



MINUTES

**Finance Committee Meeting
Kapolei Hale, Conference Room B
1000 Uluohia Street, Kapolei, Hawaii
Thursday, May 31, 2018, 8:30 a.m.**

PRESENT:

Terri Fujii
Terrence Lee
John Henry Felix
Kamani Kuala'au

Ember Shinn
Wes Frysztacki
Glenn Nohara

**ALSO IN ATTENDANCE:
(Sign-In Sheet and Staff)**

Andrew Robbins
Charles "Sam" Carnaggio
Robert Yu
Randall Ishikawa
William Brennan
Nicole Chapman
Russell Yamanoha

Joyce Oliveira
Barbra Armentrout
Rick Keene
Chris Clark
Cindy Matsushita
Michelle Carter
Andrea Tantoco

I. Call to Order by Chair

Finance Chair Terri Fujii called the meeting to order at 8:34 a.m.

II. Public Testimony on all Agenda Items

Ms. Fujii asked for any public testimony. There was no one who asked to speak.

III. Approval of Minutes of November 06, 2017 Meeting Minutes of the Finance Committee

Ms. Fujii called for the approval of the minutes of the November 06, 2017 Finance Committee meeting. Committee member John Henry Felix moved to approve the minutes; member Terry Lee seconded the motion. All other members being in favor, the minutes were approved.

IV. Fiscal Year 2018 Capital Budget Re-Appropriation Request

A. Presentation

HART Chief Financial Officer Robert Yu stated that the reappropriation required Board action. He requested that the Committee reappropriate \$408 million of capital funds for the City Center Advanced Utilities Relocation package, which had been broken out of the canceled City Center

Guideway and Stations (CCGS) package to ensure that the project remains on schedule. Documents related to the request are attached hereto as Attachment A.

Ms. Fujii added that the reappropriation would not change the budgeted amount of the CCGS package, but just moved the funds from one year to the next; Mr. Yu agreed. Mr. Frysztacki asked for confirmation that no multi-year budget items were being changed; Mr. Yu confirmed that was the case, as the original CCGS package included utilities.

Ms. Shinn asked whether the reappropriation of the \$408 million would be part of the FY19 budget. Mr. Yu said it would not; staff was requesting that it be included in the FY18 appropriation, as the contract was expected to be awarded in March 2018.

Ms. Shinn moved to approve the reappropriation. Mr. Felix seconded the motion. All being in favor, the Committee approved the recommendation for reappropriation to the Board of Directors.

B. Public Hearing

Ms. Fujii opened the public hearing. Seeing no one wanting to testify, Ms. Fujii closed the public hearing.

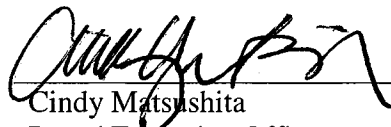
C. Decision Making

Ms. Shinn moved to approve the recommendation to reappropriate \$408 million to the FY18 capital budget. Mr. Felix seconded the motion. All being in favor, the recommendation was approved.

V. Adjournment

Ms. Fujii adjourned the meeting at 11:08 a.m.

Respectfully Submitted,


Cindy Matsushita
Board Executive Officer

Approved:


Terri Fujii Terrence Lee

11/15/18
Date

ATTACHMENT A

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2017 – 7

**APPROVING OPERATING AND CAPITAL BUDGETS
FOR FISCAL YEAR 2018 ENDING JUNE 30, 2018**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART or Authority) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (Charter); and

WHEREAS, the Charter empowers the Authority to prepare annual operating and capital budgets for the fixed guideway transit project and for the Authority's operations; and

WHEREAS, it is in the public interest that the Authority have spending plans for both operating and capital expenses to ensure that expenditures are properly controlled and accounted for in the fiscal year 2018; and

WHEREAS, HART prepared both Operating and Capital budgets for fiscal year 2018; and

WHEREAS, the Finance Committee of the Board of Directors (Board) has reviewed the line item details of the Operating and Capital Improvement Budgets, made recommendations, and approved the submittal of said Operating and Capital Improvement Budgets on November 10, 2016; and

WHEREAS, the Board has reviewed said Operating and Capital Improvement Budgets for the Authority; and

WHEREAS, the said Operating and Capital Improvement Budgets are fully funded by the Transit Fund; and

WHEREAS, the Charter empowers the Board to review, modify as necessary, and adopt annual Operating and Capital budgets which are more particularly described in the attached documents marked as Exhibit A and Exhibit B, for the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. Estimated revenues in the amount of \$34,934,625 are hereby appropriated from the Transit Fund for the Operating Budget for the fiscal year July 1, 2017 to June 30, 2018 for the following purposes:
 - \$ 16,175,900 Personnel
 - \$ 6,752,725 Current Expenses
 - \$ 6,000 Equipment
 - \$ 12,000,000 Interest Expense
 - \$ 34,934,625
2. Estimated revenues in the amount of \$440,990,400 are hereby appropriated from the Transit Fund for the Capital Improvement Budget for the fiscal year July 1, 2017 to June 30, 2018.

3. HART Resolution No. 2016-18 is amended by deleting Paragraph No.4; and
4. The Executive Director is hereby authorized to manage the revenues and expenditures of the Transit Fund's subsidiary fund accounts to ensure proper accounting of the monies pursuant to the standards for financial administration requirements of Title 49 Code of Federal Regulations Part 18; and
5. The Executive Director is hereby authorized to conduct the administrative affairs of the Authority in accordance with the Authority's Financial Policies utilizing the Operating and Capital Improvement Budgets established herein; and
6. This Resolution shall take effect on July 1, 2017.

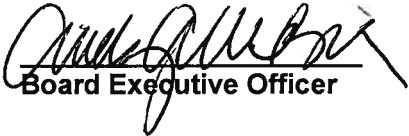
ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on
JUN 22 2017.

Exhibit A – Requested FY 2018 Operating Budget
Exhibit B – Requested FY 2018 Capital Improvement Program Budget



Board Chair

Attest:



Board Executive Officer

Honolulu Authority for Rapid Transportation
Operating Budget
for Fiscal Year ending June 30, 2018

Budget Description	FY 2017 Budget	FY 2018 Budget
Labor Costs		
Regular Pay	9,255,600	10,629,300
Overtime, Night Shift, Temp Assign Pay	95,000	200,000
Fringe Benefits	4,470,600	4,959,600
OPEB Contribution	292,000	386,000
Service or Merit Awards	1,000	1,000
Labor Costs Sub-total	14,114,200	16,175,900
Current Expenses		
Advertising, Publication of Notices	35,000	35,000
Audit Service Fee	80,000	80,000
Communication Services	142,500	158,500
Computer Software Maintenance Ageement	100,000	14,400
Fees (Memberships, Registration & Parking)	40,000	136,390
Insurance on Equip. & Gen. Liab.	73,000	73,000
Legal Services (& Claims Support)	250,000	250,000
Meals & Refreshments	6,500	6,500
Office & Computer Supplies	130,000	199,500
Other Repairs to Bldgs & Structures	5,000	5,000
Parts / Equip	188,300	194,300
Postage & Shipping	39,000	39,000
Printing & Binding	11,500	11,500
Professional Services Direct Reimb	2,070,800	2,117,955
Professional Services Other	170,000	553,000
R&M - Office Furniture & Equip	12,000	12,000
Rentals	1,739,167	2,415,600
Safety & Misc Supplies	6,000	6,000
Special Audit Services	-	250,000
Telephone	60,000	60,000
Transit Mitigation Fund	2,000,000	-
Travel Expense - Out-of-State	47,500	135,080
Current Expenses Sub-total	7,206,267	6,752,725
Equipment		
Equipment & Software	6,000	6,000
Equipment Sub-total	6,000	6,000
Debt Service		
Interest Expense	10,000,000	12,000,000
Debt Service Sub-total	10,000,000	12,000,000
Grand Total	31,326,467	34,934,625
Total Full-time Equivalent (FTE) Positions	139	137

