Question & Answer Matrix
June 16, 2026 - City Council Meeting

Log #	AB #	Received From	Question	Staff Response
1	6947	Reynolds	What belongs in the two places that say “Error! Reference Source not found”?	It appears that the dynamic link was broken for Figures 8 and 9 – this link connects the text reference to the figure and the figure to the Table of Contents. This will be corrected in the next draft.
2	6948	Reynolds	AB 6921 showed the B&O tax as being unusually high in 2025. Now in 6948 we show it as being much lower than 2025, though apparently in line with historical norms. How do we explain this volatility? Is it possible to recap B&O tax revenue for the top 25 (or so) payors for 2024, 2025, and YTD 2026?	Your tracking is correct. Business and Occupation (B&O) tax revenue reported in AB 6921 (FY 2025 Year-End) showed an unusual spike, while the Q1 2026 data aligns more closely with historical baselines. This revenue volatility is typically driven by taxpayer filing frequencies and fluctuations in on-Island business activity, which can create significant year-over-year swings. Because Finance is fully extended with mid-year closing obligations, work plan efforts, and development of the 2027–2028 biennial budget, we cannot immediately produce a detailed B&O tax analysis. Staff will review the B&O tax drivers and historical comparisons as part of our financial reporting later this year. Please note that this analysis will comply with the taxpayer confidentiality provisions outlined in MICC 4.10.260 and will exclude specific taxpayer identification, business earnings, and taxable income information.

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3	6948	Reynolds	I am confused by the utility fund revenues table on page 7. I would have thought the first two columns were ANNUAL. If so, does the last column indicate that we got more than a year of budgeted interest earnings in one QUARTER? If we are that far off, is it because we budgeted for the wrong balance or at a very low rate compared to what happened?	Yes, your reading of this table is correct. The first two columns represent the 2026 annual budget, meaning the Utility Funds did collect more interest revenues in the first quarter than was projected for the entire year. There are two primary reasons for this variance. First, the utility rate models used to project these revenues were historically built using conservative interest rate assumptions. Actual interest earnings in early 2026 significantly outpaced the rate model baseline assumptions. Also, the Utility Funds maintained strong cash-on-hand balances during the first quarter prior to the roll-out of major capital improvement expenditures. High balances combined with the higher than anticipated earnings rate resulted in stronger than anticipated interest revenues. As a reminder, any interest earning revenue generated above budget expectations remains within the respective utility funds, helping offset future revenue requirements. These increased earnings will be re-evaluated and factored into the upcoming utility rate-setting efforts as part of the 2027-2028 biennial budget.
4	6948	Reynolds	Tell me more about the boys and girls club counselor position and why it fell through?	In the fall of 2024, the B&G Club committed to fully funding the position but then became non-responsive in December. A supervisor eventually responded to us stating that they no longer had the funding to follow through with the contract.