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CMS APOOVRT-00047

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

This document contains Proposals #92-#95

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October 29, 2015

Mr. Jesse K. Souki, Chair
Charter Commission
City and County of Honolulu
530 South King Street, Room 501
Honolulu, Hawaii 96813

Dear Mr. Souki:

Attached please find a copy of the Honolulu Authority for Rapid Transportation's (HART) Report of the Permitted Interaction Group (Group) Appointed to Recommend Charter Amendments. Please note that as the Group made this report to the HART Board of Directors at its most recent meeting on October 15, 2015, the Board has not yet had an opportunity to act upon the Group's recommendations.

Thank you,

Donald G. Horner
Chair
HART Board of Directors

Enclosure

cc: HART Board of Directors



**REPORT OF PERMITTED INTERACTION GROUP
APPOINTED TO RECOMMEND CHARTER AMENDMENTS
October 15, 2015**

Pursuant to Section 92-2.5(b) of the Hawaii Revised Statutes, on September 24, 2015, at a duly noticed meeting of the Board of Directors, the Board established a permitted interaction group ("Group") consisting of Donald G. Horner, Ivan Lui-Kwan, Michael Formby, Colleen Hanabusa, and Terrence Lee. The purpose of the Group was to investigate and make a recommendation regarding suggestions for potential amendments to the City and County of Honolulu Charter Commission ("Charter Commission"). The Charter Commission, which was appointed pursuant to Section 15-105 of the Revised Charter of the City & County of Honolulu 1973, as amended ("Charter"), has requested that the Honolulu Authority for Rapid Transportation ("HART") provide it with recommended Charter amendments pertaining to HART.

The Group met on October 13, 2015. The Group discussed possible Charter amendment topics, which included the consolidation of the TheBus, TheHandi-Van, and rail into one entity and the implementation of same, setting forth qualification requirements for members of HART's Board of Directors, clarification of HART's budget process and operational revenues, and HART's financing capacity.

The Group discussed at length the topic of one unified transit entity, separate and aside from existing entities, that would encompass TheBus, TheHandi-Van, and rail. While all members agreed that it was desirable to have one transit entity, there was much discussion regarding when and how the entity would come into existence. There was general agreement that the entity should not be established while the rail project was under construction, due to concerns about disruption of the project. Members also engaged in a lengthy discussion regarding the type of entity, as well as the responsibilities of the entity.

The Group determined that the appointment of a transitional committee to oversee the formation of a unified transit entity would be desirable. The duties of such a committee were discussed, as was its possible makeup and when the committee would be needed.

The Group makes the following recommendations to be presented to the full Board of Directors as proposed submissions to the Charter Commission:

- Proposal #92** 1. TheBus, TheHandi-Van and rail should be under one authority, separate and aside from existing entities, which will operate and maintain the three transportation modes. The authority is to be established when there is a need for City funds for the operating and maintenance of rail.
- Proposal #93** 2. A transition committee should be appointed to recommend the following:

- a. The best governance structure and process for implementation of the unified transit authority, including among other things the operating budget process for the authority.
- b. How the Charter should be amended to reflect that the Mayor and City Council have approval authority over the transit authority's budgets.
- c. Qualifications for members of the transit authority.

The committee shall be comprised of four City Council appointees and four mayoral appointees and a ninth member to be appointed by the other committee members. This committee will make recommendations for appropriate Charter amendments to the mayor and council for approval and submission to the electorate at a general election following 2016.

Proposal #94 3. Amend Charter Section 17-106 as follows:

Section 17-106. Rates, Revenues and Appropriations –

The board shall fix and adjust reasonable rates and charges for the fixed guideway system so that the revenues derived therefrom, in conjunction with revenues received from the general excise and use tax surcharge, from the federal government, ~~and~~ from the revenue-generating properties of the authority ~~and from other whatever funds~~ revenues the Council may authorize, shall be sufficient or as nearly sufficient as possible, to support the fixed guideway system and the authority. The authority shall submit a line-item appropriation request for ~~each of its proposed operating and~~ capital budgets for the ensuing fiscal year to the council through the office of the mayor by December 1st of each year. The office of the mayor shall submit the authority's line-item appropriation requests without alteration or amendment. The council shall, with or without amendments, approve the authority's appropriation requests. (Reso. 09-252).

Proposal #95 4. Amend Charter Section 17-103 as follows:

Section 17-103. Powers, Duties, and Functions –

3. The board shall:

- (a) Have the authority to issue ~~revenue~~ bonds under the name of "Honolulu Authority for Rapid Transportation" in accordance with HRS Chapter 49, subject to council approval.

Respectfully submitted by:
 Michael Formby
 Colleen Hanabusa
 Donald G. Horner
 Terrence Lee
 Ivan Lui-Kwan