

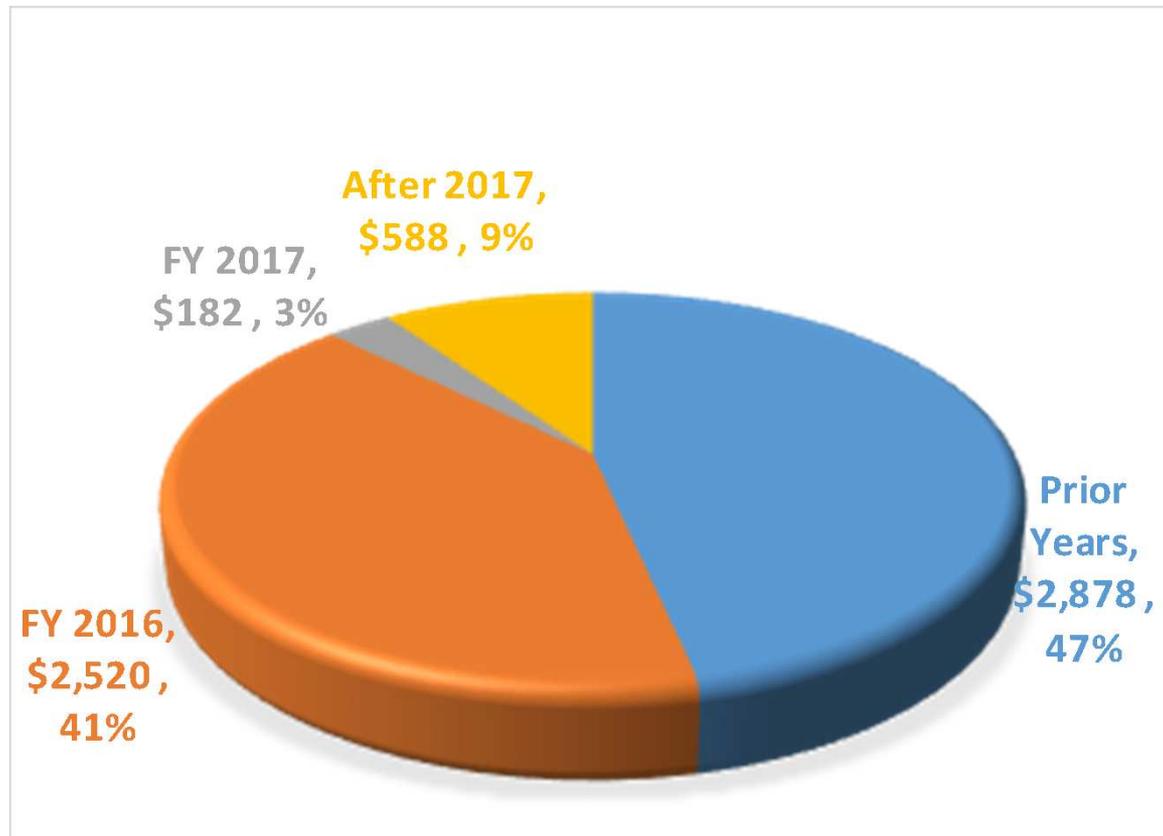
FY 2017 Capital and Operating Budget

November 24, 2015

Schedule

Date	Meeting	Action
September 15, 2015	N/A	<ul style="list-style-type: none"> a. Requested FY 2017 Operating & Capital Budgets and Six-Year Capital Program submitted to Board of Directors by Executive Director b. Board Chair refers to Finance Committee
September 24, 2015	Finance Committee	<ul style="list-style-type: none"> a. Presentation of FY 2017 Operating & Capital Budgets and Six-Year Capital Program b. Public hearing
November 24, 2015	Finance Committee	<ul style="list-style-type: none"> a. Decision making re: approval to transmit FY 2017 Operating & Capital Budgets to Mayor and City Council for input b. If approved, FY 2017 Operating & Capital Budgets transmitted to Mayor and Council by December 1, 2015. c. Approval of Six-Year Capital Program
By December 1, 2015	Finance Committee	<ul style="list-style-type: none"> a. Transmittal of the approved FY 2017 Operating & Capital Budgets to the City through the Executive Director by December 1st
January 2016	HART and City Council	<ul style="list-style-type: none"> a. Update of FY 2016 Capital Budget per Bill 23 passage
January-June, 2016	City Council	<ul style="list-style-type: none"> b. City Council Budget Committee review of FY 2017 Operating & Capital Budgets c. City Council review of FY 2017 Operating & Capital Budgets completed by mid-June 2016
By June 30, 2016	Board	<ul style="list-style-type: none"> a. Public hearing on FY 2017 Operating & Capital Budgets b. Decision making re: adoption of FY 2017 Operating & Capital Budgets via resolution

CIP Appropriation Summary



\$ in millions

FY 2017 CIP

Cost Type	CPP Number	Contract Name	Proposed FY 2017
Contract	DBB600	Park-and-Ride Lots Construction	\$ 7,351,000
	MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	\$ 15,354,000
	MM290	Westside Construction Engrg & Inspection (CE&I) Services	\$ 5,923,000
	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
	MM940	Kako'o Consultant	\$ 400,000
	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	\$ 113,000
Contract Total			\$ 52,177,000
Contingency	Contingency	Project Contingency	\$ 70,000,000
Contingency	Contingency	Unallocated Contingency	\$ 60,122,000
Contingency Total			130,122,000
Grand Total			\$ 182,299,000

Six Year CIP

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	7,351,000	0	0	0	0	0	7,351,000
	MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	15,354,000	13,713,000	0	0	0	0	29,067,000
	MM290	Westside Construction Engrg & Inspection (CE&I) Services	5,923,000	0	0	0	0	0	5,923,000
	MM901	Program Management Support Consultant 2 (PMSC-2)	0	14,298,000	0	0	0	0	14,298,000
	MM913	General Engineering Consultant, Construction (GEC-3)	0	15,197,000	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
	MM940	Kako'o Consultant	400,000	0	0	0	0	0	400,000
	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	113,000	0	0	0	0	0	113,000
Contract Total			52,177,000	59,978,000	11,740,000	0	0	0	123,895,000
Contingency	Contingency	Project Contingency	70,000,000	103,123,000	53,000,000	36,000,000	54,000,000	32,000,000	348,123,000
		Unallocated Contingency	60,122,000	88,572,000	45,521,000	30,920,000	46,380,000	27,485,000	299,000,000
Contingency Total			130,122,000	191,695,000	98,521,000	66,920,000	100,380,000	59,485,000	647,123,000
Grand Total			182,299,000	251,673,000	110,261,000	66,920,000	100,380,000	59,485,000	771,018,000

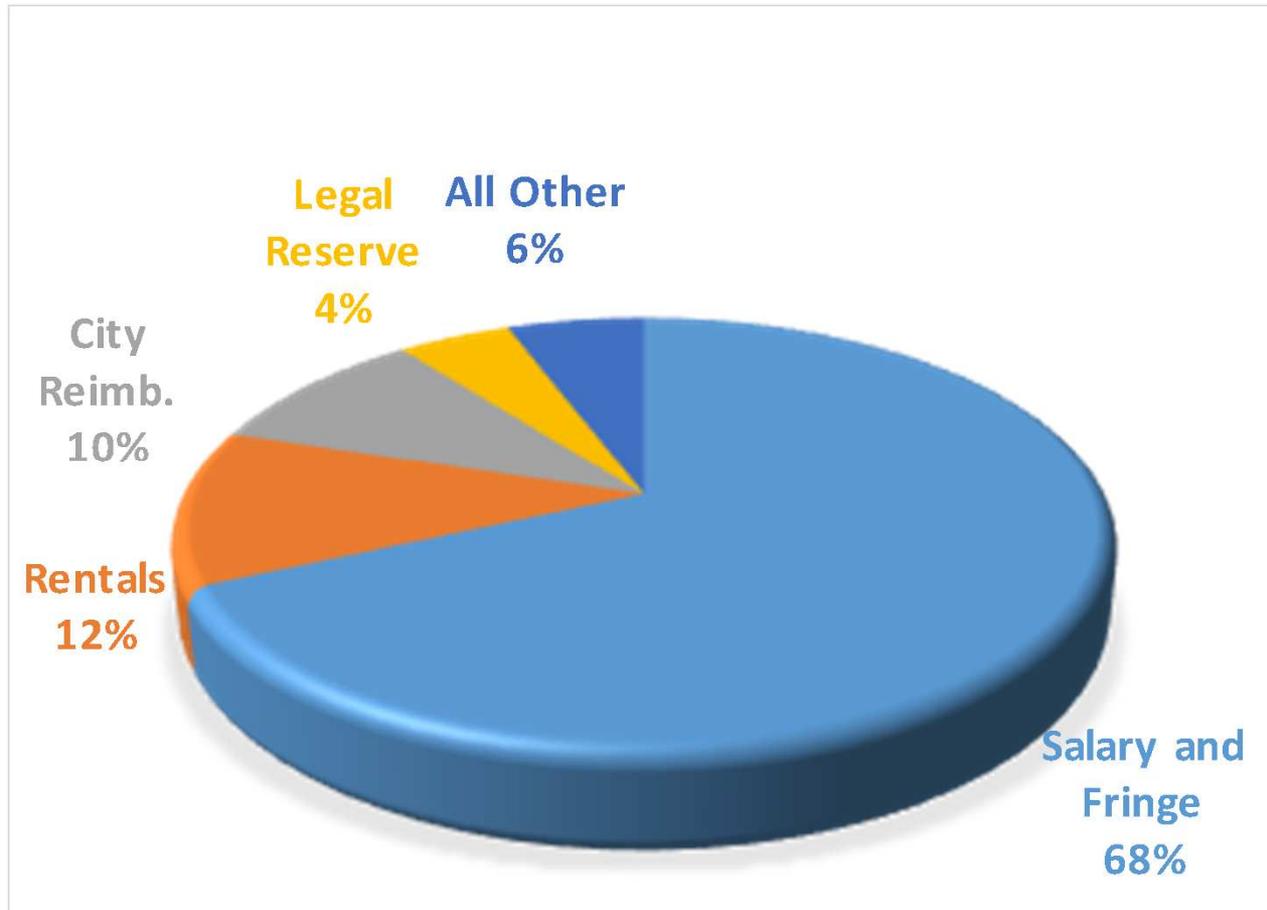
Potential FY 2016 Re-Appropriations

- By Board Policy budget authorization is for 1 year, lapsing on June 30th.
- If contracts are not awarded by June 30, 2016, then those costs will need to be re-appropriated from FY 2016 to FY 2017 by the HART Board of Directors.
- FY 2017 Budgets also coming back to HART Board by 6/30/2016 for adoption.

FY 2016 CIP Update

Cost Type	CPP Number	Contract Name	Approved FY 2016 Appropriations	Revised FY 2016 Appropriations	Change
Contract	ART	Project-wide Art	5,500,000	5,000,000	-500,000
	DB275	Pearl Highlands Garage, Bus erminal (PHTG) + H2 Ramp DB	191,423,500	130,000,000	-61,423,500
	DB450	Airport section Guideway and Station Group (AGSG) DB	425,146,800	690,000,000	264,853,200
	DB550	City Center Section Guideway and Station Group (CCGS) DB	443,165,400	720,000,000	276,834,600
	DBB171	West Oahu Station Group (WOSG) Construction	58,494,000	56,088,470	-2,405,530
	DBB371	Kamehameha Highway Station Group (KHSG) Construction	82,338,285	108,106,000	25,767,715
	DBB510	City Center Section Utilities Construction	63,025,100	0	-63,025,100
	DBB511	Dillingham Utilities and Roadway	0	76,000,000	76,000,000
	FD600	Park-and-Ride Lots Final Design	2,465,900	795,900	-1,670,000
	HART201	HART Expenses & ODC	20,000	20,000	0
	MI900	Project-wide Fare Collection Design-Furnish-Install	10,000,000	21,000,000	11,000,000
	MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	16,474,000	16,474,000	0
	MM913	General Engineering Consultant, Construction (GEC-3)	8,233,500	8,233,500	0
	MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	5,613,000	5,613,000	0
	MM921	HDOT Coordination Consultant – Kamehameha Section	2,600,000	2,600,000	0
	MM922	HDOT Coordination Consultant - Airport Section	1,400,000	1,400,000	0
	MM930	HDOT State Safety Oversight Agency (SOA) Consultant	421,000	421,000	0
	MM940	Kako'o Consultant	100,000	100,000	0
	MM947	On-Call Contractor 2	0	7,500,000	7,500,000
	MM950	Owner-Controlled Insurance Program (OCIP) Consultant	208,100	416,250	208,150
	MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	5,000,000	8,000,000	3,000,000
	MM962	Core Systems Contract Oversight Consultant	8,078,000	8,078,000	0
	MM964	Safety & Security Certification Consultant	1,400,000	1,400,000	0
	PA102	Programmatic Agreement– Historic Preservation Committee	200,000	200,000	0
	ROW	Real Estate/Right-of-Way Acquisition	168,200,000	168,200,000	0
	UTIL	New Utilities or Relocations by Private Utility Owners	34,000,000	34,000,000	0
Contract Total			1,533,506,585	2,069,646,120	536,139,535
Contingency	Contingency	Contingency	250,000,000	450,000,000	200,000,000
Contingency Total			250,000,000	450,000,000	200,000,000
Grand Total			1,783,506,585	2,519,646,120	736,139,535

FY 2017 Operating Budget



Total Operating Cost \$21,380,800

*Excludes Debt Service

FY 2017 Operating Budget

Budget Description	2016	2017	Change From FY 2016 Budget	
	Budget	Budget	Amount	%
Labor Costs				
Regular Pay	9,401,600	9,718,600	317,000	3.4%
Fringe Benefits	4,326,400	4,470,600	144,200	3.3%
OPEB Contribution	195,000	292,000	97,000	49.7%
All Other	96,000	96,000	0	0.0%
Labor Costs Sub-total	14,019,000	14,577,200	558,200	4.0%
Current Expenses				
Changes:				
Rentals	2,445,000	2,515,500	70,500	2.9%
Professional Svcs. Direct Reimb	2,031,500	2,070,800	39,300	1.9%
Other Fixed Charges (Stipend)	500,000	0	(500,000)	-100.0%
Cleanup:				
Office & Computer Supplies	150,000	130,000	(20,000)	-13.3%
Telephone	40,000	60,000	20,000	50.0%
Parts / Equip	210,300	188,300	(22,000)	-10.5%
Communication Svcs	128,000	150,000	22,000	17.2%
Advertising, Publication of Notices	45,000	35,000	(10,000)	-22.2%
Printing & Binding	1,500	11,500	10,000	666.7%
All Other	1,642,500	1,642,500	0	0.0%
Current Expenses Sub-total	7,193,800	6,803,600	(390,200)	-5.4%
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%

Operating Budget History

Row Labels	FY 2014	FY 2015				FY 2016	FY 2017	Change	%
	Actual	Budget	Actual	Variance	% Expended	Budget	Budget	From FY 16	Change
Labor Cost	11,268,354	13,843,425	11,664,110	-2,179,315	84%	14,019,000	14,577,200	558,200	4%
Regular Pay	7,448,730	9,414,755	7,755,444	-1,659,311	82%	9,401,600	9,718,600	317,000	3%
Overtime, Night Shift, Temp Assign Pay	118,849	68,500	148,163	79,663	216%	53,000	53,000	0	0%
Accumulated Lump sum Vacation Pay	163,568	26,500	2,866	-23,634	11%	42,000	42,000	0	0%
Fringe Benefits	3,537,207	4,332,670	3,757,566	-575,104	87%	4,326,400	4,470,600	144,200	3%
Service or Merit Awards	0	1,000	71	-929	7%	1,000	1,000	0	0%
OPEB Contribution	0	0	0	0	0%	195,000	292,000	97,000	50%
Current Expense	5,188,240	7,631,604	4,056,139	-3,575,465	53%	7,187,800	6,797,600	-390,200	-5%
Advertising, Publication of Notices	27,672	45,000	21,659	-23,341	48%	45,000	35,000	-10,000	-22%
Audit Service Fee	62,530	60,000	56,000	-4,000	93%	80,000	80,000	0	0%
Communication Svcs	113,424	170,000	147,669	-22,331	87%	128,000	150,000	22,000	17%
Computer Software Maintenance Agreement	52,121	58,000	37,749	-20,251	65%	100,000	100,000	0	0%
Fees (Memberships, Registration & Parking)	42,414	50,000	47,206	-2,794	94%	50,000	50,000	0	0%
Insurance on Equip. & Gen. Liab.	126,490	73,000	65,647	-7,353	90%	73,000	73,000	0	0%
Legal Services	646,961	1,202,354	33,939	-1,168,415	3%	1,000,000	1,000,000	0	0%
Meals & Foods	9,780	6,500	6,199	-301	95%	6,500	6,500	0	0%
Office & Computer Supplies	51,089	150,000	51,226	-98,774	34%	150,000	130,000	-20,000	-13%
Other Fixed Charges	0	500,000	0	-500,000	0%	500,000	0	-500,000	-100%
Other Repairs to Bldgs & Structures	316	300,000	0	-300,000	0%	5,000	5,000	0	0%
Parts / Equip	97,636	210,300	11,253	-199,048	5%	210,300	188,300	-22,000	-10%
Postage & Shipping	3,628	39,000	9,002	-29,998	23%	39,000	39,000	0	0%
Printing & Binding	6,325	1,500	9,350	7,850	623%	1,500	11,500	10,000	667%
Professional Svcs. Direct Reimb	1,325,875	2,044,307	1,227,062	-817,245	60%	2,031,500	2,070,800	39,300	2%
Professional Svcs. Other	189,481	190,000	18,313	-171,687	10%	170,000	170,000	0	0%
R&M - Office Furniture & Equip	184	12,000	3,329	-8,671	28%	12,000	12,000	0	0%
Rentals	2,305,581	2,378,643	2,172,228	-206,416	91%	2,445,000	2,515,500	70,500	3%
Safety & Misc Supplies	2,550	6,000	3,105	-2,895	52%	6,000	6,000	0	0%
Telephone	24,623	40,000	54,676	14,676	137%	40,000	60,000	20,000	50%
Travel Expense - Out-of-State	99,560	95,000	80,527	-14,473	85%	95,000	95,000	0	0%
Equipment	53,402	6,000	399	-5,601	0	6,000	6,000	0	0
Debt Service	0	0	0	0	0	8,000,000	10,000,000	2,000,000	0
Grand Total	16,509,996	21,481,029	15,720,648	-5,760,381	73%	29,212,800	31,380,800	2,168,000	7%

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Questions?

Extra Slides

- The following slides are to answer questions
- They are not part of the formal presentation

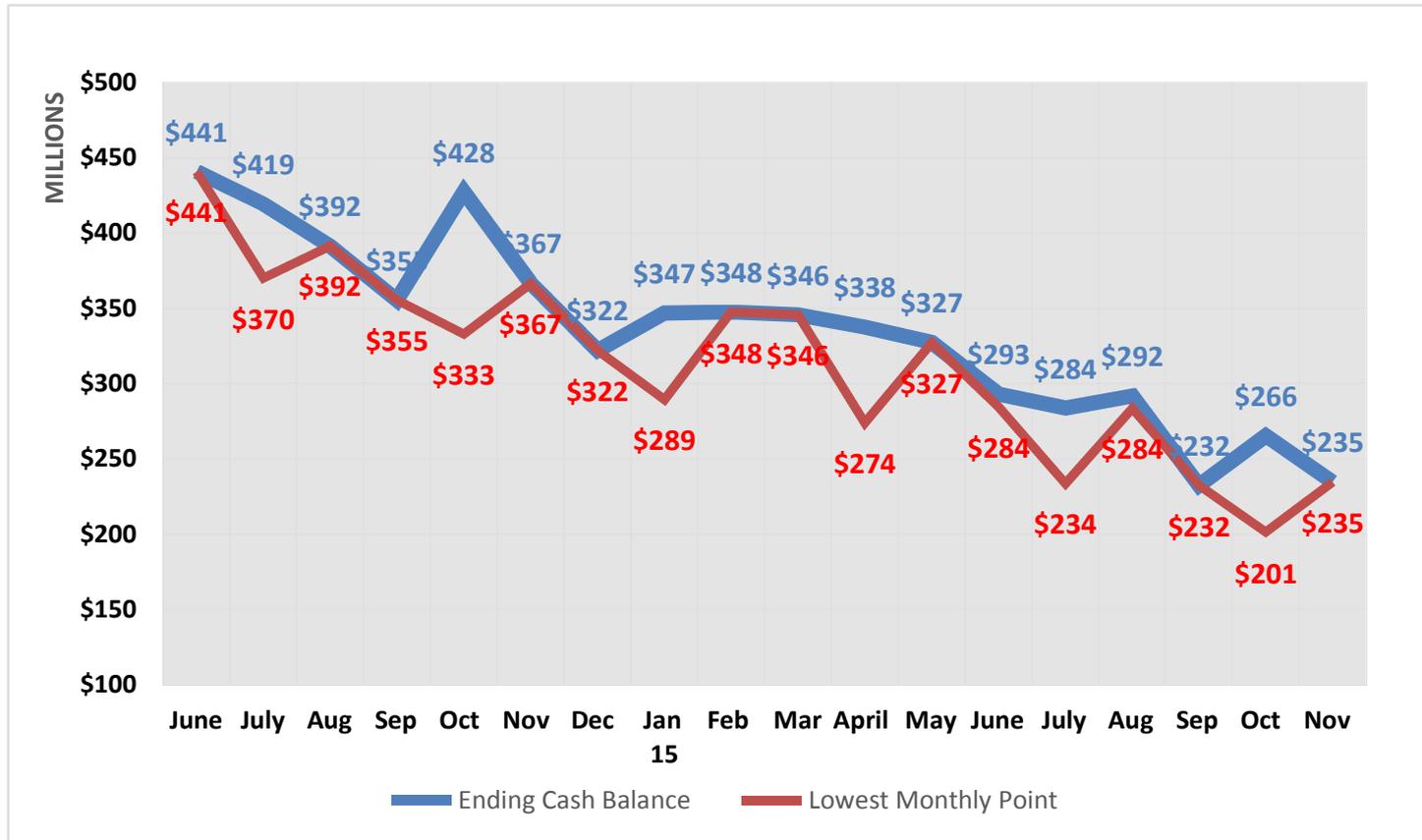
Cash Flow / Debt Schedule

Table A-1, Capital Plan Cash Flows @ 4% GET Surcharge Growth Rate

(\$ in millions)

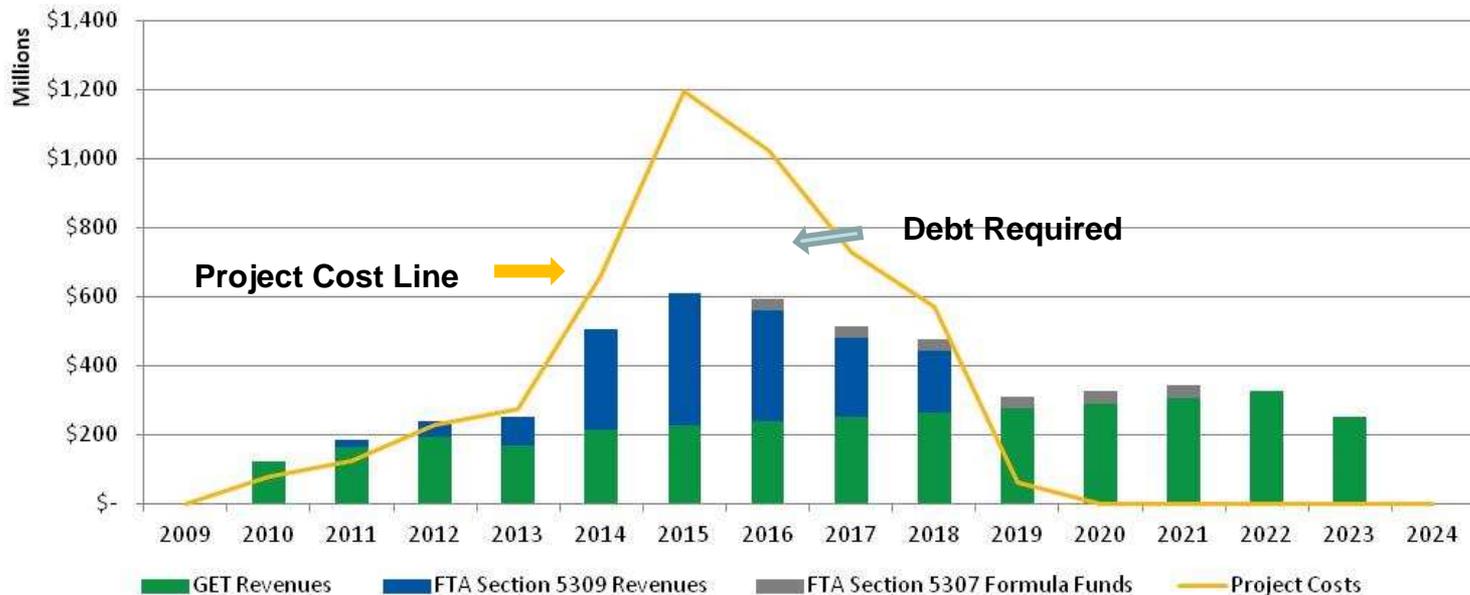
	Project		Fiscal Years:												
	Total	To Date	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Cash Balance	\$298	\$298	\$293.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0	\$50.0
Project Funding Sources:															
G.E.T.	\$4,815	\$1,091	\$233.4	\$239.5	\$249.1	\$259.0	\$269.4	\$280.2	\$291.4	\$303.0	\$315.1	\$327.8	\$340.9	\$354.5	\$261.2
Federal Grant	\$1,550	\$411	\$223.7	\$302.8	\$283.0	\$215.2	\$114.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Federal 5307	\$0	\$0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
All Other	\$6	\$5	\$0.5	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue	\$6,371	\$1,507	\$457.5	\$542.5	\$532.1	\$474.2	\$383.5	\$280.2	\$291.4	\$303.0	\$315.1	\$327.8	\$340.9	\$354.5	\$261.2
Debt Proceeds															
TECP (net) Max \$350 m	\$0	\$0	\$96.3	\$141.3	\$43.5	\$15.0	(\$18.9)	\$67.6	(\$45.8)	(\$11.4)	(\$24.0)	(\$37.4)	(\$51.6)	(\$66.7)	(\$107.9)
Variable Bonds	\$252	\$0	\$0.0	\$251.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fixed Rate Bonds	\$1,127	\$0	\$0.0	\$76.0	\$502.7	\$238.7	\$309.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Less Issuance Costs	(\$9)	\$0	\$0.0	(\$2.7)	(\$2.7)	(\$1.7)	(\$1.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Debt Proceeds	\$1,370	\$0	\$96.3	\$466.3	\$543.5	\$252.0	\$289.1	\$67.6	(\$45.8)	(\$11.4)	(\$24.0)	(\$37.4)	(\$51.6)	(\$66.7)	(\$107.9)
Total Project Sources	\$7,741	\$1,507	\$553.8	\$1,008.8	\$1,075.6	\$726.2	\$672.6	\$347.8	\$245.6	\$291.6	\$291.1	\$290.4	\$289.3	\$287.8	\$153.3
Project Uses:															
Construction	\$4,555	\$900	\$615.9	\$805.7	\$763.8	\$615.4	\$600.4	\$230.9	\$23.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Design	\$187	\$143	\$31.6	\$7.7	\$4.2	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
ROW / Utilities	\$511	\$105	\$106.6	\$146.6	\$109.8	\$43.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Program-Wide	\$346	\$218	\$21.7	\$21.1	\$20.7	\$18.7	\$18.5	\$18.5	\$9.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
HART / City	\$190	\$70	\$19.0	\$21.4	\$20.0	\$19.4	\$16.5	\$16.2	\$7.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Planning	\$81	\$77	\$1.9	\$1.4	\$0.5	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Project Costs	\$5,870	\$1,512	\$796.8	\$1,003.8	\$919.0	\$697.0	\$635.3	\$265.6	\$40.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debt Svcs Principal	\$1,379	\$0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$16.6	\$120.5	\$211.8	\$217.8	\$224.0	\$230.4	\$236.9	\$121.0
Debt Service Interest	\$310	\$0	\$0.1	\$5.0	\$16.6	\$29.2	\$37.3	\$45.6	\$45.0	\$39.8	\$33.3	\$26.4	\$18.9	\$10.9	\$1.8
Transfer to Reserve	\$140	\$0	\$0.0	\$0.0	\$140.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Transfer from Reserve	(\$140)	\$0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$140.0)
Other Debt Service Fees	\$0	\$0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Debt Service	\$1,689	\$0	\$0.1	\$5.0	\$156.6	\$29.2	\$37.3	\$62.2	\$165.4	\$251.6	\$251.1	\$250.4	\$249.3	\$247.8	(\$17.2)
Reserves: net of interest	\$288	\$0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$20.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$28.0
Total Project Uses	\$7,847	\$1,512	\$796.9	\$1,008.7	\$1,075.6	\$726.2	\$672.6	\$347.8	\$245.6	\$291.6	\$291.1	\$290.4	\$289.3	\$287.8	\$10.8
Net Current Change	(\$105)	(\$5)	(\$243.0)	\$0.1	(\$0.0)	\$0.0	\$0.0	(\$0.0)	(\$0.0)	\$0.0	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$142.5
Ending Cash Balance	\$193	\$293	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$193

Cash Balances



As of November 13, 2015

Project Needs Debt Financing



- Debt financing for project needed to meet project cash flow requirements to be funded by G.E.T. Surcharge revenues.
- G.E.T. Surcharge used to payoff project debt.

Office Rental Costs

- In 2010, City negotiated HART's office space lease at \$2.72 per square foot
 - Lower cost and available space than leasing in Kapolei at \$3.86 per sq. ft.
- Current lease rate is \$2.92 per sq. ft. vs. current Downtown average of \$2.91 per sq. ft.