \$6,683,225 for current expenses in the FY 2018 operating budget. This amount represents a decrease of \$523,042, or -7.3%, from the FY 2017 adopted current expenses amount. The changes to increase are summarized and outlined below by budget line:

Budget Description	2017 Budget	2018 Budget	YOY Change	
			Amount	%
Current Expenses				
Communication Services	142,500	158,500	16,000	11.2%
Computer Software Maintenance Ageement	100,000	14,400	(85,600)	-85.6%
Fees (Memberships, Registration & Parking)	40,000	136,390	96,390	241.0%
Parts / Hardware	188,300	194,300	6,000	3.2%
Professional Services Direct Reimbursement	2,070,800	2,117,955	47,155	2.3%
Professional Services Other	170,000	553,000	383,000	225.3%
Rentals	1,739,167	2,415,600	676,433	38.9%
Special Audit Services	-	250,000	250,000	0.0%
Transit Mitigation Fund	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	47,500	135,080	87,580	184.4%
All Other Current Expenses	708,000	708,000	-	0.0%
Current Expenses Sub-total	7,206,267	6,683,225	(523,042)	-7.3%

Communication Services

As recommended by the City Auditor, HART is requesting to increase staffing in project controls. As a result, there will be additional licensures and hosting fees required to effectively work with HART’s Contract Management System (CMS), a program of Oracle Primavera. The change in communication services for FY 2018 reflects the anticipated costs needed to fund the additional licenses and hosting services.

Computer Software Maintenance Agreement, Parts / Hardware

HART does not anticipate funding as many maintenance agreements for FY 2018 as it has in the past due to the planned purchase of once-proprietary held software from previous contractors and consultants (see EQUIPMENT AND SOFTWARE SUMMARY). Maintenance agreements for these purchases will follow in subsequent FY. The changes in budget reflect the reduction in maintenance agreements costs, and an anticipated increase in refurbishing and replacing antiquated systems and hardware for compliance with City systems and functional use.

Fees (Memberships, Registration & Parking)

As a participating agent with the Oahu Metropolitan Planning Organization (OMPO), which is the metropolitan planning and transportation coordinating organization for Oahu, HART is required to pay annual membership dues. Changes for fees in FY 2018 reflect the additional funds needed to continue HART’s membership.

Professional Services-Direct Reimbursement

Changes in directly reimbursable professional services are two-fold: 1) a portion of HART’s City Administrative Services Expense (CASE) amount, and 2) direct cost reimbursements to the City. CASE is calculated as 5% total operating expenditures, and direct cost reimbursements reflect costs incurred by the City on behalf of HART per MOU agreements noted in labor costs. The calculation for FY 2018 is summarized below.

Object	Name	FY 2018 Budget
Direct Costs Reimbursement to City		
BFS	Salaries	10,000
	Current Expenses	0
	Subtotal	10,000
COR	Salaries	612,000
	Current Expenses	40,300
	Subtotal	652,300
DDC	Salaries	50,000
	Current Expenses	0
	Subtotal	50,000
	Salaries	672,000
	Fringe Benefits	313,555
	Current Expenses	40,300
	Total (Salaries & Current Expenses)	1,025,855
CASE (5% of Projected Operating Expenditures)		
	Operating Expenditures	21,842,525
	5% of Operating Expenditures+ adj.	1,092,100
	City CASE and Direct Billing Charges	2,117,955

Professional Services-Other

Changes in all other professional services reflect new public involvement programs being implemented in FY 2018 to address community and business outreach, such as quarterly community events, town hall projects, educational videos, and promotions. Much of these new programs will be facilitated by the two new public involvement positions requested for FY 2018. Additionally, HART is funding two consultants from the Small Business Development Corporation (SBDC) for business outreach in the community.

Rentals

HART and City employees working on behalf of HART are housed in four office spaces in Ali‘i Place: Suite 150, 11th, 17th, and 23rd floors. Under contract, specified contractors and consultants are also housed amongst the same four office spaces. HART is contractually obligated to pay for Ali‘i Place rental agreements (leases) through the remainder of FY 2017 for floors 11, 17, and 23. Suite 150 is currently operating on a month-to-month rental agreement and houses HART’s Planning, Permitting, and Right of Way department in addition to hosting the HART Board of Directors meetings and public hearings. Below summarizes HART’s current rental agreements in Ali‘i Place, as well as estimated rental agreements for FY 2018, on a monthly basis.

FY 2017

	Rentable Sq ft	Useable Sq Ft	Real Prop.					Total	Cost per Rentable Sq Ft	Cost per Useable Sq Ft
			Base Rent	CAM	Insurance	Tax	GET			
1st floor	7,403	6,382	\$ 11,408	\$ 7,162	\$ 792	\$ 1,697	\$ 992	\$ 22,051	\$ 2.98	\$ 3.46
11th floor	20,404	17,590	\$ 32,464	\$ 19,741	\$ 2,182	\$ 4,678	\$ 2,783	\$ 61,848	\$ 3.03	\$ 3.52
17th floor	19,938	17,188	\$ 31,723	\$ 19,290	\$ 2,133	\$ 4,571	\$ 2,720	\$ 60,436	\$ 3.03	\$ 3.52
23rd floor	16,182	13,950	\$ 25,747	\$ 15,656	\$ 1,731	\$ 3,710	\$ 2,207	\$ 49,051	\$ 3.03	\$ 3.52
Total	63,927	55,110	\$ 101,341	\$ 61,849	\$ 6,838	\$ 14,656	\$ 8,702	\$ 193,387	\$ 3.03	\$ 3.51

FY 2018

	Rentable Sq ft	Useable Sq Ft	Real Prop.					Total	Cost per Rentable Sq Ft	Cost per Useable Sq Ft
			Base Rent	CAM	Insurance	Tax	GET			
1st floor	7,403	6,382	\$ 11,807	\$ 7,413	\$ 792	\$ 1,697	\$ 1,023	\$ 22,732	\$ 3.07	\$ 3.56
11th floor	20,404	17,590	\$ 33,600	\$ 20,432	\$ 2,182	\$ 4,678	\$ 2,869	\$ 63,762	\$ 3.12	\$ 3.62
17th floor	19,938	17,188	\$ 32,833	\$ 19,965	\$ 2,133	\$ 4,571	\$ 2,804	\$ 62,306	\$ 3.12	\$ 3.62
23rd floor	16,182	13,950	\$ 26,648	\$ 16,204	\$ 1,731	\$ 3,710	\$ 2,276	\$ 50,568	\$ 3.12	\$ 3.62
Total	63,927	55,110	\$ 104,888	\$ 64,014	\$ 6,838	\$ 14,656	\$ 8,971	\$ 199,367	\$ 3.12	\$ 3.62

Additional facts:

- Each floor’s rental agreement expires at different times, with floor 11 expiring on June 30, 2017, and floors 17 and 23 in 2020.
- HART would likely incur between \$400,000 and \$700,000 in early lease termination costs for the 11th floor should HART immediately cease paying rent in the current fiscal year, FY 2017.
- HART has several existing contracts that include providing office space to some of our contractors for approximately \$1.6 million in savings that would be lost should HART not be able to have this space available.
- In a performance audit in 2014, the City Auditor’s Office recommended that HART consider housing some contractors to save costs, and HART has amended existing contracts and issued new ones to include HART providing some contractors office space in, and implemented this recommendation.
- HART has also conducted cost-benefit studies of other office space costs, and the market currently averages cost-per-square-foot amounts similar to Ali‘i Place.
- HART also has a rental agreement for two 10’x20’ storage spaces at a significantly subsidized rate of \$10.47 per month, inclusive of GET and fees.

Misc-Storage Space					
	Rentable Sq ft	Useable Sq Ft	Real Prop.		Total
			Rent	GET	
10' x 20' unit	200	200	\$ 10.00	\$ 0.47	\$ 10.47
10' x 20' unit	200	200	\$ 10.00	\$ 0.47	\$ 10.47
	400	400	\$ 20.00	\$ 0.94	\$ 20.94

HART is requesting to extend the rental agreements for all four floors until 2020 when the existing leases expire and there is a clearer understanding of what our total long term office space needs will be going forward. In order to continue leasing all areas currently occupied at Ali‘i Place, HART will need to fund an annualized amount of \$2,392,661 from the operating budget. HART is requesting a total of \$2,415,600 in funding for rentals for FY 2018 to fully-fund the current Ali‘i Place rental agreements, in addition to other smaller rental agreements, such as copiers and equipment. This amounts to requesting an additional \$676,433 in FY 2018 from FY 2017. Going forward, office space use will be carefully monitored, and the evaluation of future space needs will thoughtfully analyzed when negotiating renewal of rental agreements.

Special Audit Services

HART is currently engaged in a peer review to address contract administration and change order management processes, in addition to completing HART’s annual financial audit. The peer review may also recommend other programmatic improvements. Funding for these special audit services are being included in the budget should the Board determine other audit services be needed for a scope of work yet to be determined.

Transit Mitigation Fund

In FY 2017, \$2,000,000 was budgeted for transit mitigation, specifically to mitigate negative impacts on local businesses due to project construction. The Federal Transit Administration (FTA) does not allow direct compensation to businesses under current regulations and guidelines. Therefore, HART is requesting funds for additional community and business outreach through the request of two new public involvement positions and additional funding for programs in FY 2018 (see Professional Services-Other). HART is also funding an \$180,000 grant to the SBDC to fund two business outreach and support positions.

Travel Expense-Out-of-State

Travel is estimated according to purpose, need, and cost-benefit. Travel is primarily comprised of mandatory meetings, conferences, quality audits and testing. The table below summarizes the requested travel budget for FY 2018.

Department/Office	Purpose of Travel	Total FY 2018 Travel Request
HART Board	RailVolution conference, FTA meetings (Region 9, HI Congressional Delegation)	16,420
Executive Director & Deputy Executive Director	APTA conference/meeting/expo, FTA meetings	37,740
Planning	APTA Multimodal Operations Planning	2,840
ROW	Advanced Relocation Under the Uniform ACT (NHI), Problems in Valuation of Partial Acquisitions	6,915
Construction	Project progress review, Transit Construction Workshop, contract administration training	12,430
Core Systems	Qualification testing and progress checkpoint inspections	12,990
Safety & Security	Professional training through FTA	6,540
Quality Assurance	Quality audits	2,330
Procurement & Contracts	NTI Orientation to Transit Procurement/Contract Administration, Federal Publication Seminar	7,725
HART Staff	APTA conference/meeting/expo, RailVolution conference	29,150
Grand Total		\$ 135,080

EQUIPMENT AND SOFTWARE

Equipment and software expenses are estimated at \$75,500 in FY 2018. This amount represents an increase of \$69,500, or 1,158.3%, from the current adopted budget. This change reflects the anticipated purchase of once-proprietary held software from previous contractors and consultants; HART will be bringing these software programs in-house in FY 2018, and anticipates costs associated with maintaining the licenses to affect Computer Software Maintenance Agreements in future FYs.

Budget Description	2017 Budget	2018 Budget	YOY Change	
			Amount	%
<u>Equipment</u>				
Equipment & Software	6,000	75,500	69,500	1158.3%
Equipment Sub-total	6,000	75,500	69,500	1158.3%

DEBT SERVICE

Debt service is estimated to be \$12,000,000 in FY 2018, based on a total program costs of \$6.8 billion. This amount reflects any applicable interest that will be incurred by the issuance of \$350,000,000 in tax-exempt commercial paper (TECP), which will then be converted into bonded-debt at either fixed or variable rates by the end of FY 2018. The current rate assumed for interest on the bonded-debt is 3%. The cost estimate is inclusive of financing costs, as well as estimated issuance costs/fees.

Budget Description	2017 Budget	2018 Budget	YOY Change	
			Amount	%
<u>Debt Service</u>				
Interest Expense	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	10,000,000	12,000,000	2,000,000	20.0%

Section IV

Requested FY 2018 Capital Budget

REQUESTED FY 2018 CAPITAL BUDGET

HART is requesting \$440,990,089 for appropriation to the capital account for FY 2018, in accordance to the details listed. The request is broken down by contract package plan (CPP) and contingency. The requested amount for FY 2018 is inclusive of any lapsed appropriations from FY 2017 (re-appropriations) and the estimated financial needs of the project for FY 2018.

Cost Type	CPP Number	Contract Name	Requested Appropriations for FY 2018
<input type="checkbox"/> Contract	<input type="checkbox"/> ART	Project-wide Art	2,320,500
	<input type="checkbox"/> DB320	Kamehameha Hwy Guideway (KHG) DB	36,848,659
	<input type="checkbox"/> DBB600	Park-and-Ride Lots Construction	15,765,860
	<input type="checkbox"/> MI900	Project-wide Fare Collection Design-Furnish-Install	2,408,440
	<input type="checkbox"/> MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	15,354,000
	<input type="checkbox"/> MI950	VAR Equipment Design-Furnish-Install	4,915,068
	<input type="checkbox"/> MM901	Program Management Support Consultant 2 (PMSC-2)	11,793,762
	<input type="checkbox"/> MM913	General Engineering Consultant, Construction (GEC-3)	7,536,287
	<input type="checkbox"/> MM915	HDOT Traffic Management Consultant	657,288
	<input type="checkbox"/> MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	1,079,907
	<input type="checkbox"/> MM921	HDOT Coordination Consultant – Kamehameha Section	3,311,120
	<input type="checkbox"/> MM922	HDOT Coordination Consultant - Airport Section	847,013
	<input type="checkbox"/> MM925	Hawaii Department of Transportation (HDOT) - Highway Group	846,863
	<input type="checkbox"/> MM937	ROW Engineering Support Services (including Mapping & Surveying)	1,579,370
	<input type="checkbox"/> MM941	Kako'o Consultant 2	434,483
	<input type="checkbox"/> MM950	Owner-Controlled Insurance Program (OCIP) Consultant	228,333
	<input type="checkbox"/> MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	3,903,330
	<input type="checkbox"/> MM960	Archeological & Cultural Monitoring Services	993,478
	<input type="checkbox"/> MM970	Fare Collection Consultant	400,000
	<input type="checkbox"/> MM981	Complex Real Property Nego & Lit. Services	400,000
	<input type="checkbox"/> MM982	On-Call Appraiser	400,000
	<input type="checkbox"/> MM983	Land Court Petition Services	292,631
	<input type="checkbox"/> PA102	Programmatic Agreement– Historic Preservation Committee	175,461
	<input type="checkbox"/> ROW	Real Estate/Right-of-Way Acquisition	76,545,000
	<input type="checkbox"/> UTIL	New Utilities or Relocations by Private Utility Owners	45,932,346
	<input type="checkbox"/> WSUC	West Side Utilities Clearance Issues	38,709,677
<input type="checkbox"/> Contingency	<input type="checkbox"/> Contingency	Project Contingency	167,311,211
Grand Total			\$ 440,990,089

Appendix

Adopted Prior FY Budget Schedules

FY 2013-2017 Operating Budgets

FY 2013-2017 Operating Budgets Vs. Actual Expenditures

FY 2017 Capital Appropriations

FY 2018-2023 Six-Year Updated Cash Flow

FY 2018-2023 Six-Year Program Expenditure Plan

FY 2018 Supplemental Organization Chart

FY 2013-2017 OPERATING BUDGETS

HART's adopted prior years' FY 2013–2017 operating budgets are summarized below. Each adopted budget is categorized based on the same four major categories as the current FY 2018 operating budget appropriation request.

Budget Description	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Labor Costs					
Regular Pay	9,001,089	9,052,649	9,414,755	9,401,600	9,255,600
Overtime, Night Shift, Temp Assign Pay	53,000	70,480	68,500	53,000	53,000
Accumulated Lump Sum Vacation Pay	-	14,000	26,500	42,000	42,000
Fringe Benefits	3,916,793	3,892,237	4,332,670	4,326,400	4,470,600
Service or Merit Awards	800	1,000	1,000	1,000	1,000
OPEB Contribution	-	-	-	195,000	292,000
Labor Costs Sub-total	12,971,682	13,030,366	13,843,425	14,019,000	14,114,200
Current Expenses					
Advertising, Publication of Notices	9,500	14,174	45,000	45,000	35,000
Audit Service Fee	60,000	60,000	60,000	80,000	80,000
Communication Svcs	164,580	170,000	170,000	128,000	142,500
Computer Software Maintenance Ageement	39,650	48,500	58,000	1,000,000	100,000
Fees (Memberships, Registration & Parking)	48,180	50,000	50,000	50,000	40,000
Insurance on Equip. & Gen. Liab.	61,000	74,000	73,000	73,000	73,000
Legal Services	1,202,354	1,702,354	1,202,354	100,000	250,000
Meals & Refreshments	2,700	2,300	6,500	6,500	6,500
Office & Computer Supplies	129,300	150,000	150,000	150,000	130,000
Other Fixed Charges	1,000,000	500,000	500,000	500,000	-
Other Repairs to Bldgs & Structures	300,000	300,000	300,000	5,000	5,000
Parts / Equip	231,000	210,300	210,300	210,300	188,300
Postage & Shipping	36,000	39,000	39,000	39,000	39,000
Printing & Binding	1,500	1,500	1,500	1,500	11,500
Professional Svcs. Direct Reimb	2,079,868	1,982,031	2,044,307	2,031,500	2,070,800
Professional Svcs. Other	304,000	220,300	190,000	170,000	170,000
R&M - Office Furniture & Equip	2,800	5,000	12,000	12,000	12,000
Rentals	2,300,704	2,230,959	2,378,643	2,445,000	1,739,167
Safety & Misc Supplies	4,300	6,000	6,000	6,000	6,000
Telephone	21,600	32,000	40,000	40,000	60,000
Transit Mitigation Fund	-	-	-	-	2,000,000
Travel Expense - Out-of-State	82,475	82,475	95,000	95,000	47,500
Current Expenses Sub-total	8,081,511	7,880,893	7,631,604	7,187,800	7,206,267
Equipment					
Equipment & Software	16,000	6,000	6,000	6,000	6,000
Equipment Sub-total	16,000	6,000	6,000	6,000	6,000
Total Operating Expenses	21,069,193	20,917,259	21,481,029	21,212,800	21,326,467
Debt Service					
Interest Expense	-	-	-	8,000,000	10,000,000
Debt Service Sub-total	-	-	-	8,000,000	10,000,000
Grand Total	21,069,193	20,917,259	21,481,029	29,212,800	31,326,467

FY 2013-2017 OPERATING BUDGETS VS. ACTUAL EXPENDITURES

Below is a comprehensive summary of prior years' FY 2013 – 2017 operating budgets, with a comparison of actual budget performance for FY 2016 (ending June 30, 2016). The current FY 2018 operating budget request is also benchmarked against the current fiscal years FY 2017 budget to reflect any changes.

Budget Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	Actual	Variance	Expended	FY 2017 Budget	FY 2018 Budget	From FY 2017	Change
Labor Costs											
Regular Pay	6,822,425	7,448,730	7,755,444	9,401,600	7,837,220	(1,564,380)	83.4%	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	70,554	118,849	148,163	53,000	164,076	111,076	309.6%	53,000	158,000	105,000	198.1%
Accumulated Lump Sum Vacation Pay	107,648	163,568	2,866	42,000	154,471	112,471	367.8%	42,000	42,000	-	0.0%
Fringe Benefits	3,522,065	3,537,207	3,757,566	4,326,400	3,612,771	(713,629)	83.5%	4,470,600	4,959,600	489,000	10.9%
Service or Merit Awards	209	-	71	1,000	117	(883)	11.7%	1,000	1,000	-	0.0%
OPEB Contribution	-	-	-	195,000	195,000	-	100.0%	292,000	386,000	94,000	32.2%
Labor Costs Sub-total	10,522,901	11,268,354	11,664,110	14,019,000	11,963,655	(2,055,345)	85.3%	14,114,200	16,175,900	2,061,700	14.6%
Current Expenses											
Advertising, Publication of Notices	39,004	27,672	21,659	45,000	10,109	(34,891)	22.5%	35,000	35,000	-	0.0%
Audit Service Fee	40,500	62,530	56,000	80,000	60,000	(20,000)	75.0%	80,000	80,000	-	0.0%
Communication Svcs	103,457	113,424	147,669	128,000	123,657	(4,343)	96.6%	142,500	158,500	16,000	11.2%
Computer Software Maintenance Ageement	47,614	52,121	37,749	1,000,000	127,033	(872,967)	12.7%	100,000	14,400	(85,600)	-85.6%
Fees (Memberships, Registration & Parking)	45,856	42,414	47,206	50,000	175,146	125,146	350.3%	40,000	136,390	96,390	241.0%
Insurance on Equip. & Gen. Liab.	14,190	126,490	65,647	73,000	71,051	(1,949)	97.3%	73,000	73,000	-	0.0%
Legal Services	1,782,767	646,961	33,939	100,000	58,496	(41,504)	58.5%	250,000	250,000	-	0.0%
Meals & Refreshments	6,468	9,780	6,199	6,500	6,346	(154)	97.6%	6,500	6,500	-	0.0%
Office & Computer Supplies	45,511	51,089	51,226	150,000	50,881	(99,119)	33.9%	130,000	130,000	-	0.0%
Other Fixed Charges	-	-	-	500,000	-	(500,000)	0.0%	-	-	-	-
Other Repairs to Bldgs & Structures	314	316	-	5,000	828	(4,172)	16.6%	5,000	5,000	-	0.0%
Parts / Equip	19,506	97,636	11,253	210,300	5,041	(205,259)	2.4%	188,300	194,300	6,000	3.2%
Postage & Shipping	7,517	3,628	9,002	39,000	5,276	(33,724)	13.5%	39,000	39,000	-	0.0%
Printing & Binding	-	6,325	9,350	1,500	5,121	3,621	341.4%	11,500	11,500	-	0.0%
Professional Svcs. Direct Reimb	1,184,293	1,325,875	1,227,062	2,031,500	1,439,886	(591,614)	70.9%	2,070,800	2,117,955	47,155	2.3%
Professional Svcs. Other	525,449	189,481	18,313	170,000	336,731	166,731	198.1%	170,000	553,000	383,000	225.3%
R&M - Office Furniture & Equip	10,433	184	3,329	12,000	5,254	(6,746)	43.8%	12,000	12,000	-	0.0%
Rentals	2,273,205	2,305,581	2,172,228	2,445,000	2,548,176	103,176	104.2%	1,739,167	2,415,600	676,433	38.9%
Safety & Misc Supplies	4,991	2,550	3,105	6,000	4,578	(1,422)	76.3%	6,000	6,000	-	0.0%
Special Audit Services	-	-	-	-	-	-	0.0%	-	250,000	250,000	-
Telephone	37,019	24,623	54,676	40,000	34,215	(5,785)	85.5%	60,000	60,000	-	0.0%
Transit Mitigation Fund	-	99,560	80,527	-	-	-	0.0%	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	72,153	-	-	95,000	103,181	8,181	108.6%	47,500	135,080	87,580	184.4%
Adjustment	39,533	-	-	-	-	-	0.0%	-	-	-	-
Current Expenses Sub-total	6,299,780	5,188,240	4,056,139	7,187,800	5,171,006	(2,016,794)	71.9%	7,206,267	6,683,225	(523,042)	-7.3%
Equipment											
Equipment & Software	1,134	53,402	399	6,000	-	(6,000)	0.0%	6,000	75,500	69,500	1158.3%
Equipment Sub-total	1,134	53,402	399	6,000	-	(6,000)	0.0%	6,000	75,500	69,500	1158.3%
Total Operating Expenses	16,823,815	16,509,996	15,720,648	21,212,800	17,134,661	(4,078,139)	80.8%	21,326,467	22,934,625	1,608,158	7.5%
Debt Service											
Interest Expense	-	-	-	8,000,000	982,624	(7,017,376)	12.3%	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	-	-	-	8,000,000	982,624	(7,017,376)	12.3%	10,000,000	12,000,000	2,000,000	20.0%
Grand Total	16,823,815	16,509,996	15,720,648	29,212,800	18,117,284	(11,095,516)	62.0%	31,326,467	34,934,625	3,608,158	11.5%

FY 2017 CAPITAL APPROPRIATIONS

The adopted capital appropriations, by CPP and Contract, for FY 2017 are summarized below.

Cost Type	CPP Number	Contract Name	CIP Budget
Contract	DBB600	Park-and-Ride Lots Construction	7,351,000
	MM290	Project-wide Elevator / Escalator	15,354,000
	MI930	Westside Construction Eng. & Inspection (CE&I) Svcs.	5,923,000
	MM920	HDOT Coordination Consultant - West Oahu/Farrington	750,000
	MM921	HDOT Coordination Consultant – Kamehameha Section	1,000,000
	MM922	HDOT Coordination Consultant - Airport Section	2,000,000
	MM930	HDOT State Safety Oversight Agency (SOA) Consultant	591,000
	MM940	Kako'o Consultant	400,000
	MM947	On-Call Contractor 2	1,000,000
	MM951	Owner-Controlled Insurance Program (OCIP)	8,000,000
	MM962	Core Systems Contract Oversight Consultant	8,770,000
	MM964	Safety & Security Certification Consultant	800,000
	MM975	LEED Commissioning Services for MSF	15,000
	PA101	Programmatic Agreement– Humanities Program	110,000
	PA103	Programmatic Agreement– HPC Park Improvements	113,000
Contract Total			52,177,000
Project Contingency Total			130,122,000
Original Requested FY 2017 Capital Budget			\$ 182,299,000
Updated Capital Re-Appropriations			
	DB450	Airport Section Guideway and Station Group	820,000,000
	DB550	City Center Section Guideway and Station Group	866,000,000
	DB275	Pearl Highlands Parking Garage and Bus Terminal	258,000,000
	ROW	Right of Way	85,000,000
	UTIL	Private Utility Relocation	75,000,000
	New	Route Extension Study	12,000,000
	New	Project Adjustments Account	3,000
	Contingency	Contingency Re-Appropriation	250,000,000
Total Updated FY 2017 Capital with Re-Appropriations			\$ 2,366,003,000
Grand Total HART FY 2017 CIP Budget			\$ 2,548,302,000

FY 2018-2023 SIX-YEAR UPDATED CASH FLOW

Below is six-year cash flow based on assumed revenue sources, estimated financing costs, and forecasts for future years' capital expenditures.

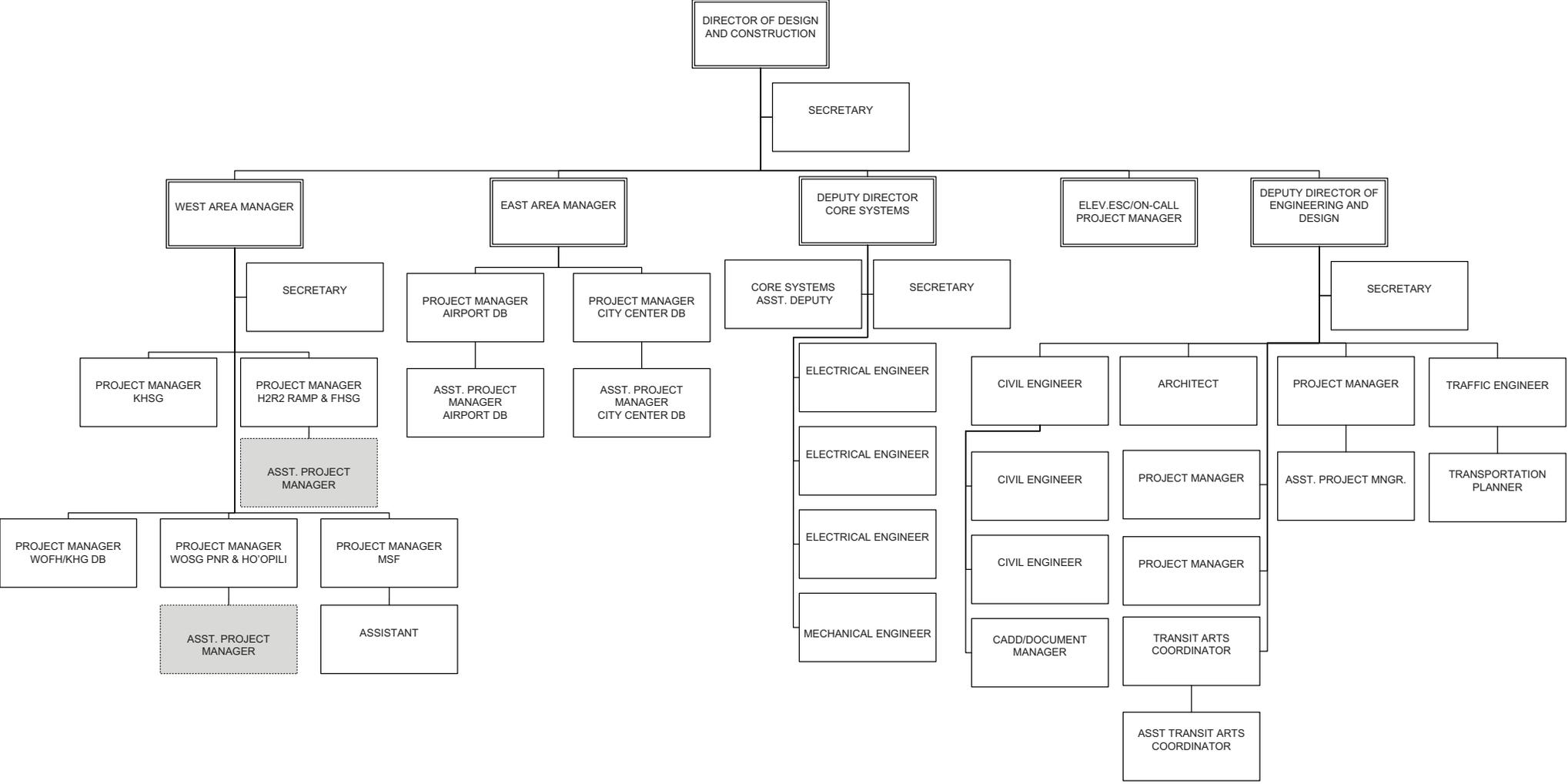
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Six-Year Total
BEGINNING BALANCE	\$ 68,559,126	\$ 324,976,125	\$ 404,658,288	\$ 206,040,573	\$ 308,681,484	\$ 313,070,129	\$ 68,559,126
Revenue & Debt Proceeds							
Revenue							
Federal Grant	294,587,133	229,474,254	213,628,152	2,929,669	-	-	740,619,208
G.E.T.	256,623,959	267,658,790	279,168,119	291,172,347	303,692,758	316,751,546	1,715,067,519
Private/Public	-	-	-	-	-	-	-
Total Revenue	551,211,092	497,133,044	492,796,271	294,102,016	303,692,758	316,751,546	2,455,686,727
Debt Proceeds							
Fixed Rate Bonds	402,302,800	226,602,800	291,862,800	251,702,800	101,102,800	-	1,273,574,000
G.O Bonds:	-	-	-	-	-	-	-
Less Issuance Costs	(2,302,800)	(1,602,800)	(1,862,800)	(1,702,800)	(1,102,800)	-	(8,574,000)
TECP (net) Max \$350 m	110,000,000	63,400,000	(55,800,000)	34,300,000	98,900,000	60,000,000	310,800,000
Variable Bonds	-	-	-	-	-	-	-
Total Debt Proceeds	510,000,000	288,400,000	234,200,000	284,300,000	198,900,000	60,000,000	1,575,800,000
Total Revenue & Debt Proceeds	1,061,211,092	785,533,044	726,996,271	578,402,016	502,592,758	376,751,546	4,031,486,727
Costs							
CIP Type							
Construction	500,759,019	506,074,575	753,111,616	288,844,618	149,774,530	82,345,995	2,280,910,353
Consultants	44,932,240	37,838,212	29,382,733	28,071,532	27,851,817	27,851,817	195,928,351
Contingency	-	-	98	7,955,740	172,127,494	31,600,374	211,683,706
Design	2,609,482	1,059,053	-	-	-	-	3,668,535
Inspection	20,387,315	21,950,961	25,285,309	27,573,371	27,318,236	17,960,329	140,475,521
Operating	12,092,289	11,772,592	11,133,198	11,133,198	11,133,198	11,133,198	68,397,674
Programmatic Agreements	733,874	453,042	-	-	-	-	1,186,916
Project-wide Art	622,830	794,280	794,280	794,280	794,280	794,280	4,594,230
Quality Audits	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	29,564,707
Recertifications	-	-	-	-	-	-	-
Right of Way	96,993,225	14,516,210	-	-	-	-	111,509,435
Utility Work by Private Utility Owners	84,642,024	68,165,443	60,415,284	63,568,698	58,990,280	27,914,937	363,696,665
Total CIP Costs	768,699,748	667,551,819	885,049,970	432,868,888	452,917,286	204,528,381	3,411,616,093
Operating (less Interest Expense)	24,094,345	25,299,062	26,564,015	27,892,216	29,286,827	30,751,168	163,887,634
Interest Expense	12,000,000	13,000,000	14,000,000	15,000,000	16,000,000	17,000,000	87,000,000
Total Operating Costs	36,094,345	38,299,062	40,564,015	42,892,216	45,286,827	47,751,168	250,887,634
Total CIP & Operating Costs	804,794,093	705,850,881	925,613,986	475,761,104	498,204,113	252,279,549	3,662,503,727
Net Change	256,416,999	79,682,163	(198,617,715)	102,640,911	4,388,645	124,471,997	368,982,999
ENDING BALANCE	\$ 324,976,125	\$ 404,658,288	\$ 206,040,573	\$ 308,681,484	\$ 313,070,129	\$ 437,542,125	\$ 437,542,125
Assumptions:							
1) Revenue & Debt Proceeds from current Cash Flow Annualized PMOC FY 2017							
2) \$6.8B CIP cost flow from Project Controls, Nov 2016							
3) Operating costs assumes 5% annual increase							
4) Interest expense assumes \$1M annual increase							

FY 2018-2023 SIX-YEAR PROGRAM EXPENDITURE PLAN

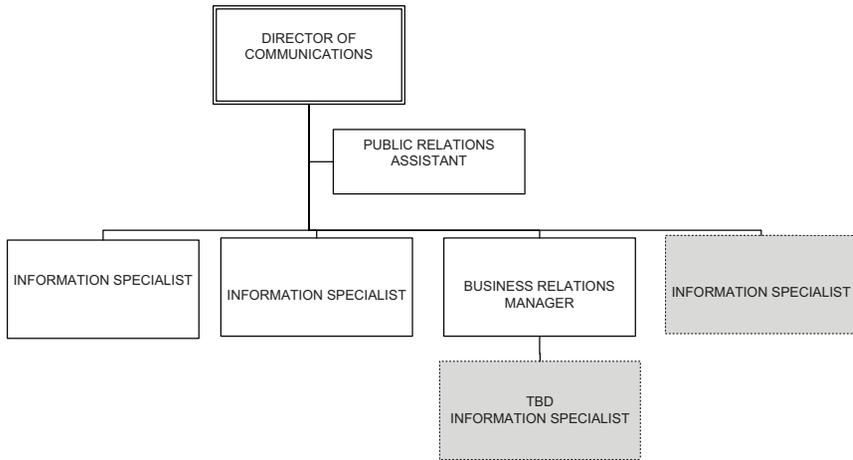
A six-year expenditure and costs plan for FY 2018-2023 is summarized below by program. The estimated expenditures are based on current costs and spending projections, and will change as the project progresses.

Contract Type	Contract Name	Proposed FY 2018	Proposed FY 2019	Proposed FY 2020	Proposed FY 2021	Proposed FY 2022	Proposed FY 2023	Proposed Total 6 Year CIP (6B)
Contingency	Unallocated Contingency	-	-	98	7,955,740	172,127,494	31,600,374	211,683,706
	Project Contingency	-	-	-	-	-	-	-
Contract	Airport section Guideway and Station Group (AGSG) DB	106,719,000	313,424,000	401,195,000	118,678,000	20,395,459	-	960,411,459
	Archeological & Cultural Monitoring Services	993,478	413,949	-	-	-	-	1,407,427
	Complex Real Property Nego & Lit. Services	227,470	227,470	18,956	-	-	-	473,896
	Core Systems Contract (CSC) Design-Build-Operate-Maintain	82,177,157	75,814,455	53,642,801	114,016,014	106,811,800	62,224,443	494,686,670
	Core Systems Contract Oversight Consultant	7,017,468	7,017,468	7,017,468	7,017,468	7,017,468	7,017,468	42,104,805
	Eastside CE& I Services II	11,941,520	13,667,146	17,082,480	19,370,541	19,115,406	16,593,190	97,770,283
	Eastside Construction Engrg & Inspection (CE&I) Services	242,965	80,985	-	-	-	-	323,950
	Fare Collection Consultant	659,143	659,143	659,143	219,714	-	-	2,197,144
	Farrington Highway Station Group (FHSG) Construction	51,803,174	7,294,570	-	-	-	-	59,097,744
	Farrington Highway Station Group (FHSG) Final Design 1	985,295	82,108	-	-	-	-	1,067,403
	General Engineering Consultant, Construction (GEC-3)	7,536,287	7,536,287	7,536,287	7,536,287	7,536,287	7,536,287	45,217,723
	HART Expenses & ODC	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	29,564,707
	HART Labor	9,743,106	9,743,106	9,743,106	9,743,106	9,743,106	9,743,106	58,458,637
	HART/City Corporation Counsel	1,390,092	1,390,092	1,390,092	1,390,092	1,390,092	1,390,092	8,340,552
	HART/City DDC Land Division	516,182	344,121	-	-	-	-	860,303
	HART/City Dept of BFS	442,909	295,273	-	-	-	-	738,182
	Hawaii Department of Transportation (HDOT) - Highway Group	846,863	564,575	-	-	-	-	1,411,439
	HDOT Coordination Consultant - Airport Section	847,013	847,013	847,013	847,013	847,013	847,013	5,082,076
	HDOT Coordination Consultant - Kamehameha Section	3,311,120	275,927	-	-	-	-	3,587,047
	HDOT Coordination Consultant - West Oahu/Farrington Section	1,079,907	-	-	-	-	-	1,079,907
	HDOT State Safety Oversight Agency (SOA) Consultant	596,445	397,300	-	-	-	-	994,075
	HDOT Traffic Management Consultant	657,288	657,288	657,288	657,288	657,288	657,288	3,943,725
	Kako'o Consultant 2	434,483	253,448	-	-	-	-	687,931
	Kamehameha Highway Station Group (KHSG) Construction	100,045,211	28,250,625	5,000,000	-	-	-	133,295,836
	Kamehameha Highway Station Group (KHSG) Final Design	871,100	725,916	-	-	-	-	1,597,016
	Kamehameha Hwy Guideway (KHG) DB	50,814,397	29,152,465	3,979,909	-	-	-	83,946,771
	Land Court Petition Services	292,631	292,631	24,386	-	-	-	609,649
	Maintenance & Storage Facility (MSF) DB	6,737,309	-	-	-	-	-	6,737,309
	New Utilities or Relocations by Private Utility Owners	45,932,346	29,455,765	21,705,607	22,679,422	20,280,602	23,642,923	163,696,666
	On-Call Appraiser	1,135,930	1,135,930	94,661	-	-	-	2,366,521
	On-Call Construction Contractor(s)	4,105	-	-	-	-	-	4,105
	On-Call Contractor 2	25,223	-	-	-	-	-	25,223
	On-Call Contractor 3	6,672,602	6,672,602	556,050	-	-	-	13,901,254
	On-Call Hazardous Materials (HazMat) Removal Contractor	862,250	-	-	-	-	-	862,250
	Outside Legal Counsel	2,319,996	816,672	453,833	-	-	-	3,590,501
	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	3,903,330	3,903,330	3,903,330	3,903,330	3,903,330	3,903,330	23,419,981
	Owner-Controlled Insurance Program (OCIP) Consultant	228,333	95,139	-	-	-	-	323,472
	Park-and-Ride Lots Construction	15,765,860	10,510,573	-	-	-	-	26,276,433
	Pearl Highlands Garage, Bus Terminal (PHTG) + H2 Ramp DB	117	9,467,331	264,352,484	40,833,865	5,529	-	314,659,325
	Program Management Support Consultant 2 (PMSC-2)	11,793,762	11,793,762	11,793,762	11,793,762	11,793,762	11,793,762	70,762,574
	Programmatic Agreement- Historic Preservation Committee	175,461	116,974	-	-	-	-	292,435
	Programmatic Agreement- HPC Park Improvements	63,650	42,433	-	-	-	-	106,083
	Programmatic Agreement- Humanities Program	60,280	40,187	-	-	-	-	100,467
	Project-wide Art	622,830	794,280	794,280	794,280	794,280	794,280	4,594,230
	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	9,862,563	10,357,744	13,158,533	4,089,900	11,334,904	8,894,713	57,698,357
	Project-wide Fare Collection Design-Furnish-Install	2,408,440	2,408,440	2,408,440	2,408,440	2,408,440	2,408,440	14,450,640
	Real Estate Consultant	3,359,245	3,359,245	279,937	-	-	-	6,998,428
	Real Estate/Right-of-Way Acquisition	96,989,225	14,516,210	-	-	-	-	111,509,435
	ROW Engineering Support Services (including Mapping & Surveying)	1,579,370	1,447,756	-	-	-	-	3,027,126
	Safety & Security Certification Consultant	450,489	300,326	-	-	-	-	750,815
	VAR Equipment Design-Furnish-Install	4,915,068	4,915,068	4,915,068	4,915,068	4,915,068	4,915,068	29,490,411
	West Oahu Station Group (WOSG) Construction	34,664,053	3,903,371	-	-	-	-	38,567,424
	West Oahu Station Group (WOSG) Final Design	753,087	251,029	-	-	-	-	1,004,116
	West Oahu/Farrington Hwy Guideway (WOFH)	23,379,159	-	-	-	-	-	23,379,159
	West Side Utilities Clearance Issues	38,709,677	38,709,677	38,709,677	40,889,276	38,709,677	4,272,014	200,000,000
	Westside Construction Engrg & Inspection (CE&I) Services	8,202,830	8,202,830	8,202,830	8,202,830	8,202,830	1,367,138	42,381,287
Grand Total		\$ 768,699,748	\$ 667,551,819	\$ 885,049,970	\$ 432,868,888	\$ 452,917,286	\$ 204,528,381	\$ 3,411,616,093

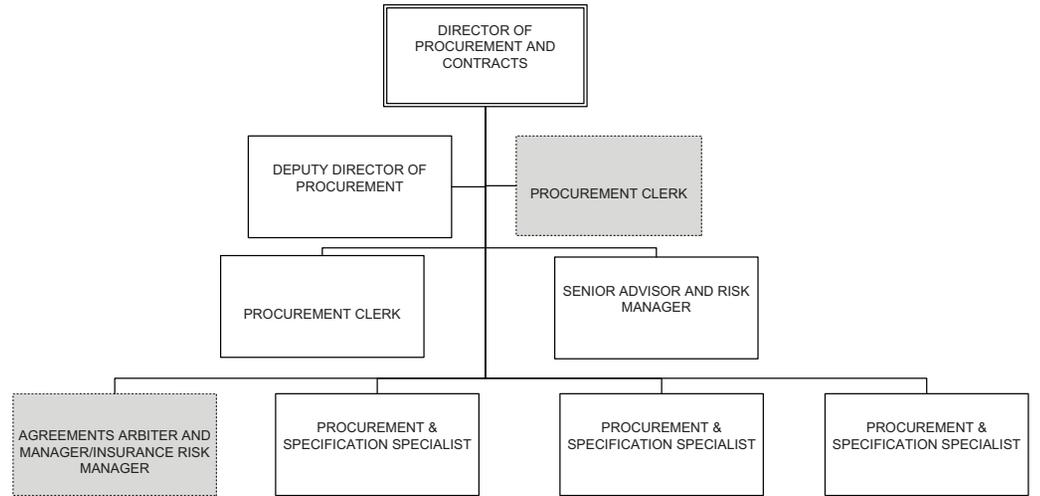
DESIGN AND CONSTRUCTION



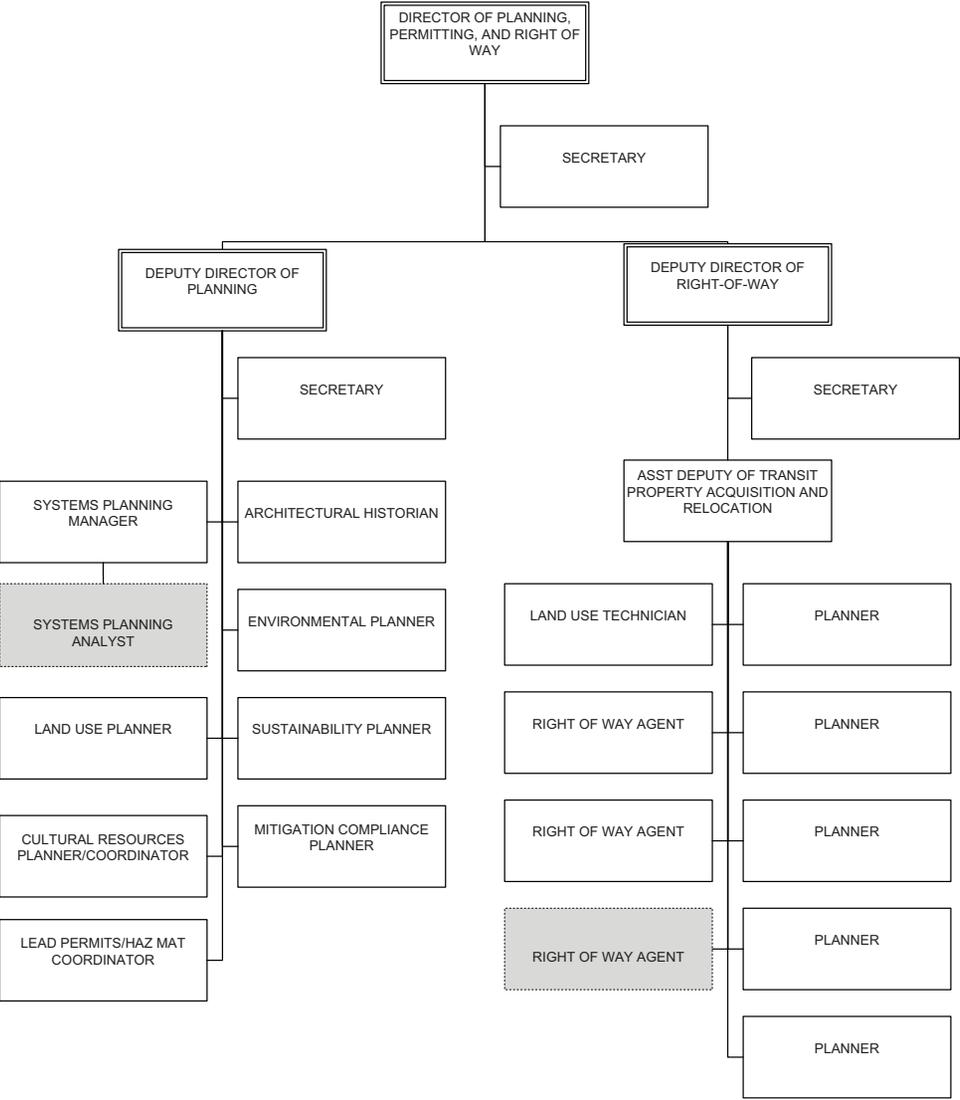
PUBLIC INFORMATION



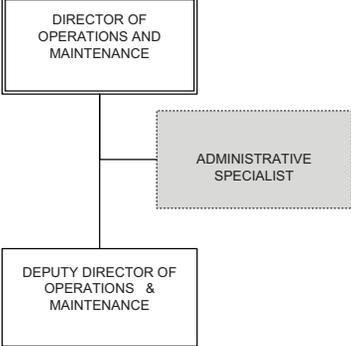
PROCUREMENT



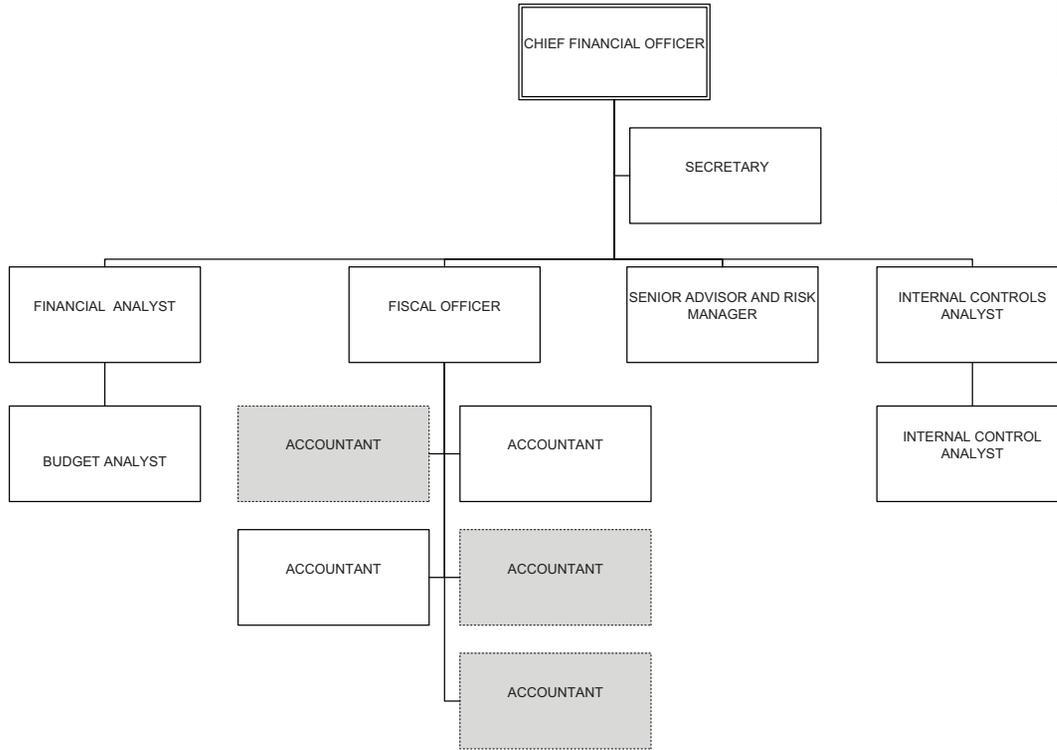
PLANNING, PERMITTING, AND RIGHT OF WAY



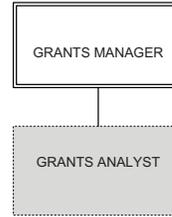
OPERATIONS AND MAINTENANCE



BUDGET AND FINANCE



GRANTS



PROJECT CONTROLS

