HART

HONOLULU AUTHORITY for RAPID TRANSPORTATION

IN REPLY REFER TO:
CMS-AP00-01394

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

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September 15, 2015

MEMORANDUM

TO: HART BOARD OF DIRECTORS

FROM: DANIEL A. GRABAUSKAS, EXECUTIVE DIRECTOR AND CEO

SUBJECT: FISCAL YEAR 2017 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) 2017 Operating and Capital Budgets, and Six-Year Capital Program in the amounts delineated below and in Exhibits A, B and C (as attached) and assumes GET surcharge extension and projected cost increase of $594 million.

Total FY 2017 Operating Budget.....$ 31,380,800
Total FY 2017 Capital Budget .....$116,681,000

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, 2015. HART's proposed FY 2017 budgets do not include any request of City general fund monies.

DANIEL A. GRABAUSKAS
Executive Director and CEO

Attachments

CITY AND COUNTY OF HONOLULU, Alii Place, Suite 1700, 1099 Alakea Street, Honolulu, Hawaii 96813
Phone: (808)768-6159 Fax: (808)768-5110 www.honolulutransit.org

**EXHIBIT A**

## Requested FY 2017 Operating Budget

**Honolulu Authority for Rapid Transportation**
**Requested Operating Expense Budget**
**For Fiscal Year 2017**

| Budget Description | 2016 Budget | 2017 Budget | Change From FY 2016 Budget Amount | % |
|---|---|---|---|---|
| Labor Costs | | | | |
| Regular Pay | 9,401,600 | 9,718,600 | 317,000 | 3.4% |
| Overtime, Night Shift, Temp Assign Pay | 53,000 | 53,000 | 0 | 0.0% |
| Accumulated Lump sum Vacation Pay | 42,000 | 42,000 | 0 | 0.0% |
| Fringe Benefits | 4,326,400 | 4,470,600 | 144,200 | 3.3% |
| Service or Merit Awards | 1,000 | 1,000 | 0 | 0.0% |
| OPEB Contribution | 195,000 | 292,000 | 97,000 | 49.7% |
| Labor Costs Sub-total | 14,019,000 | 14,577,200 | 558,200 | 4.0% |
| Current Expenses | | | | |
| Advertising, Publication of Notices | 45,000 | 35,000 | (10,000) | 0.0% |
| Audit Service Fee | 80,000 | 80,000 | 0 | 0.0% |
| Communication Svcs | 128,000 | 150,000 | 22,000 | 17.2% |
| Computer Software Maintenance Ageement | 100,000 | 100,000 | 0 | 0.0% |
| Fees (Memberships, Registration & Parking) | 50,000 | 50,000 | 0 | 0.0% |
| Insurance on Equip. & Gen. Liab. | 73,000 | 73,000 | 0 | 0.0% |
| Legal Services | 1,000,000 | 1,000,000 | 0 | 0.0% |
| Meals & Foods | 6,500 | 6,500 | 0 | 0.0% |
| Office & Computer Supplies | 150,000 | 130,000 | (20,000) | 0.0% |
| Other Fixed Charges (Stipend) | 500,000 | 0 | (500,000) | 0.0% ** |
| Other Repairs to Bldgs & Structures | 5,000 | 5,000 | 0 | 0.0% |
| Parts / Equip | 210,300 | 188,300 | (22,000) | 0.0% |
| Postage & Shipping | 39,000 | 39,000 | 0 | 0.0% |
| Printing & Binding | 1,500 | 11,500 | 10,000 | 666.7% |
| Professional Svcs. Direct Reimb | 2,031,500 | 2,070,800 | 39,300 | 1.9% |
| Professional Svcs. Other | 170,000 | 170,000 | 0 | 0.0% |
| R&M - Office Furniture & Equip | 12,000 | 12,000 | 0 | 0.0% |
| Rentals | 2,445,000 | 2,515,500 | 70,500 | 2.9% |
| Safety & Misc Supplies | 6,000 | 6,000 | 0 | 0.0% |
| Telephone | 40,000 | 60,000 | 20,000 | 50.0% |
| Travel Expense - Out-of-State | 95,000 | 95,000 | 0 | 0.0% |
| Relocation - New Hires | 0 | 0 | 0 | 0.0% |
| Current Expenses Sub-total | 7,187,800 | 6,797,600 | (390,200) | 0.0% |
| Equipment | | | | |
| Equipment & Software | 6,000 | 6,000 | 0 | 0.0% |
| Equipment Sub-total | 6,000 | 6,000 | 0 | 0.0% |
| **Total Operating Expenses** | **21,212,800** | **21,380,800** | **168,000** | **0.8%** |
| Debt Service | | | | |
| Interest Expense | 8,000,000 | 10,000,000 | 2,000,000 | 25.0% |
| Debt Service Sub-total | 8,000,000 | 10,000,000 | 2,000,000 | 25.0% |
| **Grand Total** | **29,212,800** | **31,380,800** | **2,168,000** | **7.4%** |
| Total Full-time Equivalent Positions | 139 | 139 | | |

**Stipends for FY 2017 reflected in FY 2017 Capital Budget Request

**EXHIBIT B**

## Requested FY 2017 Capital Budget

**Honolulu Authority for Rapid Transportation**
**FY 2017 Capital Budget**

| Cost Type | CPP Number | Contract Name | | Proposed FY 2017 |
|---|---|---|---|---|
| **Contract** | **DBB600** | Park-and-Ride Lots Construction | $ | 5,351,000 |
| | **HART201** | HART Expenses & ODC | $ | 20,000 |
| | **MI930** | Project-wide Elevator / Escalator Design-Furnish-Install-Op. | $ | 15,354,000 |
| | **MM913** | General Engineering Consultant, Construction (GEC-3) | $ | 15,197,000 |
| | **MM920** | HDOT Coordination Consultant - West Oahu/Farrington Section | $ | 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 |
| | **MM937** | ROW Engineering Support Services (inc. Mapping & Surveying) | $ | 1,498,000 |
| | **MM940** | Kako'o Consultant | $ | 400,000 |
| | **MM946** | On-Call Hazardous Materials (HazMat) Removal Contractor | $ | 1,075,000 |
| | **MM947** | On-Call Contractor 2 | $ | 1,000,000 |
| | **MM951** | Owner-Controlled Insurance Program (OCIP) Broker + Insurance | $ | 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 | $ | 750,000 |
| **Contract Total** | | | **$** | **62,681,000** |
| **Contingency** | **Cont.** | Contingency | $ | 54,000,000 |
| **Grand Total** | | | **$** | **116,681,000** |

**EXHIBIT C**

**Requested 6-Year Capital Program FY 2017-2022**

**Honolulu Authority for Rapid Transportation**
**6-Year Capital Program FY 2017-2022**

| Cost Type | CPP Number | Contract Name | Proposed FY 2017 | Proposed FY 2018 | Proposed FY 2019 | Proposed FY 2020 | Proposed FY 2021 | Proposed FY 2022 | 6-Year Total FY 2017-2022 |
|---|---|---|---|---|---|---|---|---|---|
| Contract | DBB600 | Park-and-Ride Lots Construction | $5,351,000 | $0 | $0 | $0 | $0 | $0 | $5,351,000 |
| | HART201 | HART Expenses & ODC | $20,000 | $20,000 | $0 | $0 | $0 | $0 | $40,000 |
| | MI930 | Project-wide Elevator / Escalator Design-Furnish-Install-Op. | $15,354,000 | $13,713,000 | $0 | $0 | $0 | $0 | $29,067,000 |
| | MM913 | General Engineering Consultant, Construction (GEC-3) | $15,197,000 | $0 | $0 | $0 | $0 | $0 | $15,197,000 |
| | MM920 | HDOT Coordination Consultant - West Oahu/Farrington Section | $750,000 | $0 | $0 | $0 | $0 | $0 | $750,000 |
| | MM921 | HDOT Coordination Consultant – Kamehameha Section | $1,000,000 | $0 | $0 | $0 | $0 | $0 | $1,000,000 |
| | MM922 | HDOT Coordination Consultant - Airport Section | $2,000,000 | $0 | $0 | $0 | $0 | $0 | $2,000,000 |
| | MM930 | HDOT State Safety Oversight Agency (SOA) Consultant | $591,000 | $0 | $0 | $0 | $0 | $0 | $591,000 |
| | MM937 | ROW Engineering Support Services (inc. Mapping & Surveying) | $1,498,000 | $0 | $0 | $0 | $0 | $0 | $1,498,000 |
| | MM940 | Kako'o Consultant | $400,000 | $0 | $0 | $0 | $0 | $0 | $400,000 |
| | MM946 | On-Call Hazardous Materials (HazMat) Removal Contractor | $1,075,000 | $0 | $0 | $0 | $0 | $0 | $1,075,000 |
| | MM947 | On-Call Contractor 2 | $1,000,000 | $0 | $0 | $0 | $0 | $0 | $1,000,000 |
| | MM951 | Owner-Controlled Insurance Program (OCIP) Broker + Insurance | $8,000,000 | $8,000,000 | $2,970,000 | $0 | $0 | $0 | $18,970,000 |
| | MM962 | Core Systems Contract Oversight Consultant | $8,770,000 | $8,770,000 | $8,770,000 | $0 | $0 | $0 | $26,310,000 |
| | MM964 | Safety & Security Certification Consultant | $800,000 | $0 | $0 | $0 | $0 | $0 | $800,000 |
| | MM975 | LEED Commissioning Services for MSF | $15,000 | $0 | $0 | $0 | $0 | $0 | $15,000 |
| | PA101 | Programmatic Agreement– Humanities Program | $110,000 | $0 | $0 | $0 | $0 | $0 | $110,000 |
| | PA103 | Programmatic Agreement– HPC Park Improvements | $750,000 | $0 | $0 | $0 | $0 | $0 | $750,000 |
| **Contract Total** | | | **$62,681,000** | **$30,503,000** | **$11,740,000** | **$0** | **$0** | **$0** | **$104,924,000** |
| **Contingenc** | **Cont.** | Contingency | $54,000,000 | $140,000,000 | $53,000,000 | $36,000,000 | $86,000,000 | $0 | $369,000,000 |
| **Grand Total** | | | **$116,681,000** | **$170,503,000** | **$64,740,000** | **$36,000,000** | **$86,000,000** | **$0** | **$473,924,000** |