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**From:** Scheibe, Mark  
**To:** James.Ryan@dot.gov  
**Sent:** 8/8/2009 8:09:26 AM  
**Subject:** RE: Honolulu Financial Plan

Jim,

Thanks.

To confirm, you and Ben are going to start reviewing the "old" May report, followed by a review of the "new" May report? I'll get you and Ben the Excel files as quickly as I can; I don't have them in my possession but our financial folks are working through the weekend so I should be able to get them.

To clarify what we're changing: we're substituting the Jacobs costs in YOE dollars for our own. Since we're using their escalation assumptions the escalation discussion (and Appendix) in the "old" May report is superfluous. We are also updating the GET estimate based on collections as of the end of the City/State FY 2009 (June 30). We are not changing our assumed GET growth rates into the future but by changing the base there will be a trickle effect through the remaining years. As I think I mentioned earlier the FY 2009 surcharge amount came in a bit higher than we had previously estimated so the total estimated GET surcharge through the end of its life will be somewhat higher than in the "old" May report. This will enable us to lessen the amount of additional 5307 funds that we'll need to accommodate the higher cost, perhaps even eliminate the need to add more 5307 funds. However to the extent that we do allocate more 5307 funds to the New Starts project capital plan it'll have ripple effects through the operating plan and the capital plan for transit expansion and replacement. So a variety of numbers may change even though the only "significant" change is in the rail project capital cost.

Mark

-----Original Message-----

**From:** James.Ryan@dot.gov [mailto:James.Ryan@dot.gov]  
**Sent:** Saturday, August 08, 2009 4:55 AM  
**To:** Scheibe, Mark  
**Subject:** RE: Honolulu Financial Plan

Mark:

I heard back from Ben last night. He's off visiting relatives through Monday evening and won't have a chance to look at anything before Tuesday morning. He also prefers to get the cash-flow spreadsheets at the same time as the rest of the report to minimize the chance of wasted effort on his part if one or the other of them changes.

But, he also says that he'll get going with the May version on Tuesday morning:

I will start with a detailed review of the May financial plan. That will help get me back up to speed (I've spent no time on it since the conference call -- was that June?). I need an Excel file with all the tables and appendices in the May plan, ASAP. I'll get going on this in advance of the updated plan because I understand your e-mail to say Honolulu is not changing the May plan but for the higher capital cost.

So, you can help move things along by sending him the Excel file(s) for the May version. While you probably already have it, his e-mail address is bporter@porter-inc.com <mailto:bporter@porter-inc.com> .

Ben projects completion by August 25 with the caveat that he'll need prompt responses from you folks on any questions or information requests. And he promises an early indication by the end of next week if he thinks that there are serious issues with the plan.

That's about as good a response as we could hope for, I think.

Let me know if there's anything else.

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Jim

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From: Scheibe, Mark [mailto:Scheibe@pbworld.com]  
Sent: Fri 8/7/2009 3:01 PM  
To: Ryan, James (FTA)  
Subject: Honolulu Financial Plan

Jim,

Would you be willing to pass new information to Ben Porter in a couple of pieces, since he is already familiar with the May Financial Plan? We'll have new Cash Flow tables (Appendix A) perhaps by the end of today, certainly by Monday, but changing text, tables and figures in the body of the report will take a couple more days beyond that. Obviously I don't know how quickly Ben is able to jump into this, so it may be a moot issue.

Also, please remember that the updated plan will not address the recommendations that were cited in the prior two financial assessments since we weren't aware of them when the May plan was prepared.

Mark

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