



2015 Service Efforts & Accomplishments Report

Office of the City Auditor • City and County of Honolulu • State of Hawai'i



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City and County of Honolulu

Office of the City Auditor

March 7, 2016

Honorable City Council
Honolulu, Hawai'i

City and County of Honolulu Service Efforts and Accomplishments Report (FY 2015)

The Office of the City Auditor is pleased to present its sixth annual Service Efforts and Accomplishments (SEA) Report for the City and County of Honolulu. The report is intended to be informational, and provides data about the costs, quality, quantity, and timeliness of city services. A variety of comparisons are included to provide the Honolulu City Council, city employees, and the public with an independent, impartial assessment of performance trends that can be used to strengthen governmental accountability and transparency, governmental efficiency and effectiveness, the delivery of public services, and to provide data for future decision making.

In conjunction with this report, the National Research Center of Boulder, Colorado conducted a statistical survey of residents of the City and County of Honolulu. This National Citizen Survey (NCS) of Honolulu is the seventh survey of Honolulu residents and the sixth administered in conjunction with the Service Efforts and Accomplishments Report. The survey is a collaborative effort between the National Research Center and the International City/County Management Association (ICMA), and is standardized to ensure the research methods and results are directly comparable for over 500 communities across the U.S. The actual FY 2015 NCS survey results are issued as a separate report.

Hopefully, the reader will find the customized NCS survey and the SEA report provide information that may be used by city staff, elected officials, and other stakeholders for many purposes; such as community planning and resource allocation, performance measurement, and evaluation of city programs and policies. The results may also be used for program improvement, policy making, and to identify community and service strengths and weaknesses.

By reviewing the entire report, readers will gain a better understanding of the mission and work of each of the city's departments. The Background section includes a community profile, discussion of service efforts and accomplishments reporting, and information about the preparation of this report. Chapter 1 provides a summary of overall city spending and staffing over the last five years. Chapters 2 through 25 present the mission statements, goals and objectives, description of services, resources, background information, workload, performance measures, and survey results for various city services. City priorities are discussed in Chapter 1. The full results of the National Citizen Survey and its related reports are available as a separate report due to the volume and size of the survey results.

The Service Efforts and Accomplishments report and the National Citizen Survey of Honolulu residents are also available on our website at <http://www1.honolulu.gov/council/auditor>. We solicit inputs and any suggestions for improving this report. We thank the many departments and staff that

contributed to this report. Without their support and assistance, this report would not be possible. Copies of this report are also available by contacting the Office of the City Auditor at:

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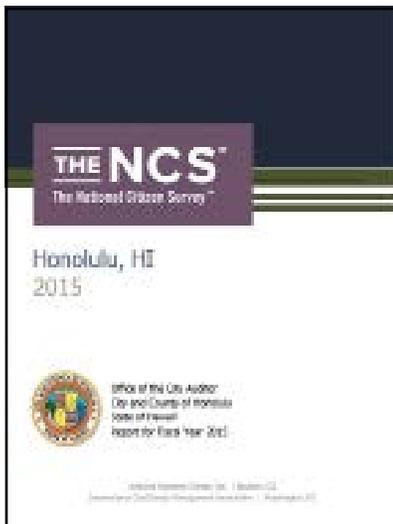
Introduction

This is the sixth report on the City and County of Honolulu's Service Efforts and Accomplishments (SEA). The purpose of the report is to:

- Provide consistent, reliable information on the performance of city services;
- Broadly assess trends in government efficiency and effectiveness; and
- Improve city accountability to the public.

The report contains summary information on spending and staffing, workload, and performance results for the fiscal year ended June 30, 2015 (FY 2015)¹.

Its companion report, the 2015 National Citizen Survey of Honolulu residents presents the results of a resident survey rating the quality of city services.



The report provides two types of comparisons:

- Five-year historical trends for Fiscal Years 2011 through 2015
- Selected comparisons to other cities.

There are many ways to look at services and performance. This report looks at services on a department-by-department basis. All city departments are included in our review.

Chapter 1 provides a summary of overall spending and staffing over the last five years, as well as an overall description of the city's accomplishments in meeting the city priorities. Chapters 2 through 25 present the mission statements, description of services, background information, workload, performance measures, departmental observations and survey results for:

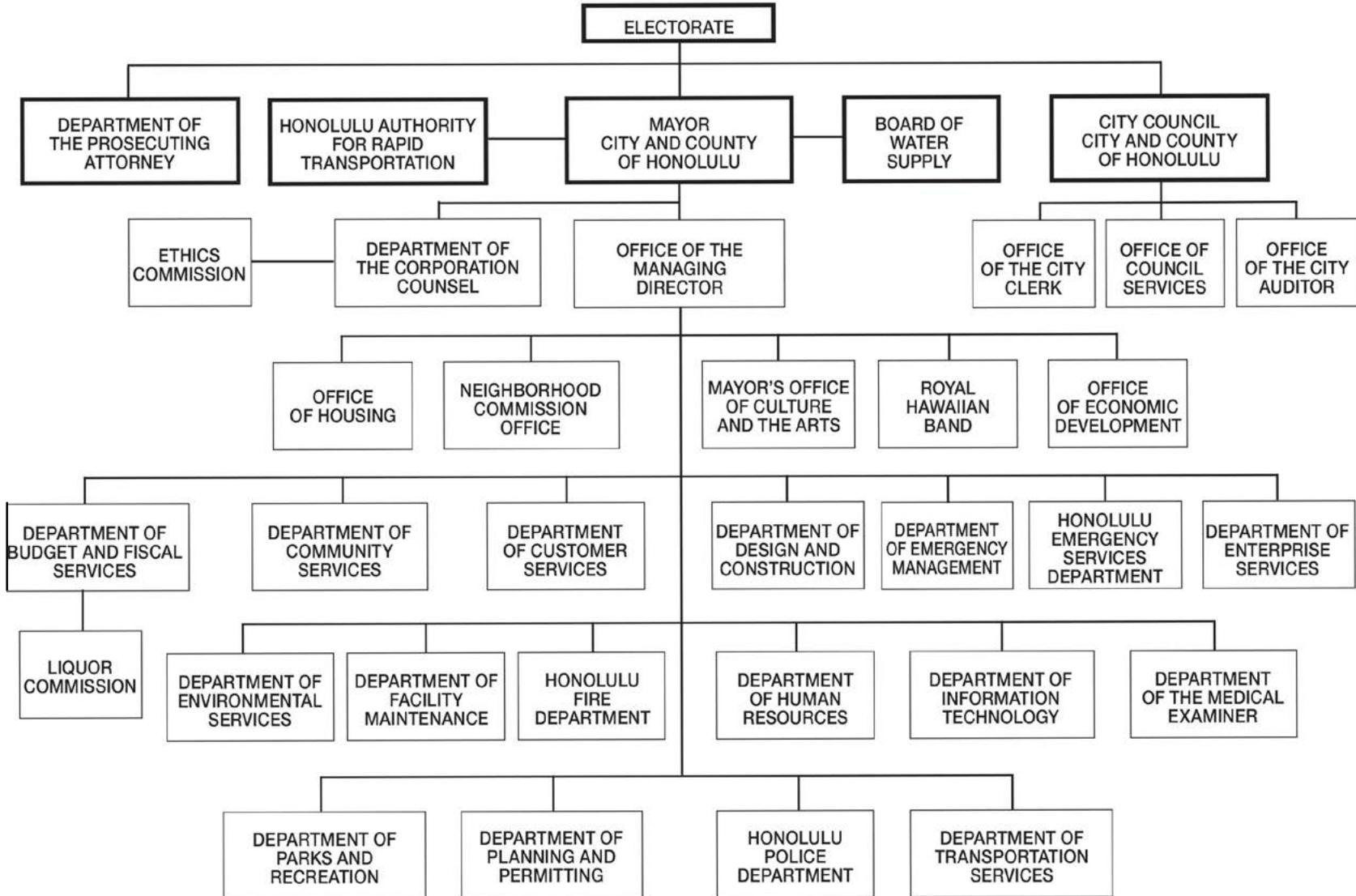
- Budget and Fiscal Services
- Community Services
- Corporation Counsel
- Customer Services
- Design and Construction
- Emergency Management
- Emergency Services
- Enterprise Services
- Environmental Services
- Facility Maintenance
- Honolulu Fire Department
- Human Resources
- Information Technology
- Legislative Branch
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- Honolulu Authority for Rapid Transportation
- Royal Hawaiian Band
- Transportation Services
- Honolulu Board of Water Supply

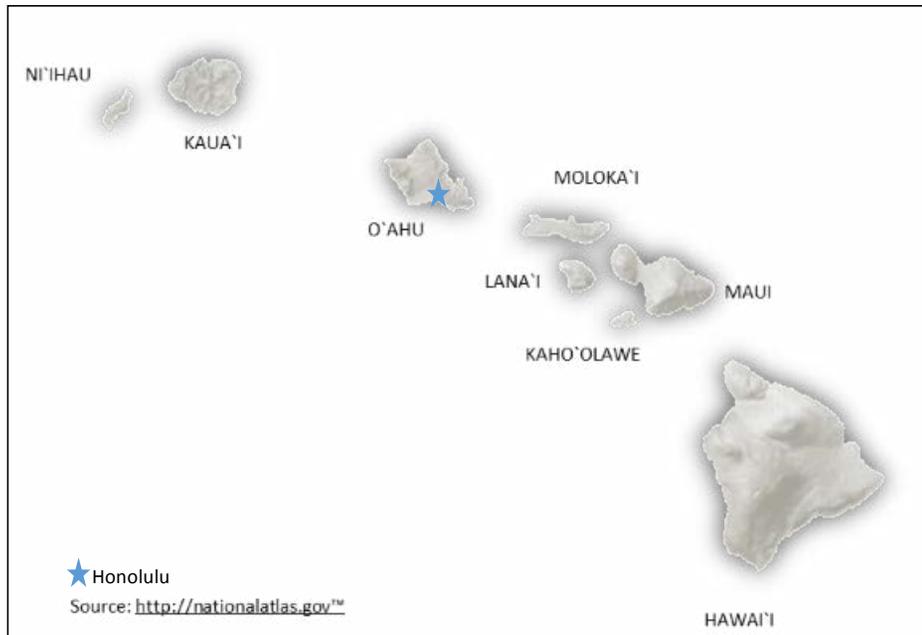
¹The City and County of Honolulu Comprehensive Annual Financial Report (CAFR) was not released in time for the FY 2015 SEA. The FY 2015 audited totals will be reported in FY 2016 SEA Report.

Organization Chart

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2015





Hawai'i is located in the central Pacific Ocean about 2,400 miles from San Francisco. The Republic of Hawai'i was annexed as a territory of the United States in 1898 and attained statehood in 1959. Its capital, Honolulu, was incorporated as a city in 1907. The City and County of Honolulu covers the entire island of O'ahu and is the largest city in Hawai'i.

According to the latest U.S. Census Bureau¹ statistics, the city and county covers almost 600 square miles and has 991,788 residents. This is about 70% of the state's total population of 1,419,561 people. Of the total Honolulu population, 157,132 (15.8%) was 65 years and over. Population density is 1,587 persons per square mile. Tourism is the city's principal industry, followed by federal defense expenditures and agricultural exports. Tourists increased the de facto population.

Demographics

The population of Honolulu is diverse and multi-cultural. According to census statistics, the population for the City and County of Honolulu was 991,788 as of 2014. The major ethnic groups were white (23.1%), Asian² (42.4%), and Native Hawaiian and Pacific Islanders³ (9.4%).

Foreign born persons were 19.4% of the population and 27.5% reported a language other than English was spoken at home. 90.7% had at least a high school diploma or its equivalent. Of these, 32.5% had a bachelor's degree or higher.

| Race-Ethnicity | Percent ⁴ |
|----------------------------------|----------------------|
| White | 23.1% |
| Asian | 42.4% |
| Black or African American | 3.1% |
| Native Hawaiian and Other | 9.4% |
| American Indian/Alaska Native | 0.4% |
| Hispanic or Latino (of any race) | 9.5% |
| White person, not Hispanic | 19.6% |
| Other/Two or more races | 21.6% |

According to the U.S. Census Bureau *Quickfacts*, Honolulu had 343,017 households with an average of 3.03 persons per household. Median household income was \$73,581 per year and per capita personal income was \$30,735. Persons below the poverty level were estimated at 9.8%. Mean travel time to work was 27 minutes.

¹The US Census Bureau continuously updates its statistics, so data may not match prior SEA information. ²Asian includes Asian Indian, Chinese, Filipino, Japanese, Korean, Laotian, Thai, and Vietnamese among other Asian races. ³Native Hawaiian and Other Pacific Islander includes Samoan, Tongan, Guamanian, and Fijian, but other Pacific Island races were excluded from this census comparison.

⁴Percentages add up to more than 100% due to those who may identify as more than one race.

Community Profile

Housing totaled 343,017 units, of these, 54.9% was owner-occupied housing unit rate. The median value for owner-occupied housing units was \$564,400. The median gross rent is \$1,528.

The following table shows population by age as of 2014:

| Age | Population | Percent ¹ |
|-------------------|------------|----------------------|
| Under 18 years | 213,585 | 21.5% |
| 18 to 64 years | 621,071 | 62.6% |
| 65 years and over | 157,132 | 15.8% |

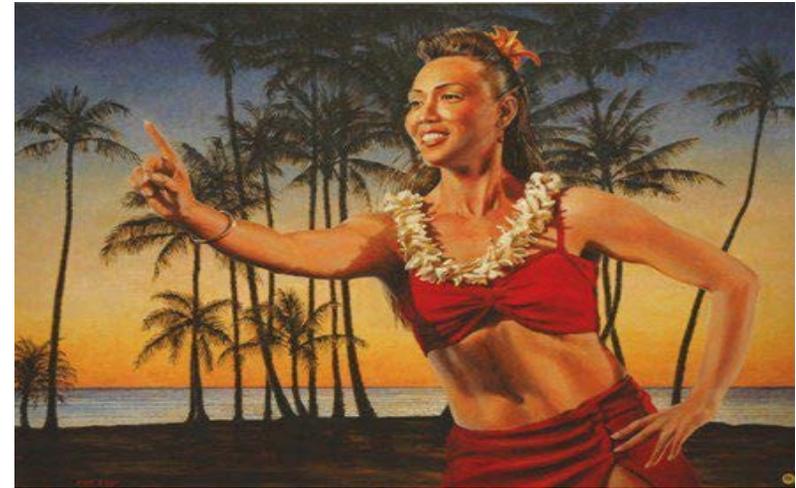
Source: State of Hawaii Data Book 2014

National Ranking

According to the State of Hawai'i, the City and County of Honolulu ranked as the 54th largest metropolitan statistical area and the 46th largest county in the nation.

According to the U.S. Census Bureau, Hawai'i ranked number one in the percentage of Asian population and had the largest percentage of Native Hawaiians and other Pacific Islanders in the nation. Nationally, Hawai'i ranked number one for the percentage of mixed ethnic population; number two for households with elderly persons over 65 years old; and number three for the percent of households with retirement income. Hawai'i ranked the highest for multi-generational households.

Other national rankings included number one for percentage of workers who carpoled to work and number seven for using public transportation to go to work. Hawai'i ranked number two for the number of workers in the service sector. Hawai'i remained the highest median housing value in the nation and ranked sixth for the highest median household income.

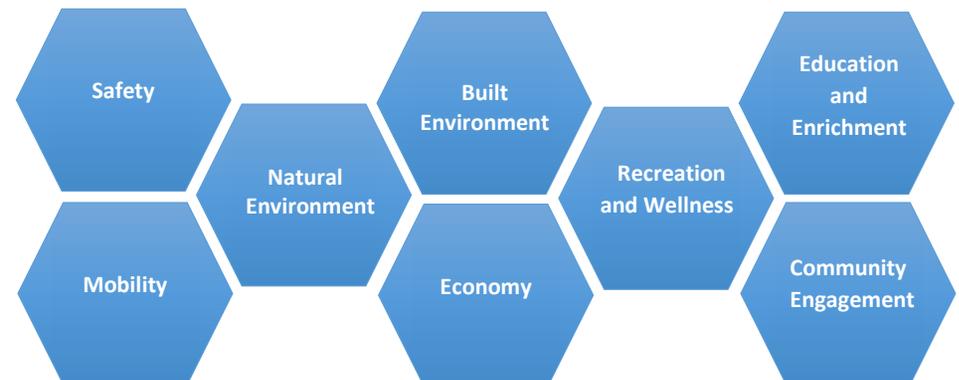


Artwork from the Association of Hawaii Artists exhibit The Aloha Show

Source: Honolulu Mayor's Office of Culture and Arts

Quality of Life in Honolulu

Great communities are partnerships of the government, private sector, community based organizations, and residents. The National Citizen Survey captures residents' opinions on the three pillars of a community: community characteristics, governance, and participation. Shown below are the eight facets of community.



¹Percentages do not total 100% due to rounding.

Community Profile

Community Characteristics

A community that is livable and attractive is a place where people want to live. Honolulu residents (62%) rate their quality of life as *excellent* or *good*, and 67% would recommend Honolulu as a place to live. Residents gave *excellent* or *good* ratings to air quality (69%); drinking water (67%); and safety in their neighborhood during the day (63%).

| Community Quality Ratings | Percent Rating Honolulu Excellent or Good | 300,000+ Cities Ranking | Percentile |
|---|---|-------------------------|------------|
| A place to live | 67% | 20/24 | 17% |
| Neighborhood | 71% | 11/17 | 38% |
| Overall quality of life | 62% | 21/25 | 17% |
| Place to raise children | 58% | 18/23 | 23% |
| Overall image | 49% | 13/20 | 37% |
| Place to retire | 46% | 18/21 | 15% |
| Overall appearance | 42% | 17/18 | 6% |
| Air quality | 69% | 6/14 | 62% |
| Drinking water | 67% | 8/15 | 50% |
| Overall feeling of safety in your neighborhood during the day | 63% | 9/17 | 50% |

Source: 2015 National Citizen Survey (Honolulu)

Governance

Residents rated the overall quality of the services provided by the city and the manner in which these services were provided. The ratings indicate how well the city government is meeting the needs and expectations of the residents. Residents (36%) rated city services *excellent* or *good*; and 38% rated federal government services as *excellent* or *good*.

| Community Characteristics | Percent Rating Honolulu Excellent or Good | 300,000+ Cities Ranking | Percentile |
|--|---|-------------------------|------------|
| Services provided by city | 36% | 30/32 | 6% |
| Overall customer service by city employees | 35% | 24/24 | 0% |
| Federal government services | 38% | 2/12 | 91% |
| Welcoming citizen involvement | 24% | 16/16 | 0% |
| Overall direction | 21% | 20/20 | 0% |
| Value of services for taxes paid | 17% | 22/22 | 0% |
| Fire services | 85% | 17/22 | 24% |
| Ambulance or emergency medical services | 77% | 15/20 | 26% |
| Police services | 56% | 22/28 | 22% |
| Street repair | 11% | 21/21 | 0% |
| Bus or transit services | 61% | 4/15 | 79% |

Source: 2015 National Citizen Survey (Honolulu)

Community Profile

Participation

An engaged community is a livable community. The connections and trust among residents, government, businesses, and other organizations help create a sense of community.

| Community Characteristics | Percent Rating Honolulu Excellent or Good | 300,000+ Cities Ranking | Percentile |
|--|---|-------------------------|------------|
| Will remain in Honolulu for the next 5 years | 78% | 11/15 | 29% |
| Recommend living in Honolulu to someone | 58% | 15/15 | 0% |
| Sense of community | 47% | 11/16 | 33% |
| Contacted the city for help or information | 38% | 16/18 | 12% |
| Talked to or visited with immediate neighbors | 88% | 6/10 | 44% |
| Recycle at home | 91% | 3/12 | 82% |
| Made efforts to conserve water | 91% | 4/11 | 70% |
| Visited a neighborhood or city park | 84% | 6/15 | 64% |
| Made efforts to make home more energy efficient | 84% | 1/11 | 100% |
| Not experiencing housing cost stress | 38% | 12/12 | 0% |
| Watched (online or on television) a local public meeting | 39% | 4/11 | 70% |

Source: 2015 National Citizen Survey (Honolulu)



Artwork from the Association of Hawaii Artists exhibit *The Aloha Show*

Source: Honolulu Mayor's Office of Culture and Arts

Special Topics

Residents were asked to indicate their support for several topics, even if it involved raising taxes or fees. Residents *strongly and somewhat* support preserving open space (90%) and efforts to the city's road repaving (90%).

Residents also identified rising costs for Honolulu's rail project (94%) and sewer main breaks and spills (96%) as *major or moderate* problems. 90% of the respondents rated prioritizing traffic incident management standards as an *essential or very important* problem to address in the next two years.

Residents also identified the following as *essential or very important* for the city to address over the next two years – more affordable housing (86%), protecting city databases that contain residents' sensitive information from data breaches (86%), homelessness (81%), and instituting 24-7 traffic center operations to provide real time traffic solutions (76%).

City and County of Honolulu Government

In 1959, the Honolulu City Charter established a mayor-council form of government for Honolulu. The legislative function consists of nine city council members elected by districts. Under the charter, the council has legislative and investigative power. The mayor is the chief executive officer assisted by a managing director who is the second ranking executive and is appointed by the mayor with council approval. All elective positions have four-year terms elected on a nonpartisan basis.

According to the city charter, the purposes of the city and county government are to serve and advance the general welfare, health, happiness, safety and aspirations of its residents, present and future, and to encourage their full participation in the process of governance. To achieve these purposes, city departments and agencies can be categorized into four groups:

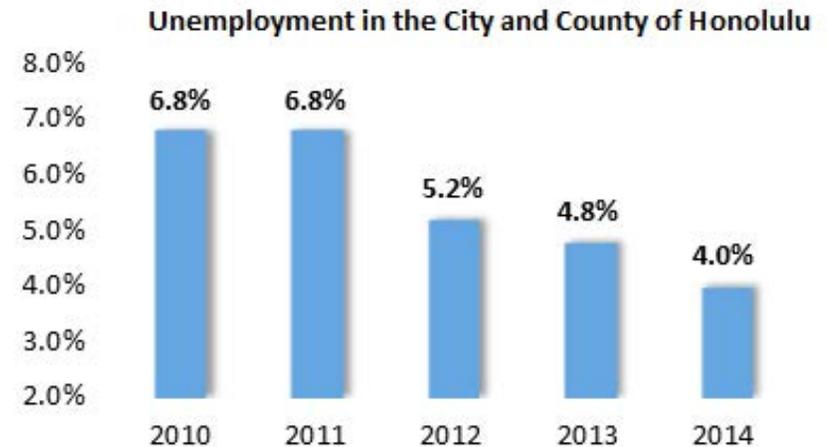
- Public Safety and Welfare
- Culture and Recreation
- Community and Human Development, and Citizen Participation
- General Government Operations

The city charter adopted in 1959 was cited by the United States Conference of Mayors as a model for modern American metropolitan area government.¹

Economy

2015 marks the sixth year of economic expansion for Hawai'i. The performance of the tourism industry and the gradual development of construction jobs contributed to the growth of Hawaii's economy.² The city anticipates that capital investment to maintain and repair the existing infrastructure will benefit residents, visitors and the local economy, and will expand the tax base as the economy improves.

The economic shift makes community needs a high priority. After several years of fiscal restraint, hiring freezes and pay reductions, the city's operating budget reflects modest increases in staffing levels and operating costs to better serve the public. The city continues to face multiple challenges such as escalating costs for debt service, pension and health benefits, restoration of salary rates, and arbitration awards. The city plans to exercise fiscal discipline, while being ready to invest in opportunities to enhance the quality of life for Honolulu's residents and visitors.



Source: U.S. Bureau of Labor Statistics, State of Hawai'i

¹In 1998, major changes in the government organization consolidated services, streamlined operations and processes, and emphasis was placed on customer service. Several services are contracted out to businesses or private nonprofit organizations, including the operation and maintenance of the bus system, the refuse incinerator/power generating plant (H-POWER), refuse landfill and convenience centers, and animal control services. The Honolulu Board of Water Supply is an independent, semi-autonomous entity. ²Dr. Jack Suyderhoud, Professor of Business Economics, Shidler College of Business, University of Hawai'i at Manoa and Economic Adviser to First Hawaiian Bank.

Accomplishment of City Priorities

City Priorities

The theme for fiscal year 2015 was *Spending to Make a Difference*. Efforts were made to begin right-sizing government and prioritizing spending and initiatives to improve core services and planning for the future.

For this report, the mayor's priorities were:

-  Restoring Bus Service
-  Repaving Roads
-  Improving Our Sewer System, Infrastructure Repair and Maintenance
-  Caring For Our Parks
-  Building Rail Better
-  Transit-Oriented Development
-  Homelessness

Some city priorities, missions, goals, and objectives are mandated by the city charter. Honolulu residents also help determine city priorities by making inputs through the city's 33 neighborhood boards, testimony at public hearings, communications to department heads and elected officials, and testimony at city council meetings. Department heads synthesize resident inputs; city charter requirements; and operational and mission needs to develop goals, objectives, and performance measures for their respective departments. The city council influences city priorities based on these inputs and information from other sources. The mayor establishes city priorities based his or her analysis of these inputs, State of Hawai'i and federal government requirements, and priorities determined appropriate for the city.



TheBus in Honolulu

Source: Honolulu Authority for Rapid Transportation

Scope and Methodology

The Office of the City Auditor prepared this report in accordance with the City Auditor's FY 2016 Work Plan. The scope of our review covered information and results for the city's departments for the fiscal year beginning July 1, 2010 (FY 2011) and ending June 30, 2015 (FY 2015).

For FY 2015, expenditure and revenue totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS) for the Executive Branch and Department of the Prosecuting Attorney. We will incorporate FY 2015 audited totals in the FY 2016 Service Efforts and Accomplishments Report. BFS provided FTE staffing based on vacancies on July 15, 2015. The Legislative Branch, Honolulu Authority for Rapid Transportation and Honolulu Board of Water Supply provided their expenditure, revenue and FTE staffing totals.

We conducted the Service Efforts and Accomplishments (SEA) Report and the 2015 National Citizen Survey of Honolulu residents in accordance with Generally Accepted Governmental Auditing Standards (GAGAS) compliance requirements, and the Governmental Accounting Standards Board's guidance (Suggested Guidelines for Voluntary Reporting for Service Efforts and Accomplishments Performance Information, June 2010).

The Office of the City Auditor compiled, examined, and reviewed sources of departmental data in order to provide reasonable assurance that the data we compiled are accurate; however we did not conduct detailed testing of that data. Our staff reviewed the data for reasonableness, accuracy, and consistency, based on our knowledge and information from comparable sources and prior years' reports. These reviews are not intended to provide absolute assurance that all data elements provided by management are free from error. Rather, we intend to provide reasonable assurance that the data present a picture of the efforts and accomplishments of the city departments and programs.

When possible, we have included in the report a brief explanation of internal or external factors that may have affected the performance results. However, while the report may offer insights on service results, this insight is for informational purposes and does not thoroughly analyze the causes of negative or positive performance. Some results or performance changes can be explained simply. For others, a more detailed analysis by city departments or performance audits may be necessary to provide reliable explanation for results. This report can help focus research on the most significant areas of interest or concern.

Service Efforts and Accomplishments Reporting

In 1994, the Governmental Accounting Standards Board (GASB) issued Concepts Statement No. 2, Service Efforts and Accomplishments Reporting¹.

The statement broadly describes *why external reporting of SEA measures is essential to assist users both in assessing accountability and in making informed decisions to improve the efficiency and effectiveness of governmental operations*. According to the statement, the objective of SEA reporting is to provide more complete information about a governmental entity's performance than can be provided by the traditional financial statements and schedules, and to assist users in assessing the economy, efficiency, and effectiveness of services provided.

Other organizations, including the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA), have long been advocates of performance measurement in the public sector. For example, the ICMA Performance Measurement Program provides local government benchmarking information for a variety of public services.

¹On December 15, 2008, GASB issued Concepts Statement No. 5, Service Efforts and Accomplishments Reporting, which amended Concepts Statement No. 2. Further information is on-line at <http://www.gasb.org/st/index.html>.

Scope and Methodology

In 2003, GASB issued a special report on *Reporting Performance Information: Suggested Criteria for Effective Communication*¹ that describes 16 criteria that state and local governments can use when preparing external reports on performance information. Using the GASB criteria, the Association of Government Accountants (AGA) initiated a Certificate of Excellence in Service Efforts and Accomplishments Reporting project in 2003.

Our report implements this national program. The City and County of Honolulu has reported various performance indicators for a number of years. In particular, the city's budget document includes *output measures*. Benchmarks include input, output, efficiency, and effectiveness measures. This report builds on existing systems and measurement efforts by incorporating benchmarking measures included in the city's executive program and budget documents.

Selection of Indicators

We limited the number and scope of workload and performance measures in this report to items where information was available, meaningful in the context of the city's performance, and items we thought would be of general interest to the public. This report is not intended to be a complete set of performance measures for all users. From the outset of this project, we decided to use existing data sources to the extent possible. We reviewed existing benchmarking measures from the city's adopted budget documents², performance measures from other jurisdictions, and other professional organizations. We used audited information from the Comprehensive Annual Financial Reports for the City and County of Honolulu (CAFRs)³. We cited departmental mission statements and performance targets⁴ that are taken from the city's annual operating budgets where they are subject to public scrutiny and city council approval as part of the annual budget process. We held numerous discussions with city employees to determine what information was available and reliable, and best summarized the services they provide.

Wherever possible we have included five years of data. Generally speaking, it takes at least three data points to show a trend. Honolulu's size precludes us from significantly disaggregating data (such as into districts). Where program data was available, we disaggregated the information. For example, we have disaggregated performance information about some services based on age of participant, location of service, or other relevant factors.

Consistency of information is important to us. We will occasionally add or delete information that is considered irrelevant or unimportant to the discussion.

We will continue to use city council, public, and employee feedback to ensure that the information items that we include in this report are meaningful and useful. We welcome your input. Please contact us with suggestions at oca@honolulu.gov.

¹A summary of the GASB special report on reporting performance information is online at http://www.seagov.org/sea_gasb_project/criteria_summary.pdf. ²The budget is on-line at <http://honolulu.gov/budget/budget-operating-cip.html>. The operating budget includes additional performance information. ³The CAFR is on-line at <http://www.honolulu.gov/budget-cafr.html>. ⁴The operating budget may include additional performance targets for the budget benchmarking measures.

Scope and Methodology

The National Citizen Survey™

The National Citizen Survey (NCS) is a collaborative effort between the National Research Center, Inc. (NRC), and the International City/County Management Association (ICMA).¹ The NCS was developed to provide a statistically valid survey of resident opinions about community and services provided by local government.

The NCS captures residents' opinions within the three pillars of a community – Community Characteristics, Governance, and Participation, and across eight facets of community – Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment, and Community Engagement. The citizen survey is comprised of four reports, Community Livability Report, Dashboard Summary of Findings, Trends Over Time, and Technical Appendices.

NCS customized the survey in close cooperation with the Office of the City Auditor staff to provide useful information that may be used by city staff, elected officials, and other stakeholders for community planning and resource allocation, performance measurement, and program and policy evaluation.

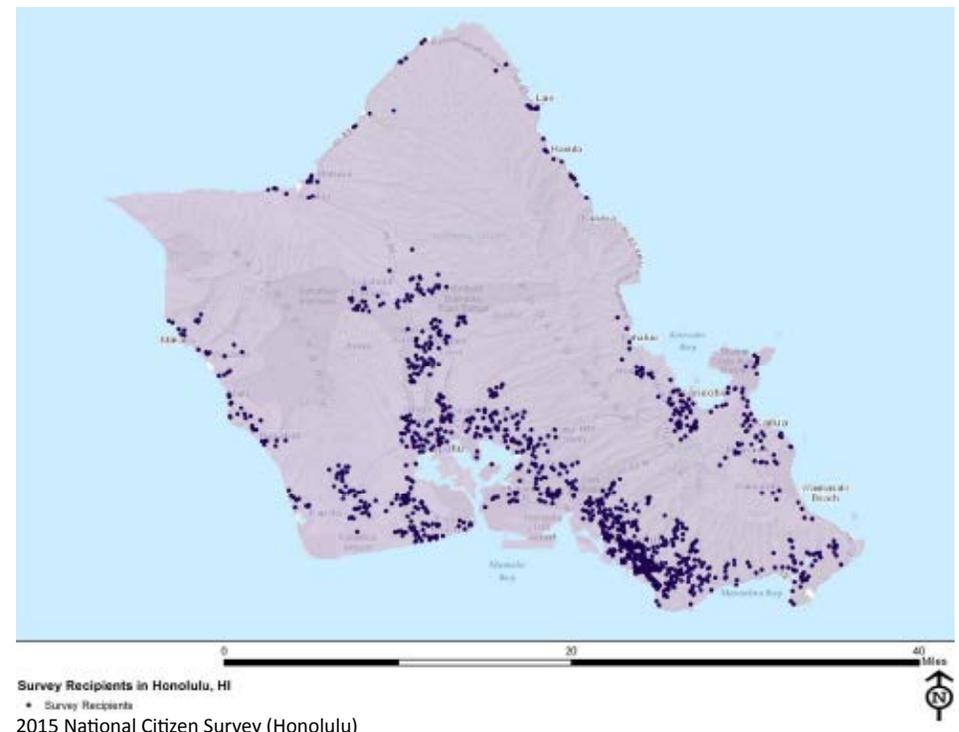
The results may also be used for program improvement, policy making, and to identify community and service strengths and weaknesses. Respondents in each jurisdiction are selected at random. Participation is encouraged with multiple mailings and self-addressed, postage-paid envelopes. Surveys were mailed to a total of 1,400 Honolulu households in October 2015. Completed surveys were received from 402 residents.

Typical response rates obtained on citizen surveys range from 25% to 40%. Results are statistically re-weighted, if necessary, to reflect the proper demographic composition of the entire community. It is customary to describe the precision of estimates made from surveys by a *level of confidence* (or margin of error). The 95% confidence level for this survey of 1,400 residents is no greater than plus or minus 5 percentage points around any given percent reported for the entire sample.

The scale on which respondents are asked to record their opinions about service and community quality is *excellent, good, fair, and poor*. Unless stated otherwise, the survey data included in this report displays the responses only from respondents who had an opinion about a specific item – *don't know* answers have been removed. This report contains comparisons of survey data from prior years. Differences from the prior year can be considered *statistically significant* if they are greater than 7 percentage points.

The NRC has collected citizen survey data from more than 500 jurisdictions in the United States whose residents evaluated local government services and rendered opinions on the quality of community life.

NRC prepared comparisons from the most recent surveys for the City and County of Honolulu for the entire database and for a subset of jurisdictions with populations over 300,000. Where 5 or more jurisdictions asked similar questions, benchmark comparisons are provided throughout the report.



¹The full report of Honolulu's survey results can be found on-line at <http://www.honolulu.gov/auditor.html>

Scope and Methodology

When comparisons are available, results are noted as being *higher* than the benchmark, *lower* than the benchmark, or *similar* to the benchmark. NRC provided our office with additional data to calculate the percentile ranking for comparable questions.

The NRC notes that its benchmarking database is stable and robust. It has found some trends by population size or geographic area, and the results of those comparisons are similar whether additional characteristics are included or not. Jurisdictions that survey residents share an important characteristic - the value they place on the perspectives of residents.

Population

Where applicable, we have used the most recent estimates of Honolulu resident population from the U. S. Census Bureau as shown in the following table.

| Year | Population |
|--------------------------|------------|
| FY 2010 | 956,336 |
| FY 2011 | 966,559 |
| FY 2012 | 976,746 |
| FY 2013 | 987,019 |
| FY 2014 | 991,788 |
| Change over last year | 0.5% |
| Change over last 5 years | 3.7% |

Source: U.S. Census Bureau

We used population figures from other sources for some comparisons to other jurisdictions, but only in cases where comparative data was available.

Inflation

Financial data has not been adjusted for inflation. In order to account for inflation, readers should keep in mind that the City and County of Honolulu Consumer Price Index for All Urban Consumers has averaged about 2.29% over the 5 years of financial data that is included in this report. The index changed as follows:

| Year | Index |
|--------------------------|--------|
| June 2010 | 2.11% |
| June 2011 | 3.73% |
| June 2012 | 2.40% |
| June 2013 | 1.78% |
| June 2014 | 1.44% |
| Change over last year | -0.34% |
| Change over last 5 years | -0.67% |

Source: Consumer Price Index

Rounding

For readability, most numbers in this report are rounded. In some cases, tables or graphs may not add to 100% or to the exact total because of rounding. In most cases the calculated *percent change over the last 5 years* is based on the percentage change in the underlying numbers, not the rounded numbers. However, where the data is expressed in percentages, the change over 5 years is the difference between the first and last year.

Comparisons To Other Cities

Where possible we included comparisons to cities with comparable population size to Honolulu. In addition, city departments suggested cities with comparable programs or organization of services. The choice of the cities that we use for our comparisons may vary depending on whether data is easily available. Regardless of which cities are included, comparisons to other cities should be used carefully. We tried to include *apples to apples* comparisons, but differences in costing methodologies and program design may account for unexplained variances between cities. Other data was extracted from the U.S. Census Bureau 2015 results and the 2014 State of Hawai'i Data Book issued by the Department of Business, Economic Development and Tourism.

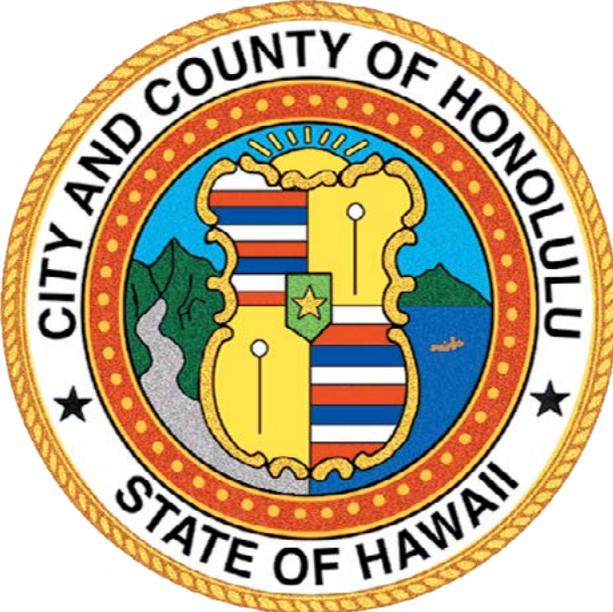
Acknowledgments

This report could not have been prepared without the cooperation and assistance of city management and staff from every city agency. Our thanks to all of them for their help. We also want to thank the Honolulu City Council and community members who reviewed this report and provided thoughtful comments.

We would like to acknowledge our debt to Sharon Erickson and the City of Palo Alto that set several precedents for local government accountability and performance through its *Service Efforts and Accomplishments* reports.

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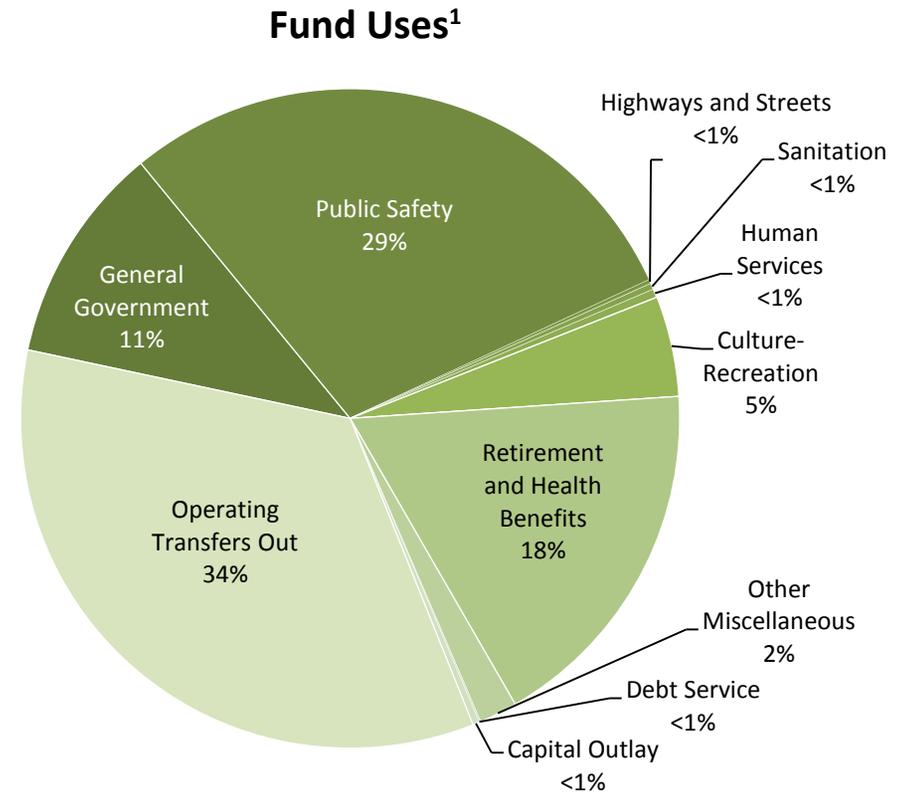
Chapter 1 - Overall Spending, Staffing and City Priorities



Overall Spending

Honolulu, like other cities, uses various funds to track specific activities. The General Fund is used for all general revenues and governmental functions including public safety, human services, and highways and streets. Community and customer services, design and construction, emergency management and emergency services, fire, information technology, parks and recreation, police, and legislative and support services are supported by general city revenues and program fees.

The pie chart to the right shows where a General Fund dollar goes. Total General Fund spending increased 5% over the last five years (some expenses were transferred to other funds).



| | General Fund (\$ millions) | | | | | | | | | | | | |
|--------------------------|----------------------------|---------------|----------------------|------------|----------------|--------------------|--------------------------------|--------------------------------|---------------------|--------------|----------------|-------------------------|-----------|
| | General Government | Public Safety | Highways and Streets | Sanitation | Human Services | Culture-Recreation | Utilities and Other Enterprise | Retirement and Health Benefits | Other Miscellaneous | Debt Service | Capital Outlay | Operating Transfers Out | Total |
| FY 2011 | \$121.7 | \$325.5 | \$1.9 | \$3.9 | \$2.4 | \$51.0 | -- | \$122.6 | \$22.2 | \$0.4 | -- | \$543.0 | \$1,194.6 |
| FY 2012 | \$127.1 | \$330.8 | \$1.8 | \$4.4 | \$3.6 | \$56.9 | -- | \$192.0 | \$25.6 | \$0.9 | -- | \$361.9 | \$1,105.1 |
| FY 2013 | \$124.6 | \$324.4 | \$2.8 | \$4.2 | \$3.5 | \$58.0 | -- | \$161.4 | \$53.7 | \$0.9 | -- | \$330.7 | \$1,064.2 |
| FY 2014 | \$131.7 | \$344.3 | \$2.6 | \$3.8 | \$5.2 | \$59.3 | -- | \$184.7 | \$27.6 | \$0.9 | \$2.6 | \$435.0 | \$1,197.7 |
| FY 2015 | \$135.0 | \$365.2 | \$2.6 | \$3.8 | \$5.1 | \$62.0 | -- | \$222.9 | \$23.8 | \$0.9 | \$4.0 | \$432.8 | \$1,258.1 |
| Change from last year | 2% | 6% | 1% | <1% | -2% | 5% | -- | 21% | -14% | 0% | 55% | -1% | 5% |
| Change over last 5 years | 11% | 12% | 34% | -1% | 109% | 22% | -- | 82% | 7% | 157% | -- | -20% | 5% |

Source: Honolulu Comprehensive Annual Financial Reports (FY 2011-2014) and FY 2015 Honolulu Comprehensive Annual Financial Report Draft as of March 1, 2016. ¹Percentages do not total 100% due to rounding.

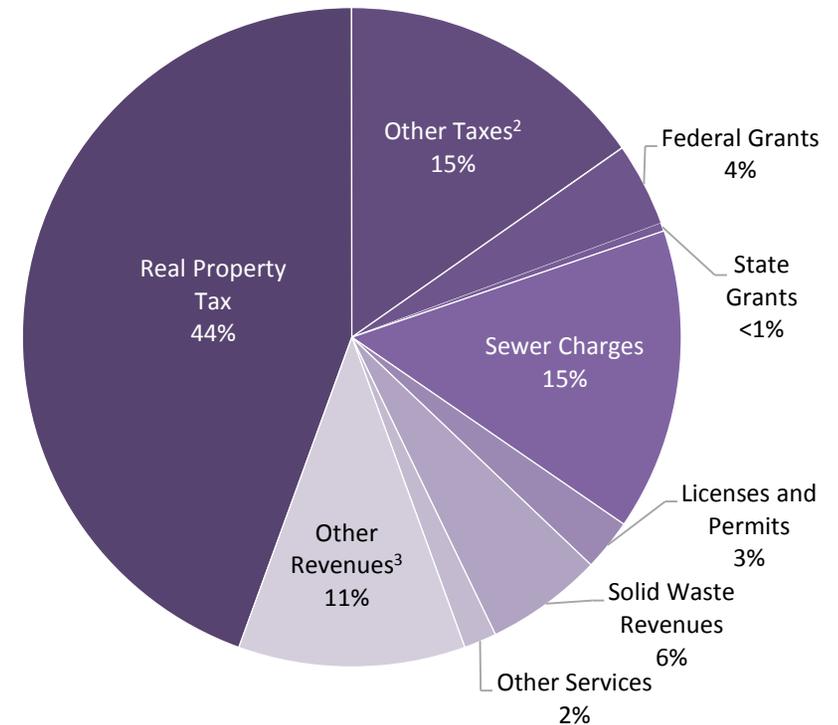
Revenues

The primary sources of operating revenues used to support city functions include real property tax, federal and state grants, sewer charges, charges for licenses and permits, solid waste revenues, charges for other services, and other revenues. Various other taxes, including the fuel tax and motor vehicle tax, are also sources of revenue.

The city's Financial Policy regarding revenues requires the city to maintain a very high tax collection rate (over 98%) and places emphasis on user fees to finance municipal services. This policy also requires the city to review all revenue schedules and maintain an adequate sewer fee structure. Moreover, the city must make every effort to maximize investment income and diligently seek federal, state and other revenues to fund current and new programs. City revenues are diversified to reduce dependency on property tax and temporary revenues.

The Department of Environmental Services' monthly sewage charge increased as a part of its six-year planned rate increase to pay for sewer infrastructure upgrades.

Fund Sources¹



| | Operating Resources (\$ million) | | | | | | | | | |
|--------------------------|----------------------------------|--------------------------|----------------|--------------|---------------|----------------------|----------------------|----------------|-----------------------------|--------------------|
| | Real Property Tax | Other Taxes ² | Federal Grants | State Grants | Sewer Charges | Licenses and Permits | Solid Waste Revenues | Other Services | Other Revenues ³ | Total ⁴ |
| FY 2011 | \$799.4 | \$414.5 | \$88.7 | \$6.7 | \$323.4 | \$43.9 | \$94.7 | \$28.5 | \$143.8 | \$1,943.6 |
| FY 2012 | \$813.3 | \$310.9 | \$100.5 | \$12.1 | \$293.6 | \$45.8 | \$112.2 | \$31.4 | \$159.9 | \$1,879.6 |
| FY 2013 | \$831.1 | \$321.9 | \$89.0 | \$6.0 | \$286.9 | \$48.4 | \$98.2 | \$32.6 | \$133.6 | \$1,847.8 |
| FY 2014 | \$850.3 | \$322.9 | \$75.9 | \$8.7 | \$323.9 | \$52.2 | \$118.7 | \$33.2 | \$346.2 | \$2,131.9 |
| FY 2015 | \$951.8 | \$327.4 | \$87.6 | \$8.8 | \$317.0 | \$54.1 | \$122.7 | \$34.4 | \$238.1 | \$2,141.7 |
| Change from last year | 12% | 1% | 16% | 1% | -2% | 4% | 3% | 4% | -31% | 0% |
| Change over last 5 years | 19% | -21% | -1% | 31% | -2% | 23% | 30% | 21% | 66% | 10% |

Source: Executive Operating Program and Budget (FY 2015-2016). ¹Percentages do not total 100% due to rounding. ²Other Taxes include Fuel Tax, Motor Vehicle Weight Tax, Public Utility Franchise Tax, Excise Tax Surcharge (Transit), Transient Accommodations Tax, and Public Service Company Tax. ³Other Revenues include Bus Transportation Revenues. ⁴Not including Carry-Over revenues.

Per Capita Spending

As shown in the table below, in FY 2015, General Fund operating expenditures and other uses of funds totaled \$1,218 per Honolulu resident, including operating transfers. Based on the U.S. Census Bureau estimates, Honolulu has a population of 991,788 residents.

Proprietary Funds are used for services such as sewer, public transportation, solid waste, highways, and housing. These services are generally supported by charges paid by users. Proprietary and special fund operating expenses totaled \$634 per capita.

Other funds are for services such as highway, bikeway, parks and playgrounds. Additional funds include liquor commission, post-employment benefits reserves, affordable housing, and rental assistance funds. Other funds are allocated for zoo animal purchase, the Hanauma Bay Nature Preserve, and fiscal stability reserve funds. There are also funds for land conservation, clean water and natural lands, and community development. Additional funds cover golf, special events, special projects, and farmers' home administration loan funds.

Funds also exist for general improvement bonds, highway improvement bonds, sewer revenue bonds, capital projects, and municipal stores. Federal grants, housing and community development, and Section 8 funds contain federal grants.

| Per Capita Spending by Department | | | |
|--|---------|-------------------------|---------|
| Department | FY 2015 | Department | FY 2015 |
| Budget and Fiscal Services | \$21 | Information Technology | \$22 |
| Community Services | \$83 | Legislative | \$14 |
| Corporation Counsel | \$8 | Mayor | \$4 |
| Customer Service | \$21 | Managing Director | \$3 |
| Design and Construction | \$17 | Neighborhood Commission | \$1 |
| Emergency Management | \$3 | Royal Hawaiian Band | \$2 |
| Emergency Services | \$38 | Medical Examiner | \$2 |
| Enterprise Services | \$22 | Parks and Recreation | \$65 |
| Environmental Services | \$253 | Planning and Permits | \$20 |
| Facilities Maintenance | \$75 | Police | \$251 |
| Fire | \$112 | Prosecuting Attorney | \$21 |
| Human Resources | \$6 | Transportation Services | \$243 |
| Total Per Capita Cost for City Operations = \$1,305 | | | |

Source: Department of Budget and Fiscal Services, Legislative Branch

| | Per Capita Cost by Function | | | | | | | | | | | |
|--------------------------|-----------------------------|---------------|--------------------|------------|-------------|--------------------|------------------------------|-------------|--------------|----------------|-------------------------|---------|
| | Gen. Gov't | Public Safety | Highways & Streets | Sanitation | Human Svcs. | Culture-Recreation | Retirement & Health Benefits | Other Misc. | Debt Service | Capital Outlay | Operating Transfers Out | Total |
| FY 2011 | \$127 | \$341 | \$2 | \$4 | \$3 | \$53 | \$128 | \$23 | \$0.4 | -- | \$568 | \$1,250 |
| FY 2012 | \$132 | \$343 | \$2 | \$5 | \$4 | \$59 | \$199 | \$27 | \$0.9 | -- | \$376 | \$1,147 |
| FY 2013 | \$128 | \$332 | \$3 | \$4 | \$4 | \$59 | \$165 | \$55 | \$1 | -- | \$339 | \$1,090 |
| FY 2014 | \$134 | \$350 | \$3 | \$4 | \$5 | \$60 | \$188 | \$28 | \$1 | \$3 | \$442 | \$1,218 |
| FY 2015 | \$136 | \$368 | \$3 | \$4 | \$5 | \$63 | \$225 | \$24 | \$1 | \$4 | \$436 | \$1,268 |
| Change from last year | 2% | 5% | 1% | -1% | -3% | 4% | 20% | -15% | -1% | 54% | -1% | 4% |
| Change over last 5 years | 7% | 8% | 29% | -5% | 102% | 17% | 75% | 3% | 147% | -- | -23% | 1% |

Source: Honolulu Comprehensive Annual Financial Reports (FY 2011-FY 2014), FY 2015 Honolulu Comprehensive Annual Financial Report Draft as of March 1, 2016, and Hawaii State Data Book (2014).

Authorized Staffing

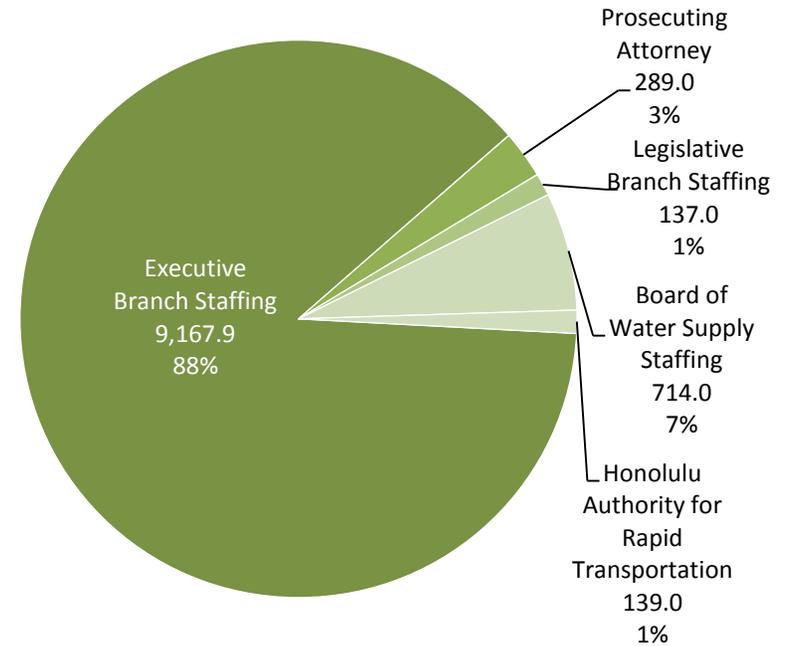
City staffing is measured in full-time equivalent staff, or FTEs. In FY 2015, there were a total of 10,446.9 authorized FTE citywide¹. Citywide filled positions totaled 8,913.6 (85.3%) FTE and vacant positions were 1,533.3 FTEs (14.7%).

The executive branch was authorized 9,456.9 FTE and filled 8,195.6 FTE positions. The executive branch vacancy rate was 13.3% or 1,261.3 FTE in FY 2015. The legislative branch was authorized 137 FTE and filled 131.0 FTE positions. The legislative branch vacancy rate was 4.4% or 6.0 FTE in FY 2015.

Over the last five years, total citywide FTE (including authorized temporary positions) decreased 5% and the vacancy rate decreased 7%. In the executive branch, authorized FTE staffing increased 3% and the vacancy rate decreased 7.7% between FY 2011 and FY 2015.

Honolulu had more employees per 1,000 residents than several other local jurisdictions. Staffing comparisons between cities can be problematic as Honolulu employees provide some services to the State of Hawai'i and the counties of Kaua'i, Maui, and Hawai'i that are reimbursed by those jurisdictions.

Authorized Full-Time Equivalent Staffing (FY 2015)



| | City Staffing Total Authorized (FTE) | | | | | | | | | | | |
|--------------------------|--------------------------------------|------------|---------|-----------|------------------------|---------|---------|---------|---------------------------------------|--------|--------|---------|
| | Total Citywide (FTE) ^{1,2} | | | | Executive Branch (FTE) | | | | Legislative Branch ³ (FTE) | | | |
| | Total City | | Vacant | | Total | | Vacant | | Total | | Vacant | |
| | FTE | FTE Filled | Vacant | (Percent) | Total | Filled | Vacant | Percent | Total | Filled | Vacant | Percent |
| FY 2011 | 10,968.2 | 8,628.4 | 2,339.8 | 21.3% | 10,127.2 | 7,993.4 | 2,133.8 | 21.1% | 127.0 | 125.0 | 2.0 | 1.6% |
| FY 2012 | 10,850.2 | 8,712.7 | 2,137.5 | 19.7% | 9,699.7 | 7,798.7 | 1,901.0 | 19.6% | 126.0 | 123.0 | 3.0 | 2.4% |
| FY 2013 | 10,825.2 | 8,844.1 | 1,981.2 | 18.3% | 9,846.2 | 8,057.1 | 1,789.2 | 18.2% | 126.0 | 119.0 | 7.0 | 5.6% |
| FY 2014 | 11,058.4 | 8,940.1 | 2,118.3 | 19.2% | 10,073.4 | 8,207.6 | 1,865.8 | 18.5% | 132.0 | 124.5 | 7.5 | 5.7% |
| FY 2015 | 10,446.9 | 8,913.6 | 1,533.3 | 14.7% | 9,456.9 | 8,195.6 | 1,261.3 | 13.3% | 137.0 | 131.0 | 6.0 | 4.4% |
| Change from last year | -6% | <1% | -28% | -4% | -6% | <1% | -32% | -5% | 4% | 5% | -20% | -1% |
| Change over last 5 years | -5% | 3% | -34% | -7% | -7% | 3% | -41% | -8% | 8% | 5% | 200% | 3% |

Source: Department of Budget and Fiscal Services. ¹FTE excludes personal services contract staff. ²See PAT, HART and BWS chapters for agency FTE information. ³Legislative Branch includes the Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor.

Overtime Expenditures

Over the last five years, total city overtime expenditures increased 7% and non-holiday overtime expenditures increased 6%.

In the executive branch, total overtime expenditures and non-holiday expenditures increased 6%.

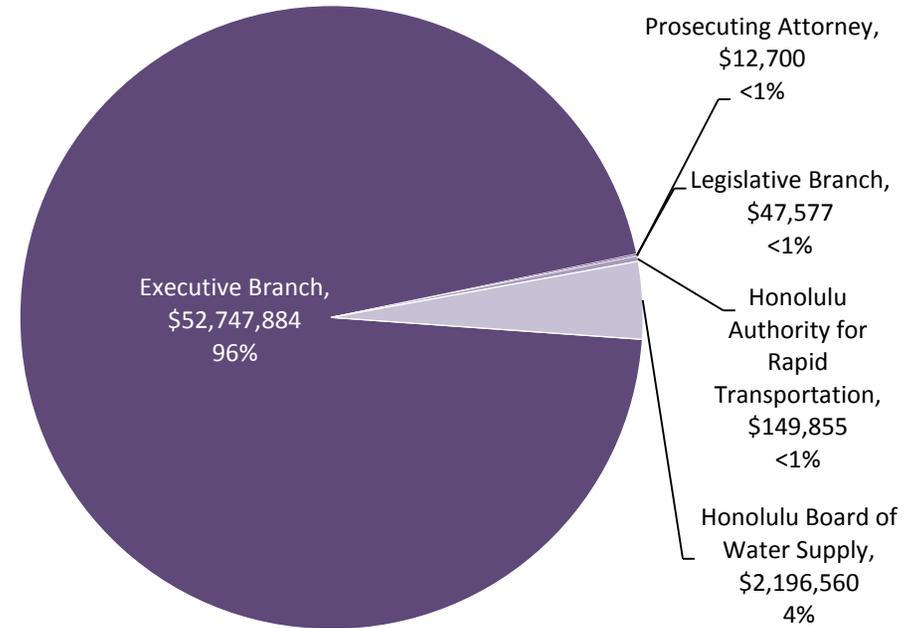
In the legislative branch, total overtime expenditures decreased 21% and non-holiday expenditures decreased 28%.

Over the last five years, total overtime expenditures for the Honolulu Board of Water Supply increased 19.4% from \$1.8 million in FY 2011 to \$2.2 million in FY 2015.

In FY 2015, total overtime expenditures for the Honolulu Authority for Rapid Transportation were \$149,855 an increase of 268.9% over \$40,617 in FY 2012, its first year of existence.

Total overtime expenditures for the Prosecuting Attorney's Office have increased 19.6% over the last five years from \$10,620 in FY 2011 to \$12,700 in FY 2015.

Overtime Expenditures in FY 2015¹



| | Citywide (\$ millions) | | Executive Branch (\$ millions) | | Legislative Branch ¹ | |
|--------------------------|-----------------------------|--------------------------|-----------------------------------|--------------------------|---------------------------------|--------------------------|
| | Total Overtime Expenditures | Non-Holiday Expenditures | Total Overtime Expenditures | Non-Holiday Expenditures | Total Overtime Expenditures | Non-Holiday Expenditures |
| FY 2011 | \$51.8 | \$36.9 | \$49.9 | \$36.9 | \$60,099 | \$55,881 |
| FY 2012 | \$56.4 | \$42.5 | \$54.3 | \$42.5 | \$14,119 | \$14,119 |
| FY 2013 | \$52.3 | \$37.2 | \$49.9 | \$37.1 | \$48,639 | \$42,675 |
| FY 2014 | \$54.1 | \$40.2 | \$51.8 | \$40.1 | \$10,691 | \$9,353 |
| FY 2015 | \$55.2 | \$39.1 | \$52.8 | \$39.0 | \$47,577 | \$40,370 |
| Change from last year | 2% | -3% | 2% | -3% | 345% | 332% |
| Change over last 5 years | 7% | 6% | 6% | 6% | -21% | -28% |

Source: Department of Budget and Fiscal Services, Legislative Branch, Honolulu Authority for Rapid Transportation, and Honolulu Board of Water Supply. ¹Percentages do not total 100% due to rounding. ²Legislative Branch includes Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor.

Capital Spending

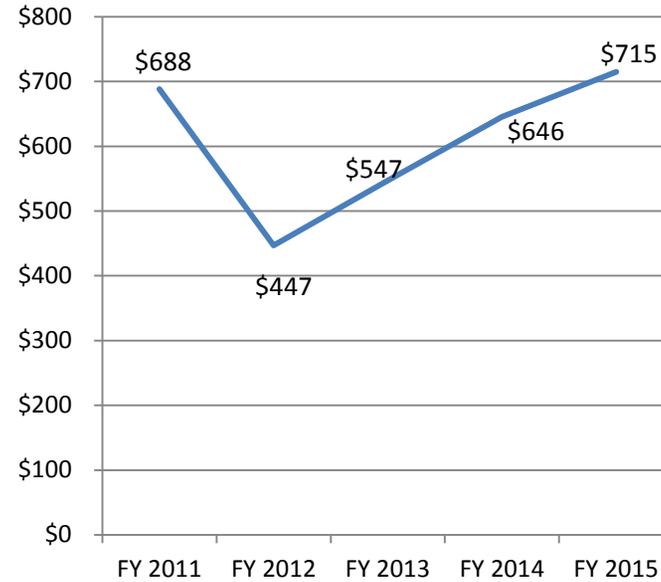
The Capital Improvement Program (CIP) budget focuses on core capital programs that maintain and upgrade essential infrastructure. Significant focus is on roads, sewers, refuse facilities, and transportation improvements.

In FY 2015, capital spending totaled \$708.8 million. General government projects totaled \$47.9 million. Public safety CIP projects were \$44.4 million, highways and streets totaled \$155.7 million, and sanitation projects capital spending decreased 20% from \$366.2 million in FY 2011 to \$292.7 million in FY 2015. Human services capital spending increased 409% from \$12.8 million in FY 2011 to \$64.9 million in FY 2015. Culture and recreation capital spending totaled \$53.7 million. Over the past five years, utilities and other enterprises decreased 29% from \$69.7 million in FY 2011 to \$49.5 million in FY 2015.

With the implementation of GASB Statement 34 in FY 2002, the city has recorded all of its capital assets in its citywide financial statements. Capital assets are valued at historical cost, net of accumulated depreciation. This includes buildings and structures, vehicles and equipment, roadways, and distribution systems.

As shown in the chart, capital outlay per capita increased about 3.9% from \$688 in FY 2011 to \$715 in FY 2015.

**Capital Outlay Per Capita
FY 2011 to FY 2015**



Source: Executive Operating Program and Budget (FY 2014-FY 2016) and Hawaii Data Book (2014)

| | Capital Spending (\$ millions) | | | | | | | Total |
|--------------------------|--------------------------------|---------------|----------------------|------------|----------------|--------------------|--|---------|
| | General Government | Public Safety | Highways and Streets | Sanitation | Human Services | Culture-Recreation | Utilities and Other Enterprises ² | |
| FY 2011 | \$26.9 | \$45.5 | \$112.2 | \$366.2 | \$12.8 | \$25.0 | \$69.7 | \$658.2 |
| FY 2012 | \$25.1 | \$31.9 | \$100.6 | \$197.5 | \$13.2 | \$24.8 | \$38.3 | \$431.5 |
| FY 2013 | \$27.7 | \$28.1 | \$118.3 | \$298.9 | \$5.1 | \$18.5 | \$37.2 | \$533.7 |
| FY 2014 | \$40.5 | \$49.2 | \$165.3 | \$218.8 | \$54.4 | \$62.9 | \$44.0 | \$635.1 |
| FY 2015 ¹ | \$47.9 | \$44.4 | \$155.7 | \$292.7 | \$64.9 | \$53.7 | \$49.5 | \$708.8 |
| Change from last year | 18% | -10% | -6% | 34% | 19% | -15% | 12% | 12% |
| Change over last 5 years | 78% | -2% | 39% | -20% | 409% | 115% | -29% | 8% |

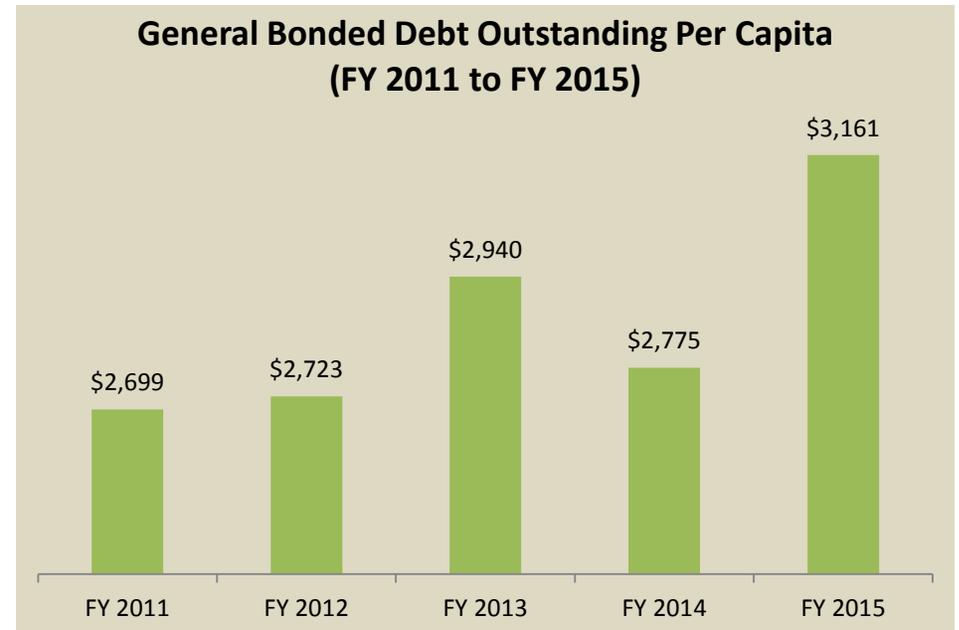
Source: Executive Operating Program and Budget (FY 2014-FY 2016). ¹FY 14-15 Appropriated Capital Expenditures. ²Includes mass transit.

City Debt

The city's general obligation bond ratings since FY 2011 remained high at AA+ under the Fitch Ratings system and at Aa1 under Moody's Investors Service. Bond ratings for the wastewater system revenue bond senior series were Aa2 and AA for Moody's Investors Services and Fitch Ratings system. Wastewater systems revenue bond junior series ratings rated Aa3 by Moody's Investors Service and AA- by Fitch Ratings.

On October 26, 2011, BFS received approval to suspend the city's debt policy, noting that the debt affordability ratios will rise and exceed the 20% threshold between 2014 and 2023. On June 22, 2012, the city council enacted Ordinance 12-24 that authorized the issuance and sale of general obligation bonds and bond anticipation notes to finance the Honolulu Authority for Rapid Transportation (HART) capital budget projects. HART reports that all construction debt is projected to be paid off in FY 2024.

In accordance with the city's debt policy, established by city council Resolution 06-222, Amending the Debt and Financial Policies of the City, debt service for general obligation bonds (including self-supporting bonds) as a percentage of the city's operating budget (including enterprise and special revenue funds) should not exceed 20%. Debt service on direct debt (excluding self-supported bonds), as a percentage of General Fund revenues should not exceed 20%. The total outstanding principal of the city's variable rate debt should not exceed 120% of the city's short-term investments.



Source: Comprehensive Annual Financial Report FY 2015

Net general bonded debt outstanding per capita increased over 17% from \$2,699 (FY 2011) to \$3,161 in FY 2015. Debt service as a percentage of operating budget increased from 13.2% in FY 2011 to 18.9% in FY 2015. Debt service as a percentage of General Fund revenue increased 14.9% from 19.9% in FY 2011 to 34.8% in FY 2015.

| | Proposed Debt Service Expenditures (\$ millions) | Proposed Operating Expenditures (\$ millions) | Estimated General Fund Revenues (\$ millions) | Total Self-Supported Debt (\$ millions) | Debt Service Expenditures Less Total Self-Supported Debt (\$ millions) | Debt Service as a Percentage of Operating Budget ² | Debt Service as a Percentage of General Fund Revenue ² |
|--------------------------|--|---|---|---|--|---|---|
| FY 2011 | \$242.3 | \$1,840.4 | \$974.2 | \$48.2 | \$194.1 | 13.2% | 19.9% |
| FY 2012 | \$269.8 | \$1,944.8 | \$1,091.6 | \$59.5 | \$210.3 | 13.9% | 19.3% |
| FY 2013 | \$375.9 | \$1,953.2 | \$1,046.1 | \$49.5 | \$326.4 | 19.2% | 31.2% |
| FY 2014 | \$414.8 | \$2,089.0 | \$1,132.3 | \$130.8 | \$283.9 | 19.9% | 25.1% |
| FY 2015 | \$406.1 | \$2,147.9 | \$1,166.0 | \$50.6 | \$355.5 | 18.9% | 34.8% |
| Change from last year | -2% | 3% | 3% | -61% | 25% | -1% | 10% |
| Change over last 5 years | 68% | 17% | 20% | 5% | 83% | 6% | 15% |

Source: Executive Operating Program and Budget (FY 2012-FY 2017), FY 2015 Honolulu Comprehensive Annual Financial Report Draft as of March 1, 2016, and Department of Budget and Fiscal Services.
²Debt ratio computation/formula(s) provided by the Department of Budget and Fiscal Services.

Accomplishment of City Priorities

In FY 2015, the mayor's priorities included:

1. Restoring bus services
2. Repaving roads
3. Improving the sewer system, and infrastructure repair and maintenance
4. Caring for our parks
5. Building rail better
6. Transit-Oriented Development
7. Homelessness

In approaching these priorities, the mayor stressed fiscal restraint, a focus on core services and infrastructure, investing in new technology and personnel, transparency in operation, and the importance of customer service.



Restoring Bus Service

The mayor's administration continued to improve TheBus service for public transit customers during Fiscal Year 2015. Service improvements included extension of Route E to serve Waikiki, which provides more workers in the visitor industry with a one-seat ride from Ewa Beach and Waipahu. Route 40 service to University of Hawaii West Oahu was extended to serve the campus all day long, seven days a week. A Pearl City shuttle bus route along Kamehameha Highway was initiated to mitigate rail construction delays.

Honolulu residents were asked to rate the quality of bus and transit services, 61% rated the service excellent or good in the 2015 National Citizen Survey. In comparison with cities with over 300,000 residents, for this quality rating, Honolulu ranked higher than the benchmark at 4 out of 15 or the 79th percentile. In 2015, 39% of Honolulu residents reported they used public transportation instead of driving.



Photos courtesy of Department of Transportation Services



Repaving Roads

The mayor's five-year plan aims to improve all 1,500 lane miles of the roads considered less than "fair condition." The mayor committed to releasing a quarterly status report on road projects to help the public and the City Council keep track of the work and to understand how funds were being spent.

In FY 2015, the city paved 214 lane miles for a total of 832 since January 1, 2013. The mayor reports that the \$118 million appropriated in the FY 2014 Capital Improvement Program (CIP) budget has been contracted. For FY 2015, \$19.3 million of the \$132 million appropriation has already been contracted.

Accomplishment of City Priorities

The Division of Road Maintenance (DRM) collaborated with the University of Hawaii (UH) and Hawaii Asphalt Paving Industry (HAPI) on a UH research project, Performance Monitoring of Pavement Preservation Techniques in Honolulu. UH was awarded a federal grant through Center for Highway Pavement Preservation (CHPP) to study the performance of various pavement preservation treatment. Various products by different vendors and contractors applied test sections on local streets in Pearl City and Waipahu and will be monitored and observed over a two-year period by UH to determine the effectiveness of the pavement preservation treatments in extending pavement life.

Residents' ratings for the quality of street repair as *excellent* or *good* declined from 18% in 2014 to 11% in 2015. Ease of car travel and traffic flow continued to receive ratings of less than 20% for *excellent* or *good*. Residents' ratings of traffic signal timing as *excellent* or *good* decreased 2% from prior year. Overall ease of travel continues to receive ratings below 45% for *excellent* or *good*.



Photo Courtesy of the Star Advertiser



Improving Our Sewer System, Infrastructure Repair, and Maintenance

The sewer system is a critical component of our city's infrastructure. As part of a 10-year program that began in 2010 to rehabilitate 144 miles of sewer pipe and clean 500 miles of sewer pipe per year, the city rehabilitated 122 miles of sewer pipe and cleaned approximately 600 miles of sewer pipe in FY 2015.

Honolulu residents' ratings for quality of storm drainage services as *excellent* or *good* decreased 17% from last year.



Caring For Our Parks

Improving our parks is a key component of the mayor's commitment to invest in the core services that touch the lives of residents across the island. An additional \$2 million is committed to renovate 24 comfort stations and 16 playground apparatus. These projects will have an immediate positive impact on the experiences of Honolulu residents and visitors.

In FY 2015, the Department of Parks and Recreation (DPR) partnered with the Waikiki Business Improvement District to open a 24-hour comfort station at Kuhio Beach Park. DPR also opened three new parks: Ewa-Puuloa District Park, Kahiwelo Neighborhood Park, and Ala Wai Dog Park. In addition, the department completed expansion of Banzai Skate Park, the restoration of Mother Waldron Neighborhood Park, and the replacement of lights at Ala Wai Baseball Field.



Photo Courtesy of the Ala Wai Dog Park

Accomplishment of City Priorities

In FY 2015, Honolulu residents rating city and county parks *excellent* or *good* decreased 10% from last year. About 84% of residents visited a city and county park, which was similar to other cities with more than 300,000 residents.

Building Rail Better

The Honolulu Authority for Rapid Transportation (HART) made major progress with the Honolulu rail transit project this year. Construction crews have built nearly 200 support columns and have completed more than three miles of elevated guideway work from the east Kapolei/ Ewa area into Waipahu. The balanced cantilever section of the guideway now crosses over a large portion of the H-1 Freeway between Waipahu and Pearl City. HART's Rail Operations Center, located between Waipahu High School and Leeward Community College, is more than 70 percent complete. HART has also awarded contracts to local companies to begin construction on the first six of the system's 21 rail stations.



Balanced Cantilever construction near the H-1/H-2 Freeway merge

Source: HART



Guideway construction in West O'ahu

Source: HART

Transit-Oriented Development (TOD)

The mayor's team has been working with communities throughout the rail corridor to finalize neighborhood TOD plans and implement projects to enhance neighborhoods around the transit stations. In addition, the mayor's TOD sub-cabinet is coordinating infrastructure and access improvements to facilitate development and connectivity, including sewer and water system projects and upgrades to sidewalks, bikeways, and roads connecting to the rail stations. The team has drafted updated codes, zoning, and an islandwide housing strategy, and is working on a financial toolkit and district infrastructure financing strategies.

Accomplishment of City Priorities



Homelessness

In FY 2015, the City continued its efforts to help people experiencing homelessness through Housing First initiative in partnership with the Institute for Human Services (IHS) on November 1, 2014 with the goal of providing permanent supportive housing to 115 households experiencing chronic homelessness in one year. Housing First clients are housed in apartments across O'ahu.

In February 2015, the City partnered with Mental Health Kokua to oversee the first hygiene center providing public restrooms and showers for the homeless. The center provides towels, shampoo, soap and shaving cream to patrons for free. As of May 2015, as many as 70-80 people were using the center daily.

In June 2015, the City issued two Request for Proposals: 1) to construct Hale Mauiola, a temporary modular housing facility on Sand Island, and 2) for a service provider to operate an intake center and a program office. The plan calls for up to 25 modified shipping containers divided into 3 or 4 units with windows, a lockable door and portable lighting. The site will have 24-hour security, staffing, and a hygiene trailer with private individual showers, toilets, and sinks. There will also be a shuttle service to the nearest bus stop. Hale Mauiola will be a point of entry into Honolulu's system of homeless services known as the Continuum of Care, and be a centralized location where homeless individuals can receive basic services and begin to transition out of homelessness.

In the 2015, National Citizen Survey of Honolulu residents, 72% of respondents strongly or somewhat support providing services to the homeless and supporting homelessness initiatives even if it involves raising taxes or fees.



Hale Mauiola Perspective View

Source: Mayor's News Release dated 06/02/15

Chapter 2 - Department of Budget and Fiscal Services

The Department of Budget and Fiscal Services (BFS) is the city's central financial agency. It is responsible for providing the city's centralized accounting, procurement, treasury, and budget functions.

The department's goals are to:

- Promote good and accountable government.
- Work collaboratively to meet the mayor's goals.
- Develop a strong and cohesive management team.
- Approach problems from a broad, citywide perspective and its impact on others.
- Provide excellent service to internal and external customers.

The department consists of eight divisions:

- Administration
- Budgetary Administration
- Internal Control
- Accounting and Fiscal Services
- Fiscal/CIP
- Purchasing and General Services
- Real Property Assessment
- Treasury

The city charter administratively attaches the Honolulu Liquor Commission to BFS. The commission is wholly funded through revenues from liquor licenses.



Frank F. Fasi Municipal Building

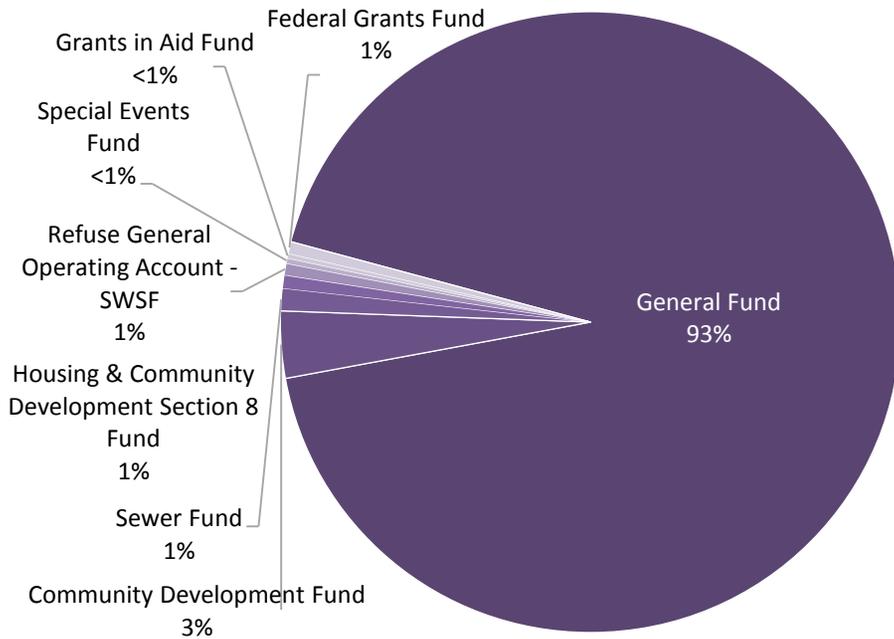
Photo courtesy of the Mayor's Office of Culture and the Arts

To deliver adequate resources to city agencies to ensure successful programs and projects in a fiscally prudent and responsible manner.

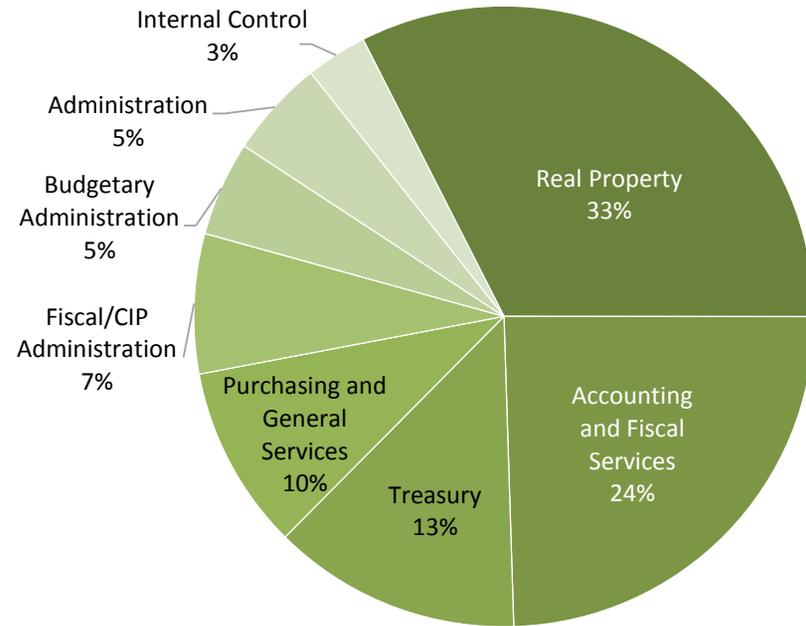
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Revenues (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | Cost Per FTE ² | Overtime Expenditures ³ | |
|--------------------------|---------------------------|---|-------------------------|---------------------|---------------------------|------------------------------------|-------------|
| | | | Total Authorized FTE | Total Vacant FTE | | Total | Non-Holiday |
| FY 2011 | \$1,750.9 | \$16.0 | 323 | 67 | \$49,559 | \$194,729 | \$193,872 |
| FY 2012 | \$1,455.6 | \$15.3 | 323 | 63 | \$47,463 | \$96,340 | \$95,005 |
| FY 2013 | \$1,909.5 | \$15.0 | 320 | 71 | \$46,930 | \$138,982 | \$135,444 |
| FY 2014 | \$1,549.7 | \$16.7 | 323 | 55 | \$51,549 | \$92,724 | \$92,280 |
| FY 2015 | \$2,112.3 | \$17.8 | 303 | 36 | \$58,837 | \$147,718 | \$146,969 |
| Change from last year | 36% | 7% | -6% | -35% | 14% | 59% | 59% |
| Change over last 5 years | 21% | 11% | -6% | -46% | 19% | -24% | -24% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.

¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Highlights and Administration

In FY 2015, BFS' revenues totaled \$2,112.3 million, a 36% increase from FY 2014, and an increase of 21% compared to five years ago. The increases were due primarily to higher non-revenue receipts for: 1) General Obligation Bonds proceeds (\$345 million in FY 2015 vs. \$11 million in FY 2014) and 2) proceeds from Tax Exempt Commercial Paper (\$100 million in FY 2015 and \$0 for FY 2014). Additionally, the Real Property Taxes were about \$100 million more in FY 2015 compared to the prior year.

The department had 303 authorized FTE positions in FY 2015, 20 positions less than last year. Total vacancies totaled 36 FTE, a 35% decrease from last year. The deactivated positions took effect in FY 2015 and further reduced the total number of vacant positions in FY 2015.

In FY 2015, overtime expenditures totaled \$147,718, a 59% increase from FY 2014 to FY 2015. The overtime expenditures fluctuate based on financial and budgetary deadlines, staffing levels at that time, and management's authorization to work overtime to meet these deadlines.

In the 2015 National Citizen Survey, Honolulu residents were asked to rate the value of services for taxes paid. About 17% rated the value of services for taxes paid as *excellent or good*. This percentage is *much lower* than ratings reported nationwide and *lower* among cities with populations over 300,000. Among large cities, Honolulu ranked 22nd out of 22 cities for the value of services for taxes paid.

Administration

The Administration Division provides department-wide leadership, coordination and ensures that the department's mission, goals and objectives are achieved. The division supports the department's mission through administration of the city's risk management program which covers all city agencies except the Honolulu Board of Water Supply, O'ahu Transit Services, and Honolulu Authority for Rapid Transportation (HART), and excludes workers' compensation and employee benefits. The program focuses on minimizing the adverse financial impact of losses through self-insurance and the purchase of additional insurance.

Administration operating expenditures increased 11% from FY 2014 to FY 2015. The increases were primarily due to negotiated collective bargaining increases for employee salaries. Risk management reported liability losses increased 270% (last year) and 758% (over the last 5 years). Property damage of approximately \$4.2 million at Sand Island WWTP resulted from heavy rains and open construction. The loss was within the applicable deductibles for the property.

| | Administration | | Citizen Survey (% <i>Excellent</i> or <i>Good</i>) |
|--------------------------|---|---|--|
| | Operating Expenditures (\$ millions) | Risk Management Reported Liability Losses (\$ millions) | Value of Services for Taxes Paid |
| FY 2011 | \$1.0 | \$0.5 | 35% |
| FY 2012 | \$0.9 | \$1.4 | 33% |
| FY 2013 | \$0.7 | \$1.5 | 24% |
| FY 2014 | \$0.8 | \$1.2 | 29% |
| FY 2015 | \$0.9 | \$4.5 | 17% |
| Change from last year | 11% | 270% | -12% |
| Change over last 5 years | -6% | 758% | -18% |

Source: Department of Budget and Fiscal Services, 2015 Department and Agency Reports, and 2015 National Citizen Survey (Honolulu).

Budgetary Administration and Internal Control

Budgetary Administration

The Budgetary Administration Division oversees the city’s annual operating budget and formulates and administers the city’s budgetary policies under the direction of the mayor. It also reviews operating and capital budget program schedules, makes budgetary allotments, and reviews requests for new agency positions with the mayor’s approval. The primary goal of the division is achieved annually with the adoption of the city’s annual operating budget.

Internal Control

Consistent with the department’s mission for the city’s financial health, the mission of the Internal Control Division is to safeguard city assets. Internal Control performs examinations of the city’s financial activities, audits, and reviews; monitors controls and processes; and recommends practical changes and cost effective improvements.

In FY 2015, the division’s expenditures totaled \$0.6 million, 5% more from last year and 7% more than five years ago. The division had 7 staff members who performed audits, reviews, evaluations, and analyses. During FY 2015, the division accomplished the following:

- Provided ongoing citywide and departmental reviews to ensure accountability and proper use of city funds expended through the purchasing card program;
- Monitored city agency compliance with petty cash and change fund policies and procedures;
- Prepared the city’s consolidated local central service cost allocation plan and indirect cost rates, and assisted departments and inter-governmental agencies with application of rates;
- Monitored the low-income housing compliance requirements for 14 projects in the multi-family housing program;
- Reviewed and provided updates to the BFS policies and procedures manual;
- Updated and developed new policies for the Administrative Directives manual.

- Completed quarterly cash audits and prepared statements of the amount and kind of funds in the City Treasury, as required by the City Charter;
- Administered the Integrity Hotline;

| | Budgetary Administration | | Internal Control | |
|--------------------------|---|--|---|---|
| | Operating Expenditures (\$ millions) | Communications Reviewed and Processed | Operating Expenditures (\$ millions) | Audits, Reviews, Evaluations, and Analyses Performed |
| FY 2011 | \$0.9 | 2,139 | \$0.5 | 39 |
| FY 2012 | \$0.8 | 2,164 | \$0.4 | 35 |
| FY 2013 | \$0.8 | 2,175 | \$0.4 | 34 |
| FY 2014 | \$0.8 | 2,335 | \$0.5 | 55 |
| FY 2015 | \$0.9 | 2,171 | \$0.6 | 40 |
| Change from last year | 4% | -7% | 5% | -27% |
| Change over last 5 years | -2% | 1% | 7% | 3% |

Source: Department of Budget and Fiscal Services

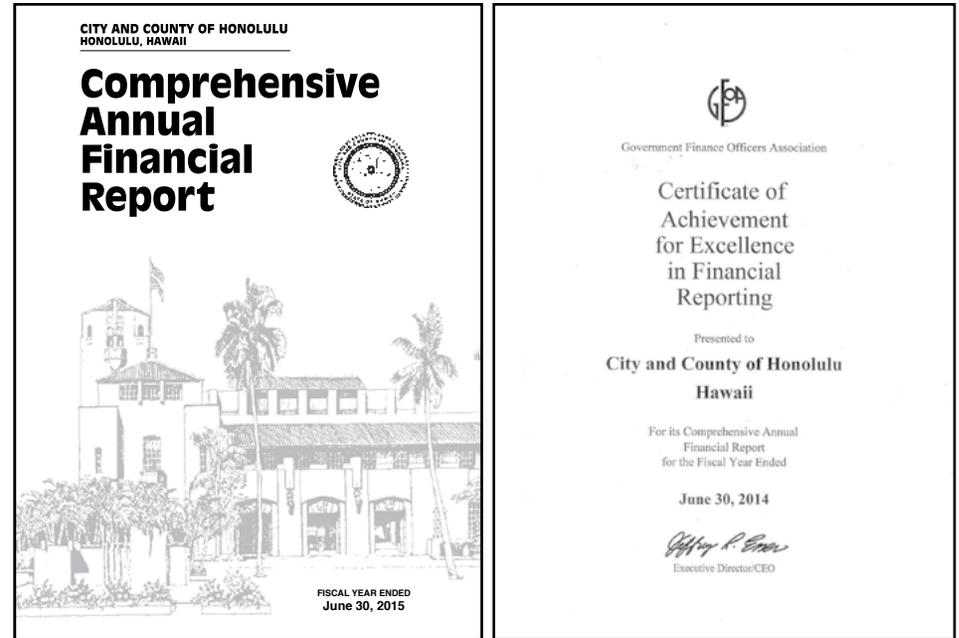
Accounting and Fiscal Services

The Accounting and Fiscal Services Division plans, develops, and provides financial services to departments and agencies. It accounts for all city funds and the manner in which public funds are received and expended.

The division's goals include: (1) ensure that expenditures are proper and comply with applicable laws and grant agreements; (2) meet all federal grant financial reporting requirements; and (3) provide financial services to city agencies needed to achieve their goals and objectives. The division is responsible for central accounting services, including all payments and payroll functions.

The division issues the city's Comprehensive Annual Financial Report (CAFR) and has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for 28 of the last 29 years. The division also continued to assist in refining the city's enterprise resource management system (C²HERPS) for the implementation of new provisions of HGEA and UPW union contracts.

The division's operating expenditures increased 7% from last year and 6% over the last 5 years. The increases were primarily due to negotiated collective bargaining increases for employee salaries.



Source: FY 2015 Honolulu Comprehensive Annual Financial Report Draft as of March 1, 2016

| | Operating Expenditures (\$ millions) | Accounting and Fiscal Services | | |
|--------------------------|---|--|---|--------------------------|
| | | Payroll-Wage Related Payments Processed | Non-Payroll Documents Payments Processed | Total Payments Processed |
| FY 2011 | \$4.1 | 247,000 | 50,000 | 297,000 |
| FY 2012 | \$3.7 | 245,000 | 60,745 | 305,745 |
| FY 2013 | \$3.7 | 234,338 | 58,000 | 292,338 |
| FY 2014 | \$4.1 | 236,000 | 63,000 | 299,000 |
| FY 2015 | \$4.4 | 236,000 | 61,000 | 297,000 |
| Change from last year | 7% | 0% | -3% | -1% |
| Change over last 5 years | 6% | -4% | 22% | 0% |

Source: Department of Budget and Fiscal Services

Fiscal/CIP Administration

The Fiscal/Capital Improvement Program (CIP) Administration Division's mission is to formulate, review, prepare, and implement the city's annual capital improvement program and budget. The division prepares ordinances and resolutions, performs ongoing reviews of capital budget allotments, and enforces the capital budget ordinance. It also analyzes and develops debt service programs for the city.

The division's Fiscal/Long-Range Planning Branch develops revenue estimates, central accounts, and long-range financial planning programs needed to implement the mayor's strategic goals.

A goal of the division's Federal Grants Unit is to ensure the effective administration of four of the city's Housing and Urban Development (HUD) federal grant programs: the Community Development Block Grant (CDBG) program, HOME Investment Partnerships program, Emergency Solutions Grants (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) program. This unit is the city's entity for financial management, reporting, and post-development monitoring of these entitlement programs.

In FY 2015, the division reported its completion of the city's 21st Year Action Plan which detailed FY 2016 projects to be undertaken by the city for the CDBG, HOME, ESG, and HOPWA programs. The division also completed the FY 2016-2020 Consolidated Plan and annual Consolidated Performance and Evaluation Report (CAPER) for these programs.

Applications Reviewed and Processed for HUD Funds



Source: Department of Budget and Fiscal Services

The city was awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association (GFOA) for the division's work on the 2014 budget. This award was shared with the Budgetary Administration Division. The city has received this prestigious award for the last 16 years.

| | Reviewed and Processed | | | | | Audits of Sub-recipients Performed |
|--------------------------|--|--------------------------------|--------------------------------------|---------------------------|--------------------------|------------------------------------|
| | Fiscal/CIP Administration Operating Expenditures (\$ millions) | Independent Services Contracts | Appropriation and Allotment Vouchers | Application for HUD Funds | Sub-recipient Agreements | |
| FY 2011 | \$1.2 | 469 | 646 | 56 | 132 | 37 |
| FY 2012 | \$0.6 | 457 | 506 | 60 | 133 | 62 |
| FY 2013 | \$0.6 | 357 | 455 | 69 | 99 | 67 |
| FY 2014 | \$1.1 | 472 | 499 | 129 | 107 | 53 |
| FY 2015 | \$1.3 | 419 | 495 | 44 | 114 | 58 |
| Change from last year | 22% | -11% | -1% | -66% | 7% | 9% |
| Change over last 5 years | 11% | -11% | -23% | -21% | -14% | 57% |

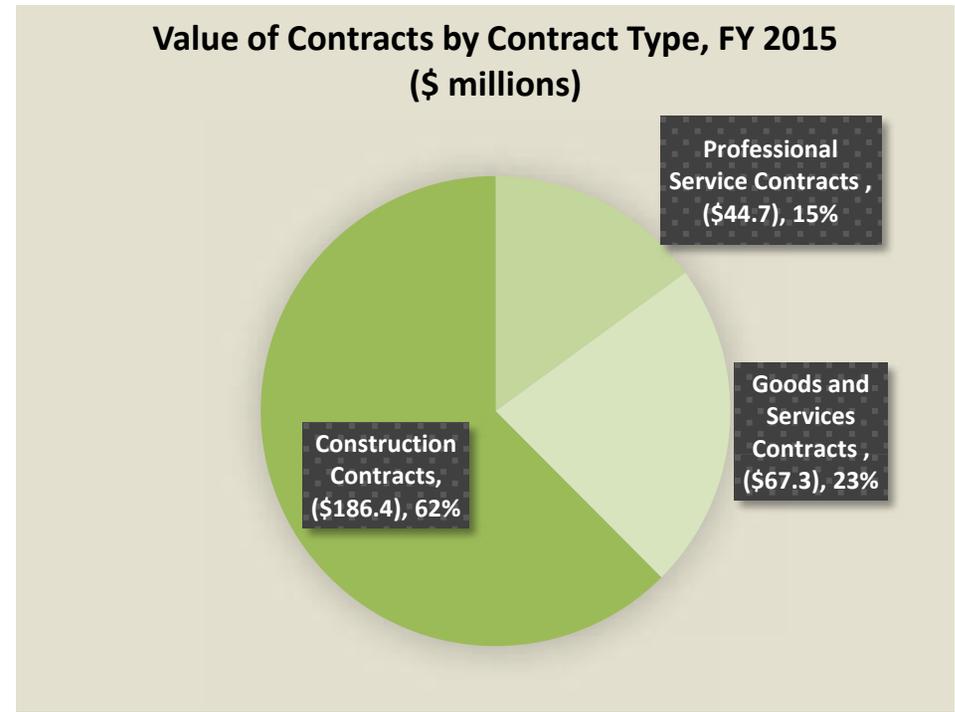
Source: Department of Budget and Fiscal Services.

Purchasing and General Services

The mission of the Purchasing and General Services Division is to assure quality purchases at reasonable prices for the city in accordance with the law. The division is responsible for procuring all materials, supplies, equipment, and services for city departments and agencies, which include construction and consultant contracts for the city. The division is also responsible for the city's assets, which includes real property, rentals, leases, and concessions; and administers housing and business relocation functions.

The division supports the department's mission to maintain the city's financial health and conserve its resources through cost-efficient purchases of goods by using price-list contract awards for commonly purchased items by city departments.

The division's Purchasing Branch processes the city's public works construction and consultant contracts. In FY 2015, the city awarded 93 professional services and 92 construction contracts that totaled \$44.7 million and \$186.4 million, respectively, excluding the Board of Water Supply and HART.



Source: Department of Budget and Fiscal Services

| | Goods and Services | | | | | | | | Professional Services | | Goods and Services | | Construction Contracts | |
|--------------------------|--------------------------------------|------------------------------|--------------------------------------|---|-----------------------------------|---|---------------------------|------------------------------------|--|---|--|---|----------------------------------|---|
| | Operating Expenditures (\$ millions) | Number of Active Price Lists | Number of Price List Purchase Orders | Price List Purchase Order Value (\$ millions) | Number of Direct Purchases Orders | Direct Purchase Order Value (\$ millions) | Number of Purchase Orders | Purchase Order Value (\$ millions) | Number of Professional Service Contracts | Professional Service Dollar Value (\$ millions) | Number of Goods and Services Contracts | Goods and Services Dollar Value (\$ millions) | Number of Construction Contracts | Construction Dollar Value (\$ millions) |
| FY 2011 | \$1.5 | 226 | 3,404 | \$73.3 | 2,967 | \$3.2 | 867 | \$28.0 | 123 | \$347.1 | 146 | \$40.4 | 97 | \$558.0 |
| FY 2012 | \$1.5 | 226 | 3,876 | \$46.3 | 4,279 | \$6.8 | 930 | \$40.0 | 109 | \$31.0 | 83 | \$25.4 | 112 | \$263.0 |
| FY 2013 | \$1.4 | 219 | 3,333 | \$61.9 | 3,982 | \$7.5 | 781 | \$32.1 | 97 | \$30.3 | 105 | \$71.0 | 82 | \$171.1 |
| FY 2014 | \$1.6 | 211 | 2,719 | \$70.1 | 3,869 | \$7.3 | 735 | \$25.1 | 82 | \$40.6 | 143 | \$57.8 | 59 | \$287.9 |
| FY 2015 | \$1.7 | 263 | 2,502 | \$65.9 | 3,544 | \$7.5 | 768 | \$26.4 | 93 | \$44.7 | 185 | \$67.3 | 92 | \$186.4 |
| Change from last year | 7% | 25% | -8% | -6% | -8% | 3% | 4% | 5% | 13% | 10.2% | 29.4% | 16.4% | 55.9% | -35.2% |
| Change over last 5 years | 14% | 16% | -26% | -10% | 19% | 137% | -11% | -6% | -24% | -87.1% | 26.7% | 66.7% | -5.2% | -66.6% |

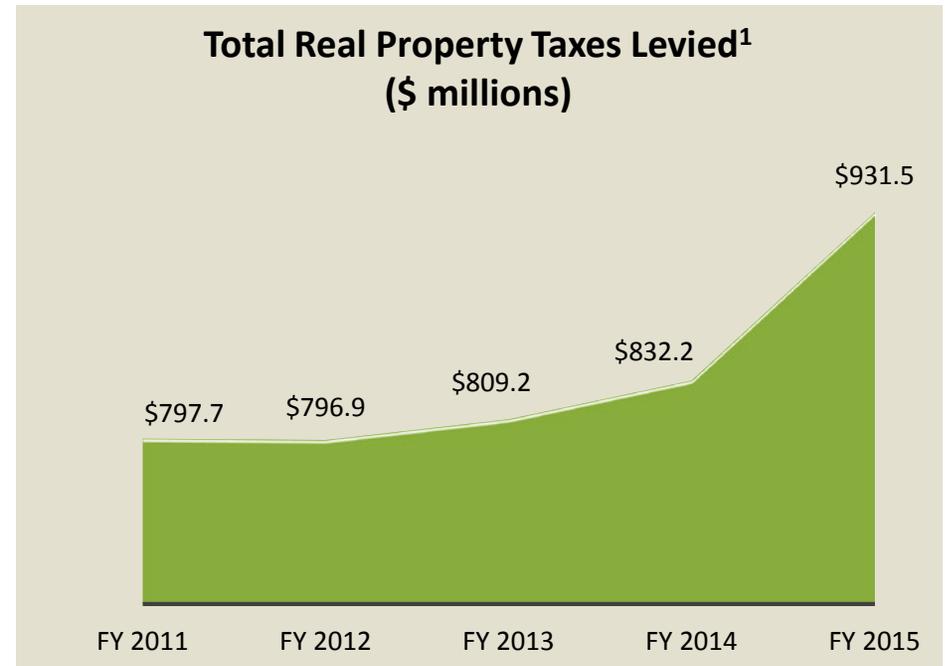
Source: Department of Budget and Fiscal Services

Real Property Assessment

The mission of the Real Property Assessment Division (RPAD) is to annually prepare a certified assessment roll of property taxes to the city council as required by ordinance. It ensures that real property assessment values are fair, equitable, and based on market value and applicable standards and laws. The certified assessment roll is used by the city council to set the property tax rates for the city.

To achieve its mission, RPAD annually identifies all real property parcels and respective owners, appraises parcels, and processes exemption and dedication claims. It sends assessment notices to owners, resolves tax appeals, and maintains and updates information (including maps, ownership and valuation records, etc.).

The real property expenditures increased 8% (last year) and 15% (over the last 5 years). The increase was primarily due to negotiated collective bargaining increases for employee salaries. The division processed 51,531 real property exemptions/dedications in FY 2015, a decrease of 9% from a year ago and a 2% decrease from five years ago. Walk-in counter assistance for all public service decreased 12% from 5,254 in FY 2011 to 4,600 in FY 2015.



Source: Department of Budget and Fiscal Services. ¹Rounded totals.

| | Operating Expenditures (\$ millions) | Real Property Tax Assessments | | Exemptions / Dedications Processed | | | | |
|--------------------------|--------------------------------------|---|---|------------------------------------|--------|-------------------------|---------------|----------------------|
| | | Total Assessment Value ¹ (\$ billions) | Total Taxes Levied ¹ (\$ millions) | Assessment Parcels | Total | Walk-In Counter Service | Appeals Filed | Building Inspections |
| FY 2011 | \$5.0 | \$153.1 | \$797.7 | 286,333 | 52,440 | 5,254 | 1,642 | 7,047 |
| FY 2012 | \$5.2 | \$153.6 | \$796.9 | 287,611 | 53,350 | 5,100 | 2,447 | 5,774 |
| FY 2013 | \$5.0 | \$155.3 | \$809.2 | 288,615 | 44,143 | 4,900 | 1,264 | 6,782 |
| FY 2014 | \$5.4 | \$159.1 | \$832.2 | 290,290 | 56,659 | 5,000 | 1,514 | 7,585 |
| FY 2015 | \$5.8 | \$174.3 | \$931.5 | 293,852 | 51,531 | 4,600 | 2,141 | 7,202 |
| Change from last year | 8% | 10% | 12% | 1% | -9% | -8% | 41% | -5% |
| Change over last 5 years | 15% | 14% | 17% | 3% | -2% | -12% | 30% | 2% |

Source: Department of Budget and Fiscal Services. ¹Rounded totals.

Real property tax is the primary revenue source for the General Fund. The real property taxes collection of \$935.8M increased 12% from last year. This increase was due to the an increase in assessed tax values/taxes levied, new inventory, implementation of the new residential class “A”, compliance reviews of exemptions, and tax appeal resolutions.

Treasury

The Treasury Division is responsible for the city’s cash management, debt, and selected accounts receivables. The division maintains the city’s treasury, deposits monies, and invests funds as authorized by law. It also issues, sells, pays interest, and redeems bonds. Treasury is responsible for billing and collecting various revenues including real property taxes, improvement and business improvement district assessments, refuse disposal and collection fees, real property rental income, and concession income. Treasury’s goals include the effective, timely, and cost efficient collection of real property taxes, assessments, and various city fees; and effective management of the city’s debts and obligations.

In FY 2015, the outstanding delinquent taxes declined 23% from FY 2011 to FY 2015. This is attributed to the overall real estate market stability, Hawaii’s continued increase in real property values, and consistent delinquent collection efforts. The 103% increase in delinquent real property taxes collected from prior year to fiscal year resulted from the tax adjustments and/or tax compromises during that period.

In FY 2015, the division accomplished the following:

- Real property taxes accounted for approximately two-thirds of the city’s general fund revenues. The division billed 284,012 accounts for \$966.1 million and total taxes collected were \$935.8 million;
- The city assesses a charge to property owners in approved improvement districts for certain public improvements and services that benefit those owners. In FY 2015, the improvement district accounts numbered 27 that paid a total of \$6,433;
- The business improvement districts assess a charge to property owners for services that benefit these owners. There were 5,319 accounts that paid a total of \$2.4 million;
- The city charges commercial haulers a refuse disposal fee for utilizing one of the city’s landfills or other solid waste disposal facilities. There were 205 active accounts that produced revenue of \$53.6 million;
- Commercial customers incur a monthly refuse collection fee based on their average refuse volume for curbside pickup. The commercial customers numbered 563 and remitted fees of \$483,421.

| | Treasury Operating Expenditures (\$ millions) | Real Property Taxes | | | | | |
|--------------------------|---|----------------------------------|-----------------------------------|--|------------------|--|--|
| | | Total Taxes Levied (\$ millions) | Collections to Date (\$ millions) | Outstanding Delinquent Taxes (\$ millions) | Delinquency Rate | Delinquent Tax Collections (\$ millions) | Delinquent Real Property Tax Accounts ¹ |
| FY 2011 | \$2.1 | \$804.3 | \$795.5 | \$17.2 | 2.2% | \$8.6 | 7,133 |
| FY 2012 | \$2.2 | \$812.5 | \$800.1 | \$12.7 | 1.6% | \$10.5 | 7,278 |
| FY 2013 | \$2.3 | \$841.3 | \$813.7 | \$13.4 | 1.6% | \$19.7 | 6,588 |
| FY 2014 | \$2.3 | \$868.1 | \$838.7 | \$13.4 | 1.6% | \$3.2 | 5,944 |
| FY 2015 | \$2.3 | \$966.1 | \$935.8 | \$13.2 | 1.4% | \$6.5 | 6,241 |
| Change from last year | -1% | 11% | 12% | -1% | <-1% | 103% | 5% |
| Change over last 5 years | 12% | 20% | 18% | -23% | -1% | -24% | -13% |

Source: Department of Budget and Fiscal Services. ¹Property tax installment payments are due on August 20th (first installment) and February 20th (second installment).

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Honolulu Liquor Commission

The Honolulu Liquor Commission (LIQ) has sole jurisdiction, power, authority and discretion to grant, refuse, suspend and revoke any license for the manufacture, importation, or sale of liquor within the City and County of Honolulu. The commission is administratively attached to the Department of Budget and Fiscal Services but is wholly funded through revenues generated from liquor licenses and fees deposited into the Liquor Commission Fund.



Hearing Room

Photo Courtesy of the Honolulu Liquor Commission

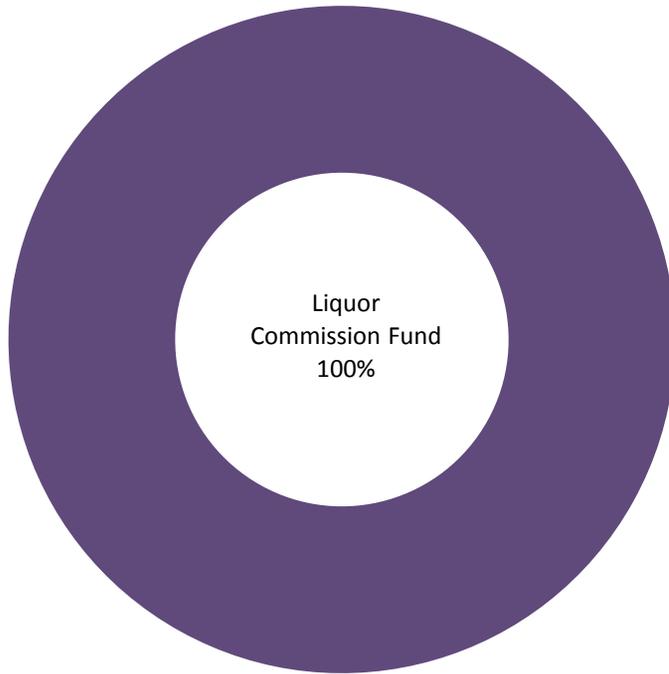


To promote the community's health, safety, and welfare by efficiently and fairly administering and enforcing Hawai'i's liquor laws.

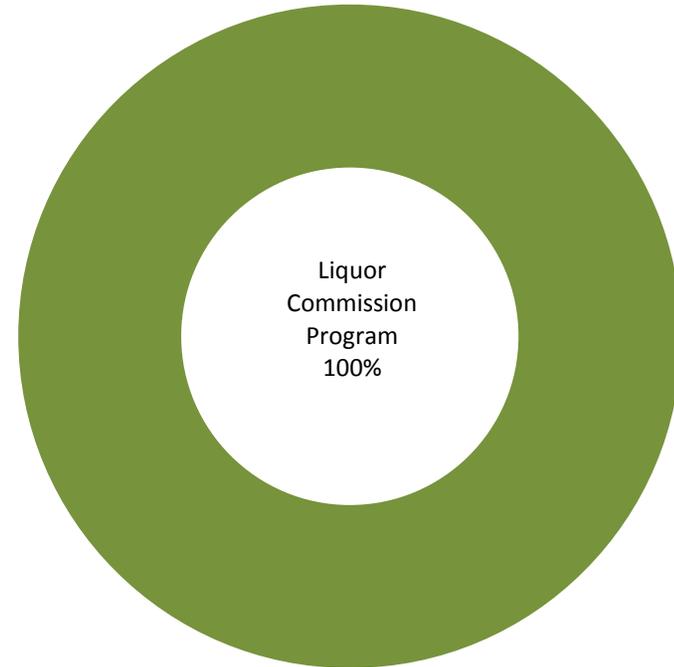
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Liquor License Revenues (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | Overtime Expenditures | |
|--------------------------|--|---|-------------------------|---------------------------|-----------------------|--------------------------|
| | | | Total Authorized FTE | Cost Per FTE ¹ | Total | Non-Holiday ² |
| FY 2011 | \$4,000,000 | \$2,135,458 | 50 | \$42,709 | \$92,195 | \$88,989 |
| FY 2012 | \$3,800,000 | \$2,320,902 | 50 | \$46,418 | \$103,157 | \$100,698 |
| FY 2013 | \$3,859,378 | \$2,764,564 | 50 | \$55,291 | \$106,837 | \$103,055 |
| FY 2014 | \$3,432,116 | \$2,760,373 | 50 | \$55,207 | \$82,633 | \$80,643 |
| FY 2015 | \$4,323,645 | \$3,084,172 | 50 | \$61,683 | \$88,777 | \$87,337 |
| Change from last year | 26% | 12% | 0% | 12% | 7% | 8% |
| Change over last 5 years | 8% | 44% | 0% | 44% | -4% | -2% |

Source: Honolulu Liquor Commission and Department of Budget and Fiscal Services. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable.

Liquor Commission Program

In FY 2015, the liquor license revenues increased 26% from FY 2014. According to the commission the increase was due to additional license fees collected from applying a lower deductible amount to the gross liquor sales collected in FY 2015 as opposed to FY 2014.

Total authorized staffing has remained at 50 FTE positions since FY 2011. Total investigations conducted increased 11% from FY 2014 to FY 2015. The commission reports that the Liquor Control investigators concentrated their focus on major violations involving public health, safety and community welfare. The amount of time spent in each establishment decreased, which allowed them additional time to conduct more investigations.

Public complaints pertaining to licensees have declined 12% from last year and 27% over the last 5 years. The number of complaints have decreased due to the education and enforcement efforts regarding noise complaints.

All liquor licenses are renewed annually. New requests for liquor licenses, involve consideration of the number of existing licenses in the area, zoning and land use considerations, and input from parties in the affected neighborhood. Over the last five years, the number of liquor licenses in effect increased 10%, from 1,346 in FY 2011 to 1,480 in FY 2015.

The commission refers complaints alleging drug activity, prostitution, gambling, and other non-liquor violations to the appropriate law enforcement agency. In FY 2015, total violations adjudicated increased 4% from the previous year, mostly due to late or not filing gross liquor sales reports and for unauthorized entertainment devices on premises. The number of adjudications involving minors decreased by 6%.



Source: Honolulu Liquor Commission

| | Total Investigations Conducted | Public Complaints About Premises | Total Violations Adjudicated | Total Violations Adjudicated Minors | % Adjudicated Violations: Minors | Liquor Licenses in Effect |
|--------------------------|--------------------------------|----------------------------------|------------------------------|-------------------------------------|----------------------------------|---------------------------|
| FY 2011 | 11,256 | 407 | 441 | 109 | 25% | 1,346 |
| FY 2012 | 15,471 | 386 | 590 | 211 | 36% | 1,394 |
| FY 2013 | 12,587 | 404 | 213 | 50 | 23% | 1,406 |
| FY 2014 | 9,201 | 337 | 380 | 46 | 12% | 1,451 |
| FY 2015 | 10,187 | 298 | 396 | 23 | 6% | 1,480 |
| Change from last year | 11% | -12% | 4% | -50% | -6% | 2% |
| Change over last 5 years | -9% | -27% | -10% | -79% | -19% | 10% |

Source: Honolulu Liquor Commission

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Chapter 3 - Department of Community Services

The Department of Community Services (DCS) administers programs to meet human service, workforce and housing needs of economically challenged individuals and families with special needs in the City and County of Honolulu. The Revised Charter of Honolulu mandates DCS to: (a) develop and administer projects, programs, and plans of action for human resources, human services, and housing programs; (b) develop and administer projects, programs, and plans of action designed to achieve sound community development that conform to and implement the general plan and development plans; and (c) implement federally-aided and state-aided human resources, human services, housing, urban renewal, and community development programs.

To accomplish the charter’s mandate to serve and advance the general welfare and aspirations of city and county residents, administration’s goal is to seek grants for human services and self-sufficiency for those with the greatest needs or challenges.

DCS consists of six divisions and the O’ahu Workforce Development Board.

| | | | | | | |
|--|--|--|---|--|---|--|
| Administration <ul style="list-style-type: none">•Oversees the operational divisions. | Community Assistance <ul style="list-style-type: none">•Administers rental subsidies, home rehabilitation and homeownership assistance to low and moderate income families. | Community Based Development <ul style="list-style-type: none">•Administers grants for homeless and housing assistance, and community development. | Elderly Affairs <ul style="list-style-type: none">•Administers grants for older adults, caregivers and people with disabilities. | WorkHawai‘i <ul style="list-style-type: none">•Administers grants for employment and job training and youth development programs and housing support. | Office of Grants Management ¹ <ul style="list-style-type: none">•Administers the City’s Grant In Aid (GIA) Fund that provides monies to non-profit organizations serving the community. | O’ahu Workforce Development Board ² <ul style="list-style-type: none">•Administers the federal Workforce Investment Act program for businesses, job seekers and youth. |
|--|--|--|---|--|---|--|

¹The Office of Grants Management changed its name from the Office of Special Projects on October 8, 2014.

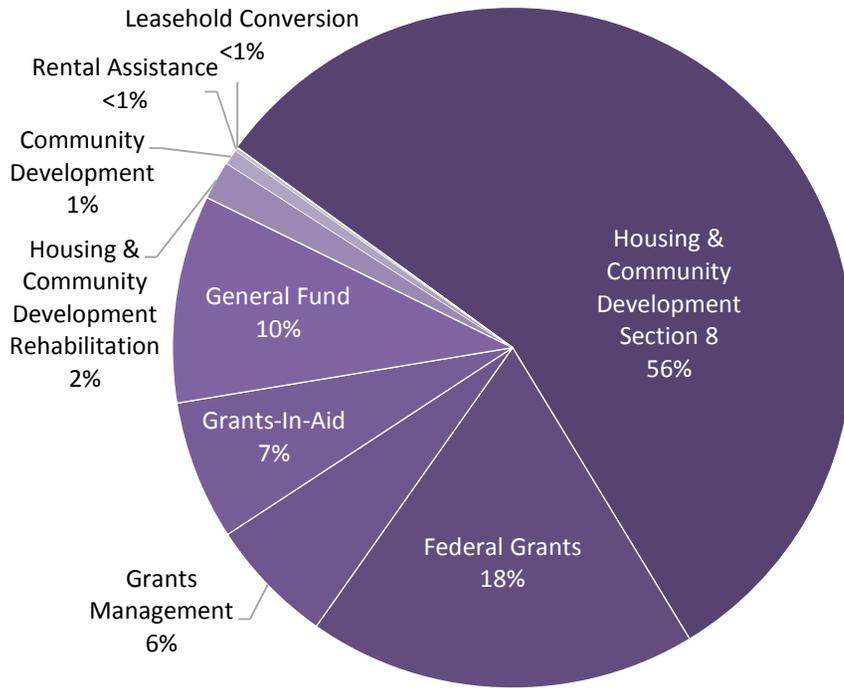
²The O’ahu Workforce Development Board is administratively attached to DCS.

To create opportunities to improve the quality of life for the people of O’ahu.

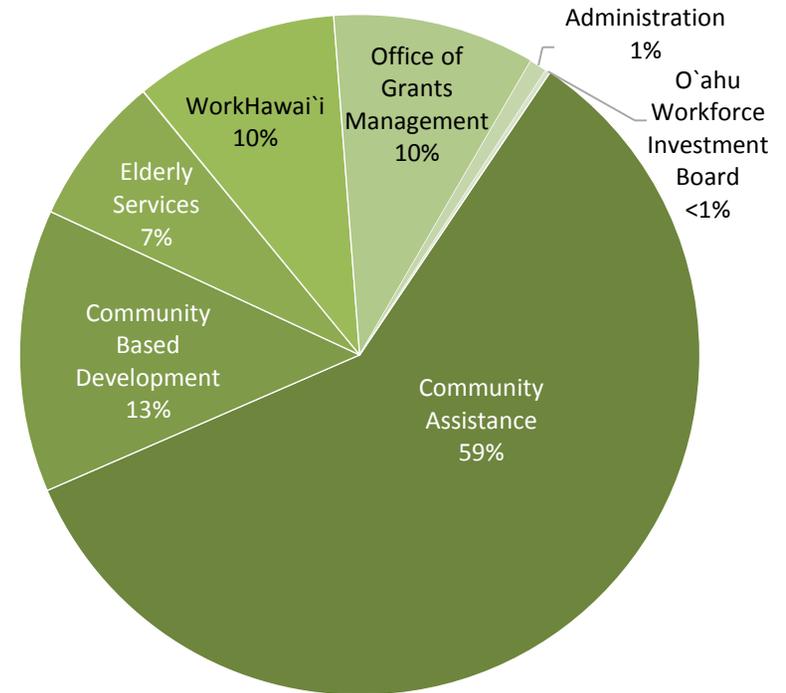
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses¹



| | Total Operating | | Staffing | | | Overtime Expenditures ³ | |
|--------------------------|-----------------|---------------|------------------|--------------|---------------------------|------------------------------------|-------------|
| | Total Revenues | Expenditures | Total Authorized | Total Vacant | Cost Per FTE ² | Total | Non-Holiday |
| | (\$ millions) | (\$ millions) | FTE | FTE | | | |
| FY 2011 | \$69.8 | \$76.9 | 246.8 | 99.3 | \$311,533 | \$63,395 | \$63,395 |
| FY 2012 | \$75.2 | \$80.1 | 246.8 | 100.3 | \$324,692 | \$94,180 | \$94,107 |
| FY 2013 | \$61.7 | \$71.7 | 223.0 | 85.0 | \$321,305 | \$25,945 | \$25,681 |
| FY 2014 | \$83.5 | \$87.7 | 246.8 | 111.8 | \$355,188 | \$12,655 | \$12,655 |
| FY 2015 | \$67.1 | \$82.3 | 244.8 | 115.3 | \$336,361 | \$9,069 | \$9,069 |
| Change from last year | -20% | -6% | -1% | 3% | -5% | -28% | -28% |
| Change over last 5 years | -4% | 7% | -1% | 16% | 8% | -86% | -86% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.

¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Highlights and Community Assistance

Over the last five years, DCS' operating expenditures increased 7%, from \$76.9 million in FY 2011 to \$82.3 million in FY 2015. Over the past year, revenues decreased 20%, to \$67.1 million in FY 2015 from \$83.5 million in FY 2014. The department noted that the programs are ongoing and attributes the decline in revenues to timing of federal grants.

The department had 244.8 authorized FTE positions in FY 2015. Vacancies totaled 115.3 positions, 16% higher compared to five years ago.

In FY 2015, overtime expenditures totaled \$9,069, 86% less than five years ago. The department reports that it minimizes overtime expenditures where possible. Overtime is authorized for approved community events beyond the normal work hours. Controlling overtime is in line with the City's objective of meeting the community's needs while controlling costs.

Community Assistance

The Community Assistance Division (CAD) accounted for 59% of the department's FY 2015 operating expenditures. In FY 2015, CAD's operating expenditures totaled \$48.6 million, remained fairly stable with a 2% decrease over the past year and a similar decrease over the past five years.

At the end of FY 2015, the City received new funding for 80 special vouchers for veterans referred by the U.S. Department of Veterans Affairs. The vouchers have done much to help the City meet the nationwide goal of ending veteran homelessness in 2015.

CAD fulfills its goal of promoting individual self-sufficiency and improved housing and quality of life for low income families through its Section 8 Housing Choice Voucher and Family Self-Sufficiency (FSS) Programs.

The Section 8 Housing Choice Voucher Program enables low-income families, earning 30% of the median income, to rent housing units on the private rental market. In FY 2015, the program paid \$41.0 million in rental subsidies. The Section 8 waitlist experienced large fluctuations over the past five years. In FY 2011, there were 4,000 applicants on the waitlist compared to 2,194 in FY 2015, a 45% decline. The division explained that there were over 10,000 names on the waitlist when it was last closed in 2005. It took until 2014 for CAD to go through the 10,000 names. New applications were accepted in 2014 and the division randomly selected 3,100 for the waitlist.

There were significant fluctuations in the number of Section 8 applications processed. Over the past year, applications processed increased 158% from 351 in FY 2014 to 906 in FY 2015. The number of applications processed increased 463% from 161 in FY 2011 to 906 in FY 2015. CAD noted that processing any applications off the waitlist requires new funding from Congress. When new funding is received, additional applications are processed. The division must ensure that there are enough funds to last the entire year. If at any time, more subsidy is paid out than planned (i.e. due to rent increases), application processing stops and people are put back on the waitlist.

| | CAD Operating Expenditures (\$ millions) | Section 8 Housing Choice Voucher Program | | | Family Self-Sufficiency Program | | |
|--------------------------|--|--|------------------------|------------------------|---------------------------------|----------------------------|--|
| | | Families Served | Wait-Listed Applicants | Applications Processed | Families Participated | Families Became Homeowners | Rehabilitation Loans Approved & Funded |
| FY 2011 | \$49.4 | 3,699 | 4,000 | 161 | 173 | 3 | \$447,796 |
| FY 2012 | \$49.7 | 3,383 | 1,499 | 1,277 | 183 | 2 | \$1,041,796 |
| FY 2013 | \$46.7 | 3,444 | 561 | 938 | 184 | 1 | \$1,519,540 |
| FY 2014 | \$49.8 | 3,257 | 0 | 351 | 156 | 0 | \$1,077,550 |
| FY 2015 | \$48.6 | 3,486 | 2,194 | 906 | 136 | 1 | \$1,276,450 |
| Change from last year | -2% | 7% | -- | 158% | -13% | -- | 18% |
| Change over last 5 years | -2% | -6% | -45% | 463% | -21% | -67% | 185% |

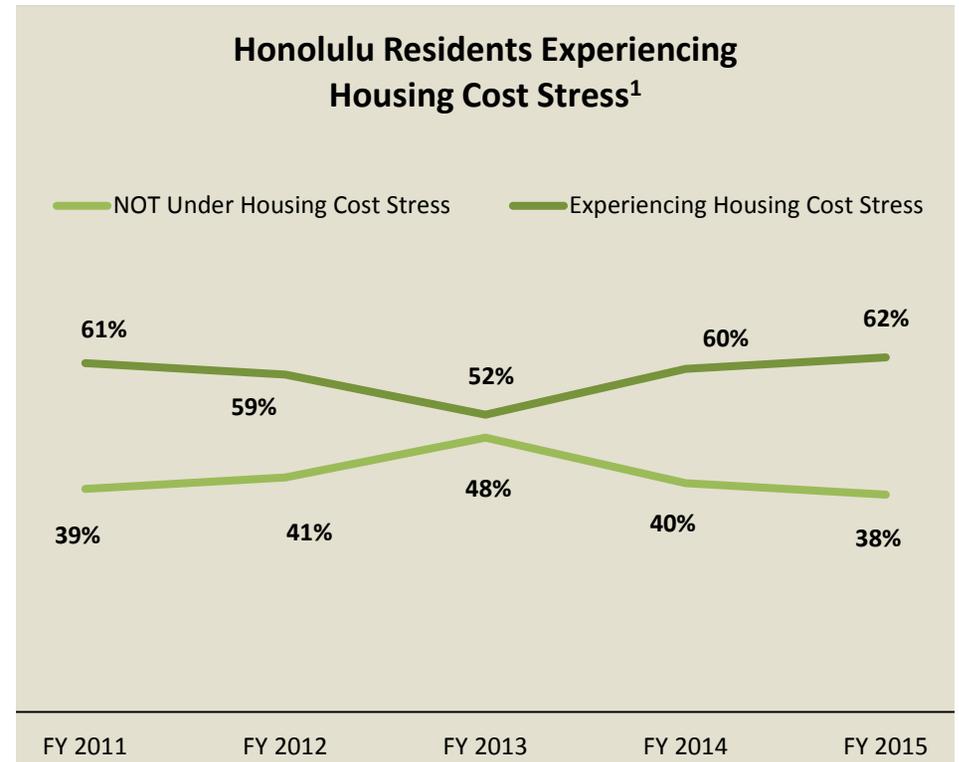
Source: Department of Budget and Fiscal Services and Department of Community Services.

Community Assistance

The Family Self-Sufficiency (FSS) Program is a voluntary program designed to help participating Section 8 families transition off of government subsidies into social and economic self-sufficiency by providing counseling, career guidance, life coping workshops and other resources. In FY 2015, 136 families participated in the FSS Program and 13 families successfully completed the program. The number of participants declined 21% from 173 families in FY 2011. The division noted that the program is voluntary which may explain the decline.

The Rehabilitation Loan Program assists low and moderate income homeowners by providing zero interest loans to renovate their units. Homeowners may include accessibility improvements in the renovation scope. Rehabilitation loans approved and funded in FY 2015 totaled \$1,276,450 which increased 18% from the \$1,077,550 funded in FY 2014.

In the 2015 National Citizen Survey, Honolulu residents were asked to rate the availability of affordable quality housing and the variety of housing options. About 9% and 13% of residents rated the availability of affordable quality housing and the variety of housing options as excellent or good, respectively. Both of these ratings were much lower than the benchmarks nationally and for cities with over 300,000 residents. Among large cities, Honolulu ranked last for availability of affordable quality housing and the variety of housing options. The survey also asked residents to report if they were experiencing housing cost stress (housing costs were 30% or more of household income). About 38% of residents reported that they were not experiencing housing cost stress, which is much lower than the national benchmark.



Source: 2015 National Citizen Survey (Honolulu).

| | Citizen Survey (% Excellent or Good) | | | |
|--------------------------|--|----------------------------|-------------------------------|---|
| | Availability of Affordable Quality Housing | Variety of Housing Options | NOT Under Housing Cost Stress | Experiencing Housing Cost Stress ² |
| FY 2011 | 9% | 25% | 39% | 61% |
| FY 2012 | 9% | 24% | 41% | 59% |
| FY 2013 | 9% | 19% | 48% | 52% |
| FY 2014 | 8% | 20% | 40% | 60% |
| FY 2015 | 9% | 13% | 38% | 62% |
| Change from last year | 1% | -7% | -2% | 2% |
| Change over last 5 years | 0% | -12% | -1% | 1% |

Source: 2015 National Citizen Survey (Honolulu). ¹Spending 30% or more of household income on housing costs. ²The National Research Center defines housing cost stress as paying 30% or more of monthly household income on housing costs.

Community Based Development

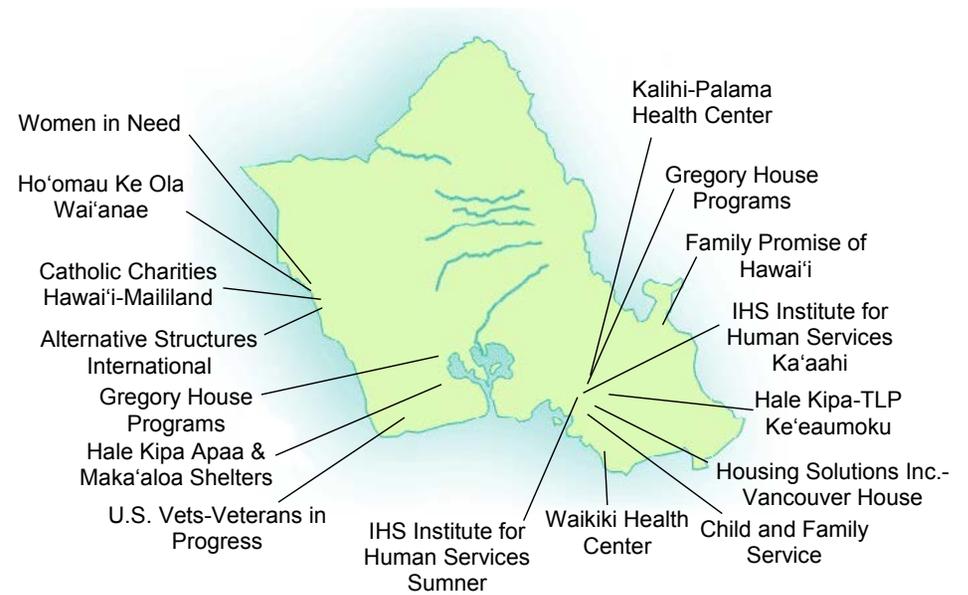
The Community Based Development Division's (CBDD) mission is to secure and administer grant funds for homeless assistance, community development, and housing. It also identifies alternative funding sources to maximize city resources. Over the last five years, the division's operating expenditures increased 100% from \$5.5 million in FY 2011 to \$11.0 million in FY 2015 because of additional federal and city funding, according to the division.

The Permanent Supportive Housing programs provide housing subsidies and case management services to homeless individuals. Individuals pay 30% of their income toward rent, and the program subsidizes the remaining portion. Since FY 2011, the number of Shelter Plus Care Rental Assistance slots increased 30% from 316 in FY 2011 to 411 slots in FY 2015.

In support of the mayor's Housing First initiative, CBDD provided support to homeless programs through the Emergency Solutions Grants (ESG) programs in FY 2015. ESG funds the operations of emergency shelters as well as rapid re-housing and homeless prevention activities.

Honolulu's Section 8 rental assistance program was awarded High Performer status by the U.S. Department of Housing and Urban Development (HUD) for its performance in 2015 and the preceding four years. HUD's high performer designation is based on fifteen performance indicators including selection from waitlist, reasonable rent, timely annual reexaminations, and housing quality standards enforcement.

FY 2015 Homeless Services Agencies and Shelters¹ on O`ahu



Source: Office of the City Auditor, Department of Community Services

| | CBDD Operating Expenditures (\$ millions) | Shelter Plus Care Rental Assistance Slots ² | CDBG ³ Grants | CDBG ³ Funds |
|--------------------------|--|---|--------------------------|-------------------------|
| FY 2011 | \$5.5 | 316 | 2 | \$214,000 |
| FY 2012 | \$6.4 | 328 | 5 | \$1,051,000 |
| FY 2013 | \$3.3 | 336 | 0 | \$0 |
| FY 2014 | \$12.9 | 407 | 0 | \$0 |
| FY 2015 | \$11.0 | 411 | 8 | \$5,287,000 |
| Change from last year | -14% | 1% | -- | -- |
| Change over last 5 years | 100% | 30% | 300% | 2371% |

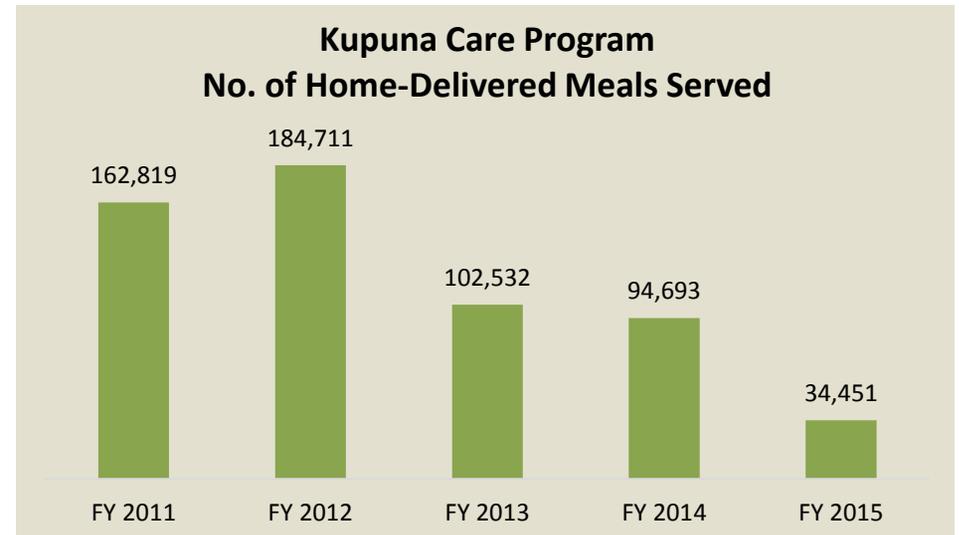
Source: Department of Budget and Fiscal Services and the Department of Community Services. ¹These agencies and shelters received grant funds through DCS. ²Shelter Plus Care is now part of the Permanent Supportive Care Program. ³Community Development Block Grant program funded by the U.S. Department of Housing and Urban Development (HUD).

Elderly Affairs

The Elderly Affairs Division (EAD) is the designated Area Agency on Aging (AAA) in Honolulu. The division's objective is to develop a comprehensive and coordinated system of services to assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible.

Over the last five years, the division's operating expenditures decreased 31% from \$8.5 million in FY 2011 to \$5.9 million in FY 2015 due to the timing of funding.

Under the Aging Network Service System, 5,150 seniors received meals, personal care, and transportation services; and 22,308 seniors received counseling, health promotion, housing and legal assistance. Over the past year, the number of Kupuna Care Home Delivered Meals declined 64% from 94,693 in FY 2014 to 34,451 in FY 2015. EAD reported that the drastic change was due to an unusual contract year that started later and funds were exhausted in only three months. In FY 2015, EAD provided outreach, information, and referral services via the Information and Assistance (I&A) program through Satellite City Hall walk-in sites, outreach visits to group dining programs, open markets, senior clubs and housing projects, exhibits at community fairs, home visits during case assessments of frail elders, group presentations, and calls received by the Elderly Helpline.



Source: Department of Community Services

| | EAD Operating Expenditures (\$ millions) | Aging Network Service System | | EAD Actual Intakes | Kupuna Care Program- No. of Home Delivered Meals |
|--------------------------|--|--|---|--------------------|--|
| | | Received Meals, Personal Care & Transportation | Received Counseling, Health Promotion, Housing & Legal Assistance | | |
| FY 2011 | \$8.5 | 5,546 | 53,505 | 13,741 | 162,819 |
| FY 2012 | \$11.0 | 5,325 | 55,719 | 15,071 | 184,711 |
| FY 2013 | \$9.0 | 5,205 | 50,156 | 14,564 | 102,532 |
| FY 2014 | \$9.1 | 5,018 | 31,383 | 11,526 | 94,693 |
| FY 2015 | \$5.9 | 5,150 | 22,308 | 8,459 | 34,451 |
| Change from last year | -35% | 3% | -29% | -27% | -64% |
| Change over last 5 years | -31% | -7% | -58% | -38% | -79% |

Source: Department of Community Services and Department of Budget and Fiscal Services

WorkHawai`i, O`ahu Workforce Investment Board, and Grants Management

WorkHawai`i Division's mission is to develop a quality workforce for Honolulu's businesses and to empower individuals to meet the current and future needs of employers. The O`ahu Workforce Investment Board (OWIB) designated WorkHawai`i as the operator of the O`ahu WorkLinks, which is O`ahu's workforce development system, funded by the Workforce Investment Act. O`ahu WorkLinks provides federally funded business assistance and job seeker services. Over the past five years, On the Job business partners increased 235%, from 17 in FY 2011 to 57 in FY 2015. The division noted that they received additional discretionary grants for outreach to engage businesses in the On the Job training program.

In FY 2015, 34,856 job seekers were served, which is a 9% increase of those served last year; and 737 companies participated in the job fairs, which reflects a 64% increase from 450 companies five years ago. From FY 2014 to FY 2015 WorkHawai`i's operating expenditures declined 14%. The division attributed the decline to the ending of some WorkHawai`i grants when activities were completed.

About 1,500 youth and young adults experiencing barriers to employment were served through prevention and intervention programs at the Youth Services Center in FY 2015. The center provides participants opportunities for academic, civic, and vocational skills to progress toward economic and social stability. In FY 2015, 575 youth were diverted from the juvenile justice system: 146 obtaining high school diplomas and 153 were employed and/or enrolled in further education.

On the Job Training Program Business Partners



Source: Department of Community Services

The O`ahu Workforce Investment Board (OWIB) is implemented and funded by the federal Workforce Investment Act. OWIB oversees and sets policies for O`ahu WorkLinks. The board is administratively attached to DCS. Its operating expenditures increased 68% from FY 2011 to FY 2015 due to increasing staff from one to two persons.

The Office of Grants Management administers the City's Grants-in-Aid (GIA) Fund. In FY 2015, \$6.4 million was appropriated for tax exempt, non-profit organizations that provide services for economically and/or socially disadvantaged populations or for public benefit in the areas of the arts, culture, economic development or the environment. In FY 2015, the office managed 52 FY 2014 awards and 16 older contracts, and executed 76 FY 2015 contracts. Over the past year, the office's operating expenditures increased 41%. According to grants management, when City's revenues increased, the administration approved funds for additional grants in the fourth quarter of FY 2015. Over the past year, the estimated number of persons served declined 51% from 155,000 in FY 2014 to 75,651 in FY 2015. The office stated that FY 2014 grant applicants proposed more large group activities than FY 2015 applicants.

| | Operating Expenditures | | | WorkHawai`i | | | OWIB | Office of Grants Management | | |
|--------------------------|---------------------------------|---------------------|-----------------------------|-----------------------------|-----------------------------|--------------------|---------------------------------|---------------------------------|---------------------------|---------------------|
| | Oahu Workforce Investment Board | | Office of Grants Management | On the Job Training Program | | Job | O`ahu WorkLinks One-Stop Center | Grants In Aid Contracts Awarded | Total Amount Awarded | Persons Served |
| | WorkHawai`i (\$ millions) | Board (\$ millions) | (\$ millions) | Business Partners | Seekers Served ¹ | Job Fair Companies | Users | | (\$ million) ² | Served ² |
| FY 2011 | \$7.6 | \$0.1 | \$5.0 | 17 | 12,698 | 450 | 22,898 | ---- | ---- | ---- |
| FY 2012 | \$7.0 | \$0.1 | \$5.1 | 37 | 37,960 | 496 | 26,068 | ---- | ---- | ---- |
| FY 2013 | \$8.8 | \$0.1 | \$3.1 | 15 | 26,698 | 510 | 26,698 | ---- | ---- | ---- |
| FY 2014 | \$9.3 | \$0.2 | \$5.6 | 16 | 31,967 | 517 | 21,567 | 52 | \$5.1 | 155,000 |
| FY 2015 | \$8.0 | \$0.2 | \$7.9 | 57 | 34,856 | 737 | 22,356 | 76 | \$6.4 | 75,651 |
| Change from last year | -14% | 7% | 41% | 256% | 9% | 43% | 4% | 46% | 25% | -51% |
| Change over last 5 years | 5% | 68% | 59% | 235% | 174% | 64% | -2% | ---- | ---- | ---- |

Source: Department of Budget and Fiscal Services and Department of Community Services. ¹Includes job seekers who attended job fairs as well as center users. ²Estimated figure.

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Chapter 4 - Department of Corporation Counsel

The Department of the Corporation Counsel (COR) serves as the chief legal advisor and legal representative for all city agencies, the city council, and all officers and employees in matters relating to their official powers and duties. The department represents the city in all legal proceedings and performs all other legal services.

The department's goals are to:

- Work proactively with departments to reduce liability that may arise from day-to-day operations.
- Deliver quality legal services in a responsive and efficient manner.
- Establish and maintain solid attorney-client relationships.
- Maximize the intake of real property tax revenues by vigorously defending assessments and expeditiously resolving tax appeals.

The department's legal services activity has three divisions:

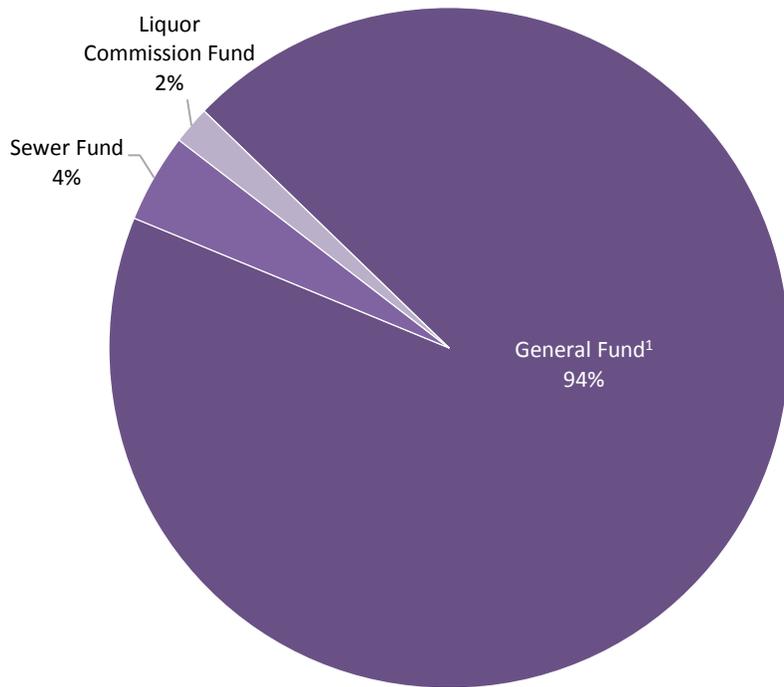
- Administration directs and coordinates operations for the department's Counseling and Drafting and Litigation Divisions and coordinates and oversees complex legal issues and cases that may involve multiple agencies. This activity also provides administrative support services in personnel, fiscal/budgetary and organizational management to the COR divisions and the Ethics Commission.
- Counseling and Drafting (C&D) renders legal opinions to the mayor, city council, and all city agencies, departments, boards, and commissions; represents the city in court and administrative and other tribunal proceedings in the State of Hawai'i; drafts and reviews legal documents, ordinances, and resolutions; and drafts state legislation. C&D's legal services span a wide variety of subject matters such as procurement challenges, environmental matters, labor and employment matters, real property tax appeals, eminent domain proceedings, administrative appeals (including land use proceedings), foreclosures, bankruptcy actions, and interpleader actions for the return of seized property.
- Litigation represents the city and its employees (acting in the course and scope of their employment) before all courts in the State of Hawai'i; processes and litigates personal injury and property damage claims by or against the city; and seeks collections for monies owed to the city.

To meet the diverse legal needs of its clients, by advising its clients proactively, and by effectively representing and litigating their interests, while maintaining the highest standards of professionalism and ethics.

Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Operating Expenditures (\$ millions) | Staffing | | | Total Overtime Expenditures ³ | Total Attorney FTE Filled | Total Attorney FTE Vacant |
|--------------------------|---|-------------------------|---------------------|---------------------------|---|------------------------------|------------------------------|
| | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | | | |
| FY 2011 | \$6.7 | 81.0 | 6.0 | \$82,517 | \$250 | 44.0 | 1.0 |
| FY 2012 | \$7.7 | 81.0 | 4.0 | \$95,662 | \$88 | 43.0 | 2.0 |
| FY 2013 | \$6.6 | 81.5 | 11.0 | \$81,574 | \$631 | 41.0 | 4.0 |
| FY 2014 | \$7.0 | 89.0 | 7.0 | \$78,894 | \$672 | 45.0 | 1.0 |
| FY 2015 | \$7.7 | 89.0 | 11.5 | \$86,021 | \$569 | 44.0 | 3.0 |
| Change from last year | 9% | 0% | 64% | 9% | -15% | -2% | 200% |
| Change over last 5 years | 15% | 10% | 92% | 4% | 128% | 0% | 200% |

Source: Department of Budget and Fiscal Services and Department of the Corporation Counsel. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Under the charter, the Honolulu Ethics Commission is attached to the Department of Corporation Counsel for administrative purposes only. The commission is fully funded by the General Fund and is not included in this chart. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Cases

Over the last year, the department’s operating expenditures increased 15% from \$6.7 million in FY 2011 to \$7.7 million in FY 2015.

Total authorized staffing increased 10% and vacancies increased by 5.5 FTE positions over the last five years. Overtime expenditures increased 128% over the last five years from \$250 in FY 2011 to \$569 in FY 2015.

Total attorney FTE filled decreased by 1.0 FTE from FY 2014 (45.0 FTE) to FY 2015 (44.0 FTE) while the total attorney FTE vacant increased by 2.0 FTE or 200% from FY 2014 (1.0 FTE) to FY 2015 (3.0 FTE).

COR continues to assist the Department of Environmental Services (ENV) and the Department of Design and Construction (DDC) in their ongoing compliance with the terms of the 2010 Global Wastewater Consent Decree that was entered into by the U.S. District Court, the United States Environmental Protection Agency (EPA), the State of Hawai‘i Department of Health (DOH), and various non-governmental organizations.

COR also continues to support the Honolulu Authority for Rapid Transportation (HART) which is charged with managing the largest capital project in state history. COR provided legal advice regarding agreements with utilities and third parties, contract administration, land use, environmental and construction permitting, state and city legislation, and project financing. COR represents HART in procurement protests and eminent domain proceedings.

The department continues to defend against numerous bid protests and appeals filed under the state Procurement Code. COR obtained a favorable ruling in a challenge to the city’s solicitation for upgrades to the Honouliuli Wastewater Treatment Plant and favorable resolved bid protests regarding solicitations for the Kailua Regional Wastewater Treatment Plant, the city’s Joint Traffic Management Center, road rehabilitation projects, and water main projects.

COR also provided legal counsel to the city administration and Council on various initiatives to ensure that public places remain accessible to the general public. For example, COR assisted with the crafting of various legislation (bills for ordinances regarding: park closures, sidewalk nuisances, stored property in public spaces, and sit/lie restrictions on public sidewalks) and the implementation and enforcement of those measures.

Counsel and drafting cases increased 36% from 11,025 cases in FY 2011 to 14,948 cases in FY 2015.

| | Counsel and Drafting Cases | Litigation Cases | Real Property Tax Cases | Real Property Tax Recoveries (\$ millions) | Total Number of Cases |
|--------------------------|----------------------------|------------------|-------------------------|--|-----------------------|
| FY 2011 | 11,025 | 2,558 | 528 | \$3.1 | 14,111 |
| FY 2012 | 11,814 | 2,619 | 889 | \$3.5 | 15,322 |
| FY 2013 | 11,954 | 2,731 | 1,184 | \$16.3 | 15,869 |
| FY 2014 | 14,888 | 3,622 | -- ¹ | \$31.2 | 18,510 |
| FY 2015 | 14,948 | 2,969 | -- ¹ | \$3.4 | 17,917 |
| Change from last year | <1% | -18% | -- | -89% | -3% |
| Change over last 5 years | 36% | 16% | -- | 10% | 27% |

Source: Department of the Corporation Counsel. ¹FY 2014 and FY 2015 Real Property Tax Cases are included in the Counsel and Drafting Cases total.

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Honolulu Ethics Commission

The Ethics Commission has seven commissioners who are appointed by the mayor and confirmed by the city council for five-year staggered terms. The commission renders advice on ethics questions to city personnel, the public and the media; investigates complaints of violations of the ethics laws; and recommends discipline to appointing authorities for ethics laws violations; and imposes civil fines for violations by exempt or elected officials.

The commission also develops and implements education programs, including mandatory ethics training and re-training for all city personnel. It also recommends legislation before the council and the legislature; develops guidelines explaining the standards of conduct; reviews and maintains financial disclosure statements of city officials with significant discretionary authority; and regulates lobbying and lobbyists.

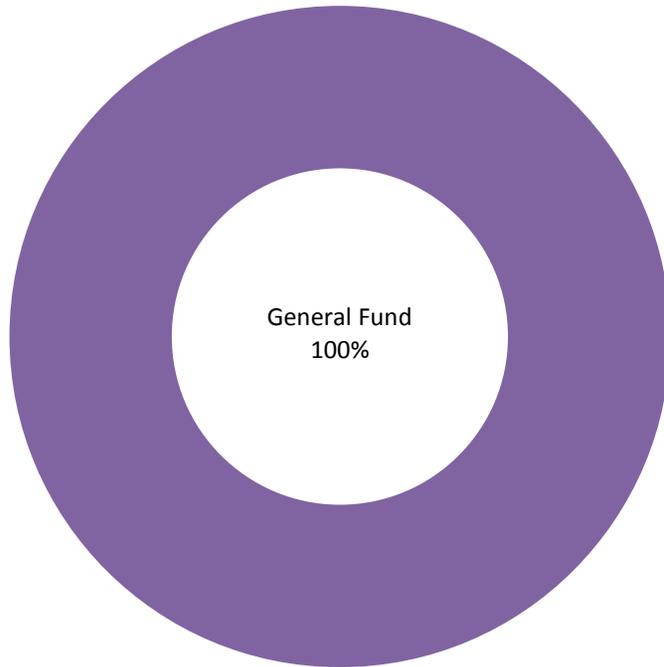
The commission is administratively attached to the Department of the Corporation Counsel.

To ensure that city officers and employees understand and follow the ethical standards of conduct governing their work for the public.

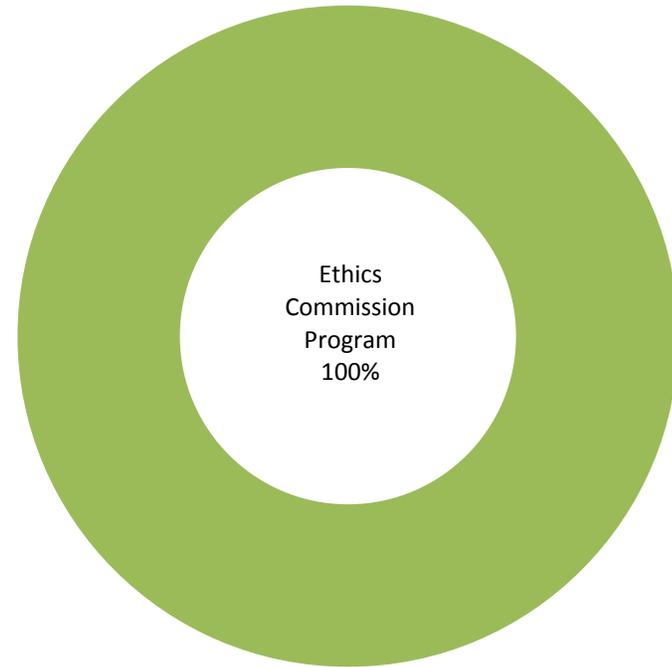
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Total Operating Expenditures | Staffing | | Cost Per FTE ¹ |
|--------------------------|------------------------------|------------------|--------------|---------------------------|
| | | Total Authorized | Total Vacant | |
| | | FTE | FTE | |
| FY 2011 | \$187,871 | 3.0 | 0.0 | \$62,624 |
| FY 2012 | \$254,234 | 3.0 | 0.0 | \$84,745 |
| FY 2013 | \$265,987 | 3.0 | 0.0 | \$88,662 |
| FY 2014 | \$348,125 | 4.0 | 0.0 | \$87,031 |
| FY 2015 | \$351,982 | 6.0 | 2.0 | \$58,664 |
| Change from last year | 1% | 50% | -- | -33% |
| Change over last 5 years | 87% | 100% | -- | -6% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE.

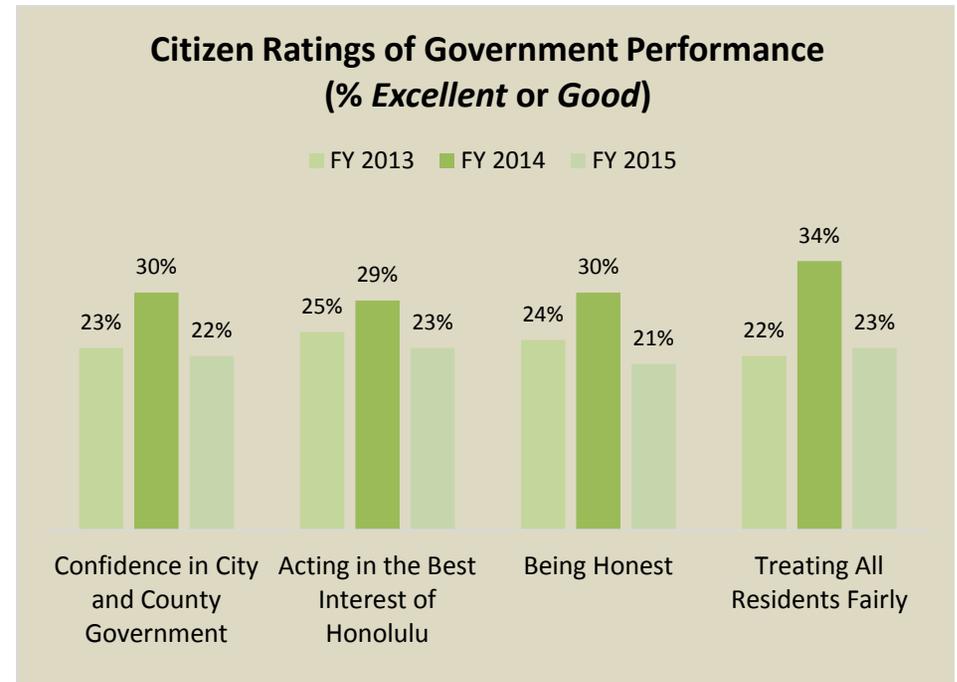
Highlights

Over the last five years, the commission’s operating expenditures increased by 87%.

The commission staff continued the mandatory ethics training program for all elected officials, managers, supervisors, and board and commission members. Honolulu’s mandatory ethics training and retraining program is one of the most ambitious in the United States.

In FY 2015, the commission responded to 319 requests for advice, a 19% decrease over the last five years.

In the 2015 National Citizen Survey, residents decreased their ratings of government performance in four different categories, with the greatest decrease being 11% from FY 2014 to FY 2015 in the government’s treating all residents fairly. Honolulu resident’s ratings of government performance were much lower than percentages reported nationwide and lower than percentages reported in cities with populations over 300,000.



Source: 2015 National Citizen Survey (Honolulu)

| | Total Ethics Training ¹ | Advice Requests & Complaints | Complaints Opened for Investigation | Requests for Advice Answered |
|--------------------------|------------------------------------|------------------------------|-------------------------------------|------------------------------|
| FY 2011 | 887 | 473 | 81 | 392 |
| FY 2012 | 1,127 | 440 | 70 | 370 |
| FY 2013 | 2,937 | 414 | 86 | 403 |
| FY 2014 | 6,292 | 386 | 105 | 389 |
| FY 2015 | 858 | 307 | 93 | 319 |
| Change from last year | -86% | -20% | -11% | -18% |
| Change over last 5 years | -3% | -35% | 15% | -19% |

Source: Honolulu Ethics Commission. ¹FY 2011-FY 2012 includes specialized training hours. This training category was discontinued in FY 2013.

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Chapter 5 - Department of Customer Services

The Department of Customer Services (CSD) provides the public with information about city programs, administers the Motor Vehicles, Licensing, and Permits program, and operates Satellite City Hall and driver licensing stations island-wide.

The department is comprised of the following:

- Administration provides policy guidance, direction and administrative support to all departmental programs.
- Public Communication disseminates information to the public, responds to inquiries and complaints, and oversees the reference center, records management and archives programs.
- Motor Vehicles, Licensing, and Permits processes vehicle registrations; issues driver and business licenses; State of Hawai'i identification cards; and administers motor vehicle inspection programs.
- Satellite City Hall provides essential city government services and information through 10 storefront offices across O`ahu.

The department's goals are to:

- Increase the variety of transactions offered at the various CSD service centers around O`ahu.
- Improve service centers to facilitate one-stop service.
- Automate processes to increase efficiency and convenience.
- Educate the public on available electronic-based services so that more transactions can occur *on-line* instead of *in-line*.
- Cross-train staff to improve processing capability.



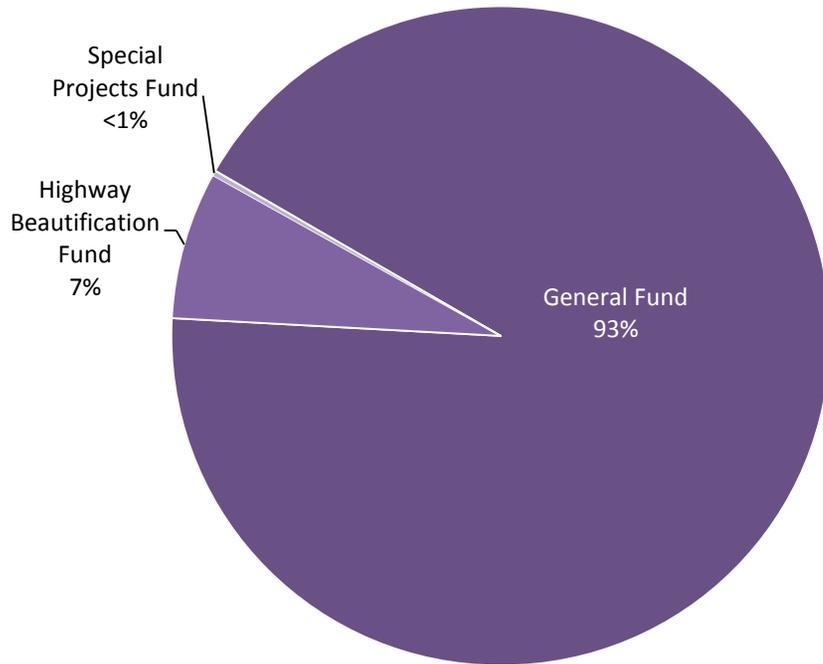
Source: Department of Customer Services

To provide the highest quality of service to the public, whether in person, by phone, or electronically.

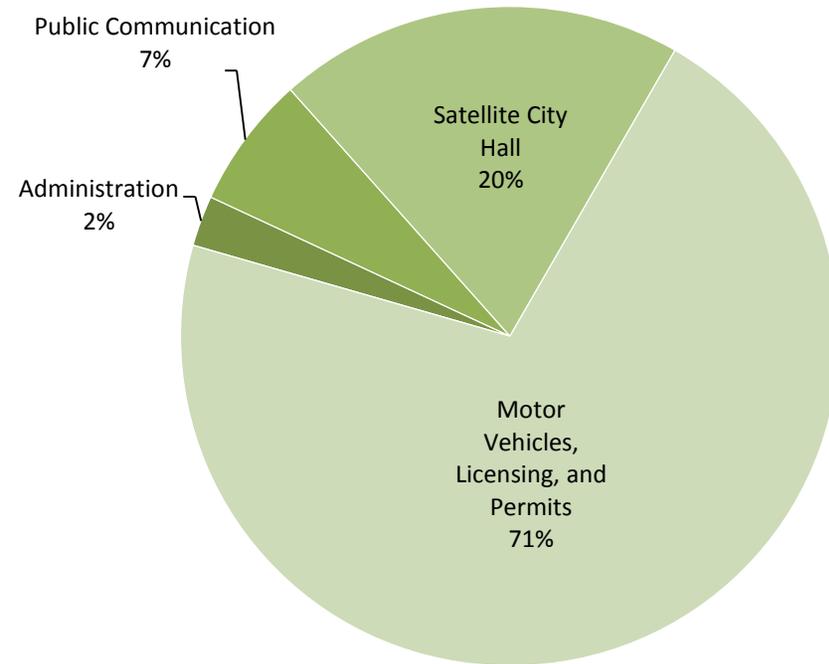
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Total Revenues (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | Cost Per FTE ² | Overtime Expenditures | |
|--------------------------|---------------------------------|--|-------------------------|---------------------|---------------------------|-----------------------|--------------------------|
| | | | Total Authorized FTE | Total Vacant FTE | | Total | Non-Holiday ³ |
| FY 2011 | \$142.5 | \$18.8 | 299 | 56 | \$62,956 | \$58,490 | \$55,829 |
| FY 2012 | \$152.2 | \$18.9 | 308 | 72 | \$61,442 | \$17,483 | \$16,506 |
| FY 2013 | \$155.1 | \$19.3 | 307 | 70 | \$62,947 | \$52,716 | \$48,979 |
| FY 2014 | \$157.6 | \$19.6 | 308 | 71 | \$63,749 | \$208,682 | \$205,362 |
| FY 2015 | \$160.3 | \$20.8 | 278 | 30 | \$74,741 | \$201,001 | \$192,913 |
| Change from last year | 2% | 6% | -10% | -58% | 17% | -4% | -6% |
| Change over last 5 years | 12% | 10% | -7% | -46% | 19% | 244% | 246% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Highlights

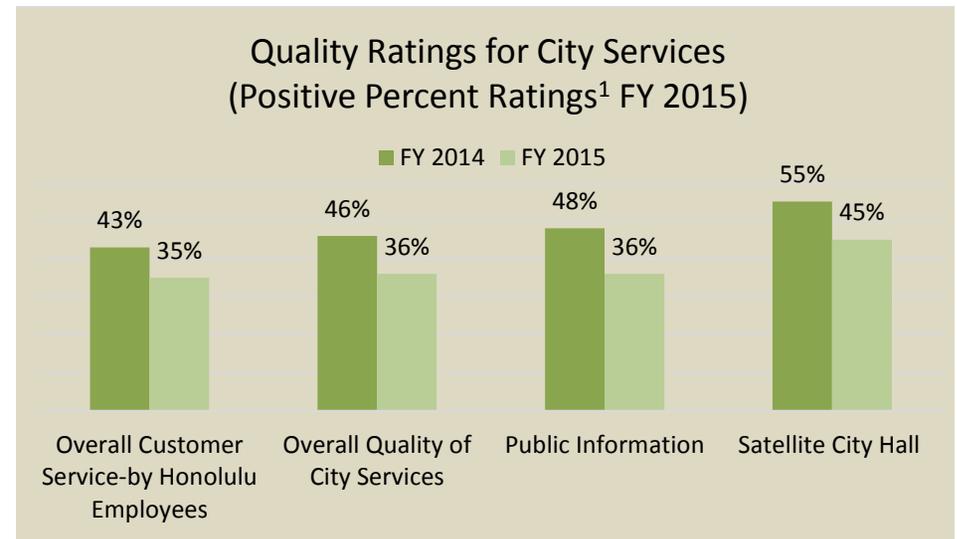
Over the last five years, the department's operating expenditures increased 10% from \$18.8 million in FY 2011 to \$20.8 million in FY 2015. According to CSD, the increase was due to collective bargaining agreements of wages, overtime, and cost of goods used to operate the department.

Due to recruitment efforts, vacancies decreased 58% over last year, from 71 vacant FTE in FY 2014 to 30 FTE in FY 2015. The department of Budget and Fiscal Services explained that full-time staffing counts illustrate a significant decrease due to the deactivation of positions in FY 2015.

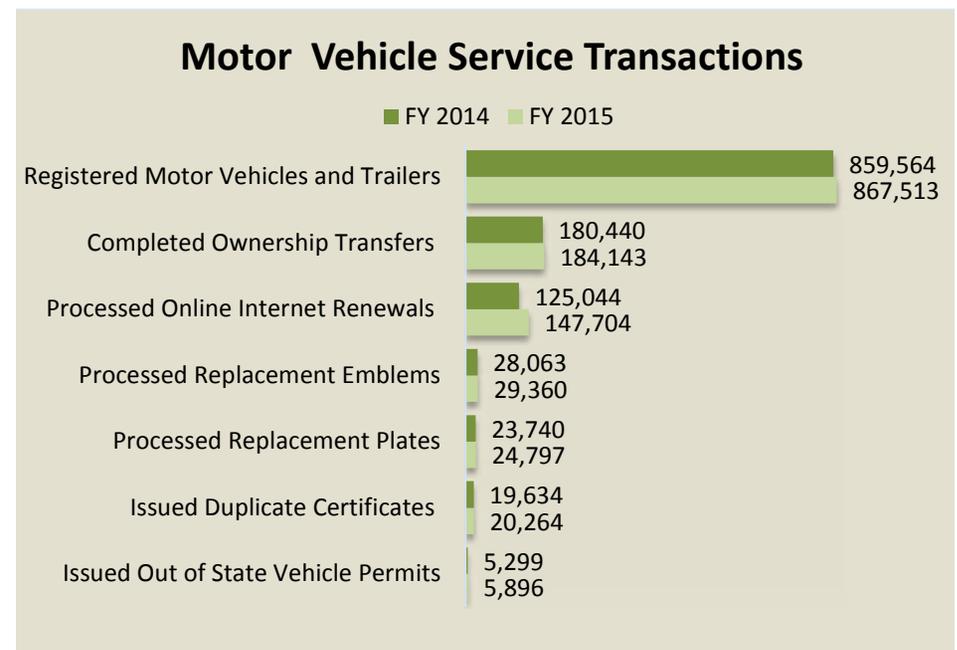
Overtime expenditures increased 244% over the last five years from \$58,490 in FY 2011 to \$201,001 in FY 2015. In FY 2015 overtime expenditures decreased 4% over FY 2014. CSD explained that the five year increase can be attributed to hiring of Honolulu Police Department (HPD) Special Duty Officer for crowd control at its heavily used City Square site. It is also attributed to an increase in new and used car purchases on O`ahu, which led to overtime.

In the 2015 National Citizen Survey, Honolulu residents gave lower ratings for department and city services overall. 45% of residents rated the quality of Satellite City Hall (SCH) services as *excellent* or *good*, compared to 55% in 2014, a decrease of 10%. Residents also gave lower positive ratings in FY 2015 compared to FY 2014 to overall customer service by Honolulu employees (35%), overall quality of city services (36%), and quality of city public information services (36%).

In FY 2015 the department saw an increase across the board in motor vehicle services and registration. Registered motor vehicles and trailers saw an increase of 1% from 859,564 in FY 2014 to 867,513 in FY 2015. Processed Online Internet Renewals saw an increase of 18% in FY 2015 from 125,004 in FY 2014 to 147,704 in FY 2015.



Source: National Citizen Survey (Honolulu). ¹Positive Percent Ratings of excellent or good and based on a 100% scale.



Source: Department of Customer Services

Administration and Public Communication

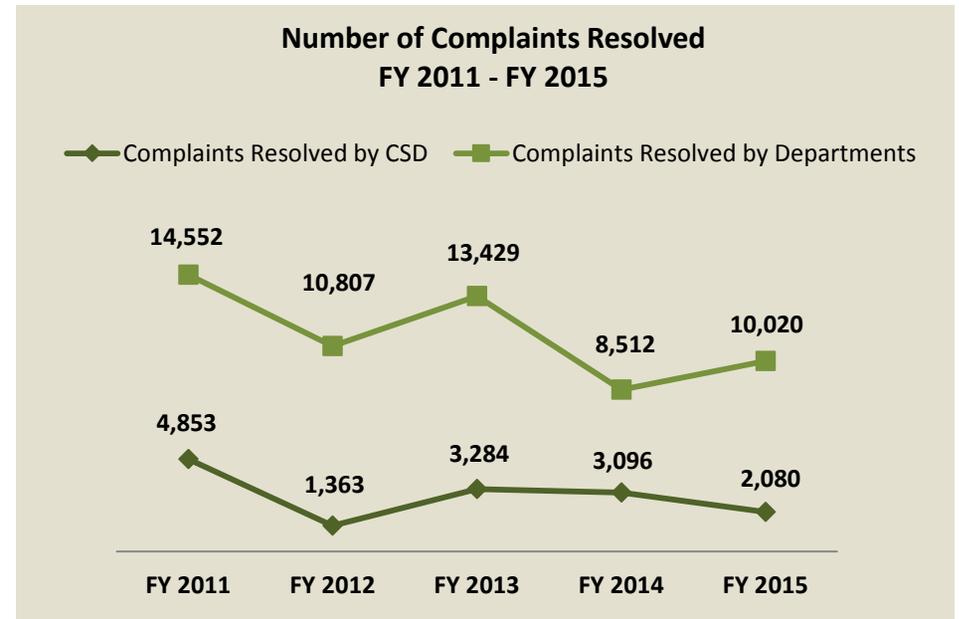
Administration provides policy guidance, direction and administrative support to the City’s public communications programs and its service delivery centers. These include the Public Communications, Satellite City Hall and Motor Vehicles, Licensing, and Permits divisions.

Over the last five years, Administration’s operating expenditures increased 9% from \$470,025 in FY 2011 to \$513,208 in FY 2015. According to Administration, the increase is due the compensation schedule adjustments and change in personnel.

Public Communication

Public Communication provides central information support to city departments, agencies and the public. It receives and responds to information requests from the public and media sources. Complaints staff either resolve a complaint or forward it immediately to the appropriate department or agency for follow-up and resolution. The division monitors and reports complaint statistics to Administration.

Over the last five years, the division’s operating expenditures decreased 24% from \$1.8 million in FY 2011 to \$1.3 million in FY 2015. The department explained this decrease is attributed to increased vacancies due to retirement. Employee job duties have also been scaled back resulting in lower overtime costs.



Source: Department of Customer Services

In FY 2015 the Information Branch responded to 714 request for proclamations, messages, certificates, photographic support and event coverage. They received over 17, 000 phone calls for information about city services and provided over 30 hours of video content that was aired on Olelo Community Television, including the live broadcast of the Mayor’s State of the City address, Hurricane Iselle press conferences, and budget press conferences.

| | Operating Expenditures | | Complaint Actions Processed ¹ | Number of Complaints Resolved ² | |
|--------------------------|------------------------|------------------------------------|--|--|-------------------------|
| | Administration | Public Communication (\$ millions) | | Resolved by CSD | Resolved by Departments |
| FY 2011 | \$470,025 | \$1.8 | 13,561 | 4,853 | 14,552 |
| FY 2012 | \$425,243 | \$1.6 | 13,147 | 1,363 | 10,807 |
| FY 2013 | \$417,559 | \$1.4 | 14,883 | 3,284 | 13,429 |
| FY 2014 | \$468,857 | \$1.4 | 13,301 | 3,096 | 8,512 |
| FY 2015 | \$513,208 | \$1.3 | 10,225 | 2,080 | 1,020 |
| Change from last year | 9% | -1% | -23% | -33% | -88% |
| Change over last 5 years | 9% | -24% | -25% | -57% | -93% |

Source: Department of Budget and Fiscal Services and Department of Customer Services. ¹Complaint actions processed includes complaints received by phone, e-mail, on-line, written and other miscellaneous methods. ²Number of complaints "Resolved by CSD" and "Resolved by Departments" is greater than "Complaint actions processed" due to complaints from previous year(s) being resolved in the current year.

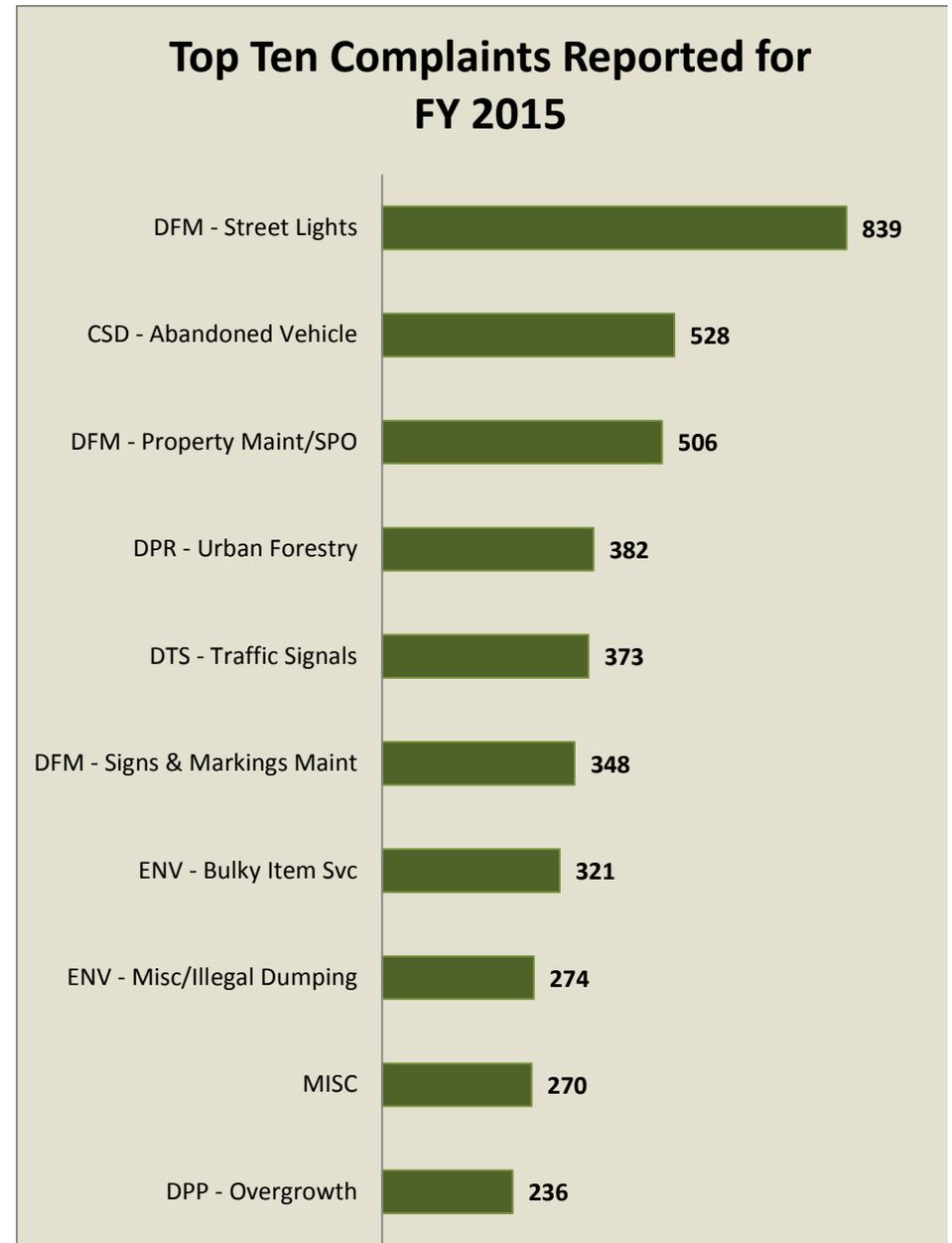


Source: Honolulu Photo Bank

Over the past five years, the number of complaints resolved by CSD decreased 57% from 4,853 in FY 2011 to 2,080 in FY 2015. The department reported that the decrease in the number of complaints resolved by CSD is a result of procedural improvements for handling complaints. A complaint received by CSD is referred to the appropriate agency for resolution, while tracking the timeliness of agency closure of each complaint.

CSD is also responsible for referring complaints that must be resolved by the appropriate and responsible agency, (e.g. pothole repairs). CSD tracks and monitors the progress of the referral, agency response, and timely closure of each complaint.

In FY 2015, CSD received the most complaints for street light repair and maintenance (839) followed by abandoned vehicles (528) and city property maintenance (506). The department reported that they closed 11,079 complaints, averaging more than 923 complaints closed per month during FY 2015 which is a slight decrease from FY 2014 where they closed 12,736 complaints, averaging 1,000 complaints closed per month.



Source: Department of Customer Services

Motor Vehicles, Licensing, and Permits

Motor Vehicles, Licensing, and Permits (MVL) primarily processes motor vehicle registrations; issues driver and business licenses and State IDs; issues permits for disabled parking; and administers and enforces the motor vehicle inspection programs. It issues animal registrations, licenses and permits; and administers the city's abandoned and derelict vehicle program, and the city's animal care and control contracts. It also investigates taxicab and tow contractor complaints. The division is divided into three branches: Motor Vehicle, Drivers License, and Special Services. The licensing administrator, assistant licensing administrator, Office Services Section and Accounting Services Section provide administrative and support to these branches.

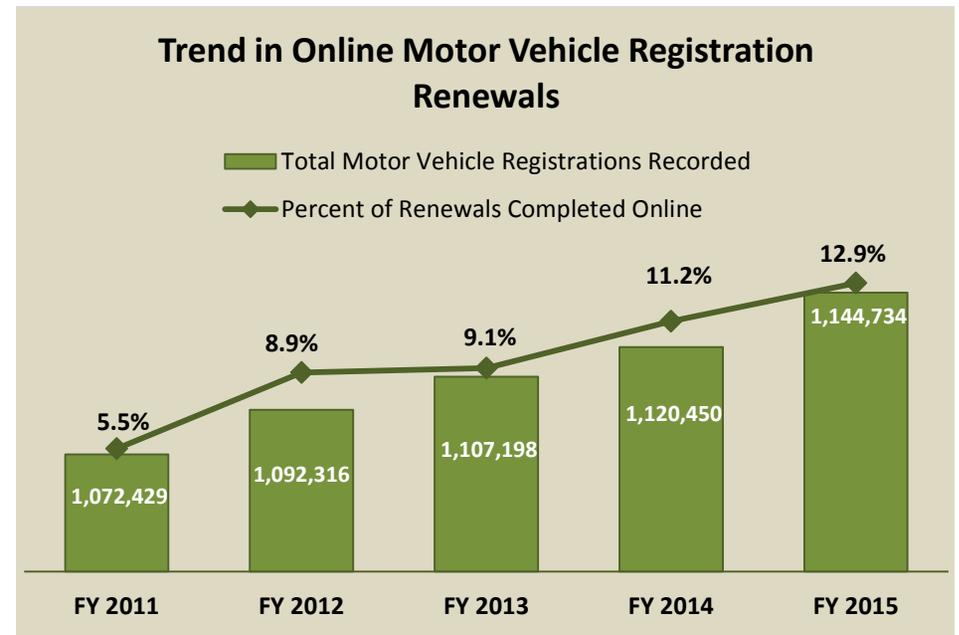
MVL has five driver license offices. All five storefront offices have service line cameras so that the public can alleviate their wait times. Driver license location service lines can be viewed at:

<http://www3.honolulu.gov/csddlline/>

Over the last five years, the division's operating expenditures reflect an increase of 16% from \$12.8 million in FY 2011 to \$14.8 million in FY 2015. Total revenues collected increased 10% from \$138.6 million in FY 2011 to \$152.0 million in FY 2015. The department noted that the expenditure increase is due to the county taking over the State ID program, which increased our security guard needs, while increasing output of identification materials. Overtime also increased due to a rise in motor vehicle dealership sales. Revenues increased because of the higher rates for the Waikiki Publication Rack program. A County motor vehicle weight tax rate, coupled with high dealership sales contributed to revenue increases.

| | Total Operating Expenditures (\$ millions) | Total Revenues Collected (\$ millions) | Total Revenue Transactions Processed | Total Motor Vehicle Registrations Recorded | Online Vehicle Registration Renewals | Percent of Renewals Completed Online |
|--------------------------|--|--|--------------------------------------|--|--------------------------------------|--------------------------------------|
| FY 2011 | \$12.8 | \$138.6 | 1,360,413 | 1,072,429 | 59,107 | 5.5% |
| FY 2012 | \$13.0 | \$151.7 | 1,366,000 | 1,092,316 | 97,103 | 8.9% |
| FY 2013 | \$13.6 | \$154.3 | 1,287,430 | 1,107,198 | 101,067 | 9.1% |
| FY 2014 | \$13.7 | \$157.6 | 1,376,163 | 1,120,450 | 125,044 | 11.2% |
| FY 2015 | \$14.8 | \$152.0 | 1,405,723 | 1,144,734 | 147,704 | 12.9% |
| Change from last year | 8% | -4% | 2% | 2% | 18% | 2% |
| Change over last 5 years | 16% | 10% | 3% | 7% | 150% | 7% |

Source: Department of Budget and Fiscal Services and Department of Customer Services.



Source: Department of Customer Services

MVL implemented a print-on-demand system at all Satellite City Hall locations for delivery of printed certificates of registration and decals for vehicle registration renewals. The system increases processing efficiency, reduces administrative costs, and aims to decrease the number of emblem replacements due to theft.

Satellite City Hall

Satellite City Hall (SCH) provides essential city government services and information through 10 storefront offices across the island of O`ahu. These offices are located at:

- Ala Moana
- Fort Street Mall*
- Wahiawa
- Kapolei
- Windward City*
- Pearlridge*
- Hawai`i Kai*
- Kalihi
- Wai`anae
- Pearl Harbor**

*Locations that provide Hawaii driver license duplicate and renewal services.

**Motor vehicle registration transactions only

Satellite offices process primarily motor vehicle registration and title transactions. Other services include processing payments for water bills and real property tax, sales of monthly bus passes, spay/neuter certificates; dog, bicycle and moped licenses; as well as permits for disabled parking, picnic, loading zone, bus stop parking, and fireworks; and voter registration and certification forms. Satellite offices also provide information related to city jobs and local government programs.

Over the past five years, total operating expenditures for Satellite City Hall increased 9% from \$3.8 million in FY 2011 to \$4.1 million in FY 2015. The department attributes the increase to collective bargaining agreements for wages, hiring of more personnel, and facility rent increases.



Source: Department of Customer Services

| | Operating Expenditures ¹ (\$ millions) | Total Revenue Collected (\$ millions) | Walk-in Customers Served | Total Transactions Processed |
|--------------------------|--|--|--------------------------|------------------------------|
| FY 2011 | \$3.8 | \$145.0 | 1,083,391 | 916,306 |
| FY 2012 | \$3.9 | \$182.1 | 1,078,220 | 937,583 |
| FY 2013 | \$3.9 | \$186.8 | 1,118,941 | 949,865 |
| FY 2014 | \$4.1 | \$179.0 | 1,135,824 | 873,710 |
| FY 2015 | \$4.1 | \$175.9 | 1,041,331 | 883,982 |
| Change from last year | 0% | -2% | -8% | 1% |
| Change over last 5 years | 9% | 21% | -4% | -4% |

Source: Department of Budget and Fiscal Services and Department of Customer Services. ¹Total Operating Expenditures as of 1/20/16.

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Chapter 6 - Department of Design and Construction

The Department of Design and Construction (DDC) is the central agency responsible for administering the city's Capital Improvement Program (CIP). The department's mission is consistent with the charter mandate to direct and perform the planning, engineering, design and construction of public buildings.

The department's goals are to:

- Successfully carry a project from the design phase through the construction phase and complete them in a coordinated manner by integrating input from users and effectively using departmental resources, consultants and other agencies that serve the department.
- Provide valuable engineering expertise and advice to all City agency planning.
- Analyze and embrace new engineering and construction innovations to continuously improve the City's quality of service to the community.
- Maintain an environment of continuous improvement and growth within the department through professional training and education and through leaderships' personal counseling and coaching.
- Be fiscally responsible.

FY 2015 Department of Design and Construction Projects



Top Left to Right: Kailua Influent Pump Station and tunnel boring machine; Laimi Road Bridge Rehab; Waianae Police Station Replacement

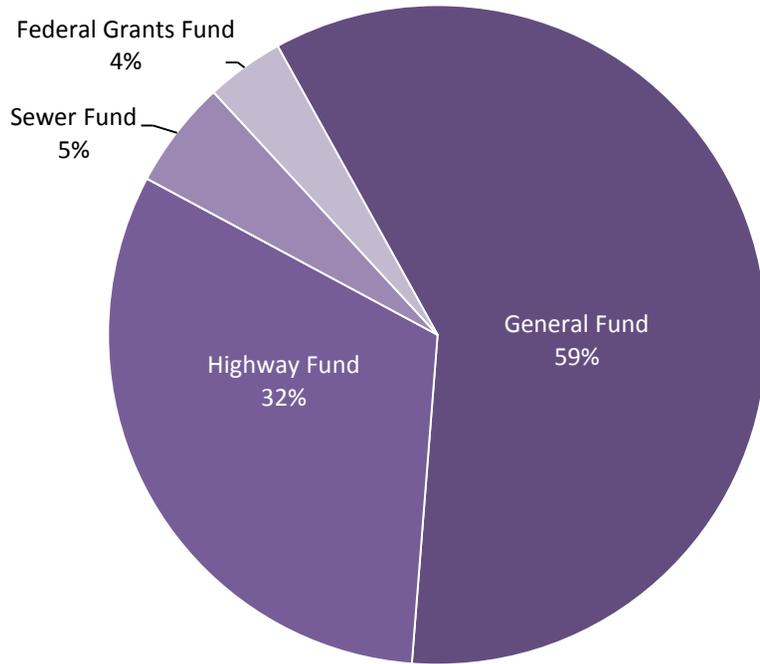
Source: Department of Design and Construction

To support planning and provide land acquisition, design, construction, and inspection for public facilities of the City and County of Honolulu.

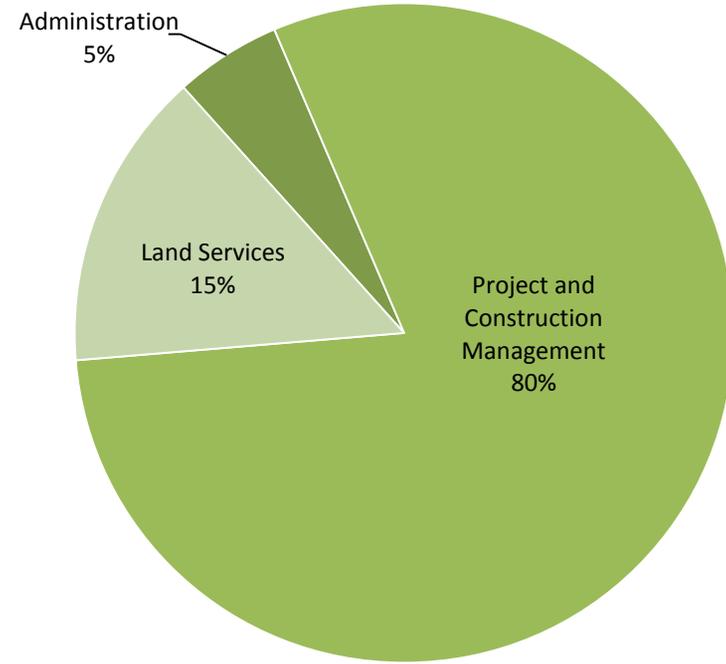
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Total Revenues (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | Cost per FTE ¹ | Overtime Expenditures | |
|--------------------------|---------------------------------|--|-------------------------|---------------------|---------------------------|-----------------------|--------------------------|
| | | | Total Authorized FTE | Total Vacant FTE | | Total | Non-Holiday ² |
| FY 2011 | \$2.8 | \$19.9 | 319 | 89 | \$62,268 | \$90,999 | \$86,767 |
| FY 2012 | \$4.4 | \$21.0 | 320 | 89 | \$65,513 | \$112,345 | \$108,287 |
| FY 2013 | \$2.1 | \$12.1 | 320 | 92 | \$37,926 | \$164,940 | \$156,678 |
| FY 2014 | \$0.9 | \$14.5 | 328 | 107 | \$44,340 | \$188,653 | \$181,190 |
| FY 2015 | \$0.3 | \$16.8 | 278 | 55 | \$37,927 | \$223,093 | \$218,365 |
| Change from last year | -66% | 15% | -15% | -49% | -14% | 18% | 21% |
| Change over last 5 years | -88% | -16% | -13% | -38% | -39% | 145% | 152% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable.

Spending and Staffing

The department consists of three operating functions:

- Administration provides administrative services support including personnel management, and CIP and operating budget preparation.
- Project and Construction Management oversees CIP activities related to city facilities such as roads, wastewater collection and treatment system, bridges, and others.
- Land Services conducts land surveys, title searches, appraisals, negotiations, and acquisition of real property and easements for all city projects.

Over the last five years, the department’s total operating expenditures decreased 16% from \$19.9 million in FY 2011 to \$16.8 million in FY 2015. The department noted that the decrease was due to the transfer of utility costs (electricity, water, and sewer) to user agencies. The department saw a 15% increase in operating expenditures from \$14.5 million in FY 2014 to \$16.8 million in FY 2015. The department attributed the 15% increase to lump sum funding for the consolidation and relocation of city offices.

Total authorized staffing decreased 13% over the last five years, from 319 FTE in FY 2011 to 278 FTE in FY 2015. The Department of Budget and Fiscal Services explained that full-time staffing counts illustrate a significant decrease due to the deactivation of positions in FY 2015.

Total overtime expenditures increased 145% over the past five years from \$90,999 in FY 2011 to \$223,093 in FY 2015. The department explained the 145% increase is largely attributed to the City's ramped-up paving program and to meet consent decree milestones which are in line with the mayor’s priorities to finish repaving all of Hawaii’s substandard roads within his four-year term and to improve the city’s sewer system.

Civil Division: Costs of Significant Construction Projects Completed (FY 2015)



Source: FY 2015 Department & Agency Reports, Department of Design and Construction

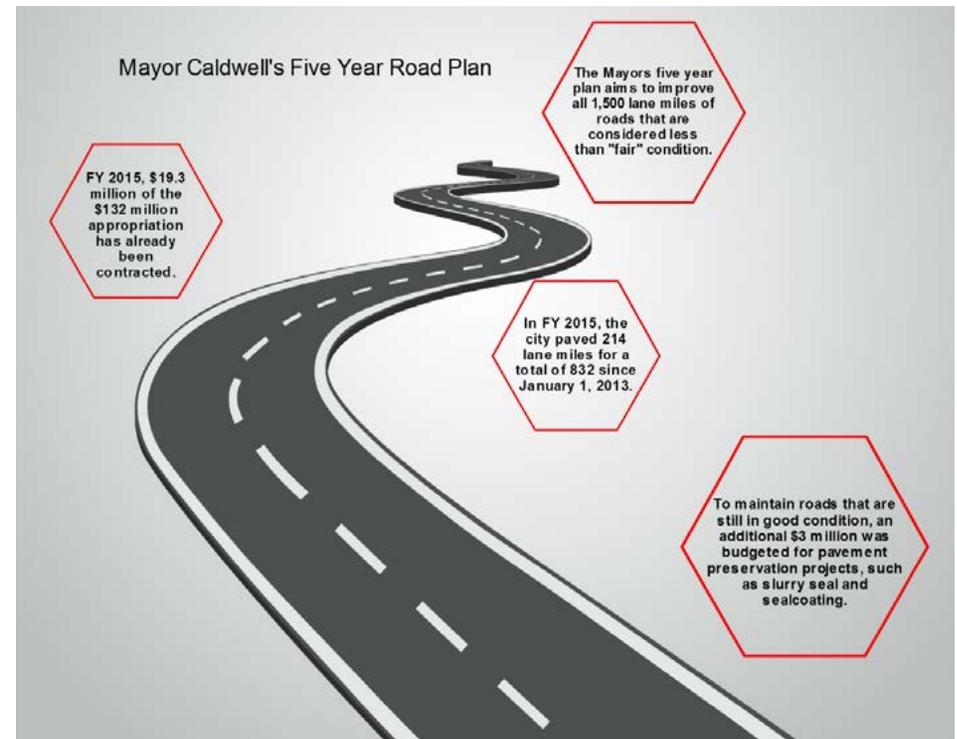
Project Construction and Management

Project and Construction Management’s mission is to oversee capital improvements to various city facilities that include roads, wastewater collection and treatment systems, and municipal buildings. Construction of bridges, fire and police stations, park facilities, and golf courses are also under this program’s jurisdiction.

Project and construction management is divided into four divisions: Mechanical/Electrical (M/E), Facilities, Civil, and Wastewater. Each division provides planning, design, and construction management.

Project and construction management operating expenditures increased 19% from \$11.2 million in FY 2014 to \$13.4 million in FY 2015. Facilities’ operating expenditures increased 98% over the last five years. Facilities attributes the increases to provide funding to consolidate and relocate city offices to increase efficiency and improve services of agencies. Civil’s operating expenditures increased 11% from \$4.2 million in FY 2014 to \$4.7 million in FY 2015. The division attributes the 11% increase to the City's ramped up repaving program.

In FY 2015, the city paved 214 lane miles for a total of 832 since January 1, 2013. The \$118 million appropriated in the FY 2014 Capital Improvement Program budget (CIP) has now been contracted. For FY 2015, \$19.3 million of the \$132 million appropriation has already been contracted. The Mayor’s five-year road plan aims to improve all 1,500 lane miles of roads that are considered in less than “fair” condition, as assessed by an independent study conducted in 2012.



Source: FY 2015 Department & Agency Reports, Department of Design and Construction

| | Operating Expenditures by Divisions | | | | | | Contracted Road Resurfacing (Lane Miles) |
|--------------------------|--|-------------------------------------|--------------------------|---------------------|--------------------------|------|--|
| | Total Operating Expenditures (\$ millions) | Mechanical/Electrical (\$ millions) | Facilities (\$ millions) | Civil (\$ millions) | Wastewater (\$ millions) | | |
| FY 2011 | \$17.0 | \$8.5 | \$2.9 | \$4.4 | \$1.2 | 174 | |
| FY 2012 | \$18.0 | \$10.0 | \$2.9 | \$4.4 | \$0.7 | 180 | |
| FY 2013 | \$9.1 | \$1.5 | \$2.9 | \$4.1 | \$0.7 | 310 | |
| FY 2014 | \$11.2 | \$1.6 | \$4.6 | \$4.2 | \$0.8 | 270 | |
| FY 2015 | \$13.4 | \$1.2 | \$5.8 | \$4.7 | \$0.8 | 214 | |
| Change from last year | 19% | -29% | 25% | 11% | 5% | -21% | |
| Change over last 5 years | -21% | -86% | 98% | 7% | -31% | 23% | |

Source: Department of Budget and Fiscal Services and Department of Design and Construction. ¹Totals are rounded to the nearest million. FY 2014 to FY 2015 Wastewater totals shows a 5% increase but it is not reflected in the total dollar amount due to rounding.

Project Construction and Management

Wastewater Division

The Wastewater Division plans, designs, and constructs funded capital projects, including repair and upgrades to the collection and conveyance systems and wastewater treatment facilities.

A primary driver of the Wastewater Program is the 2010 Global Consent Decree (GCD). DDC coordinates consent decree construction projects with the Department of Environmental Services (ENV). ENV is responsible for planning, programming, inspection, and compliance reporting requirements. DDC supports ENV by executing CIP project planning, design and construction for various wastewater-related projects such as treatment plants, pump stations, force mains, and gravity lines. This was the City's fifth year of reporting to Environmental Protection Agency (EPA), for the GCD. As of June 30, 2015, the City has met all milestones and requirements of the GCD.

The sewer system is a critical component of the city's infrastructure. As part of a 10-year program that began in 2010 to rehabilitate 144 miles of sewer pipe and clean 500 miles of sewer pipe per year, the city rehabilitated 122 miles of sewer pipe and cleaned approximately 600 miles of sewer pipe in FY 2015. Two major sewer projects were underway in FY 2015 – the Kaneohe/Kailua Conveyance Sewer Tunnel and the Ala Moana Wastewater Pump Station Force Mains 3 and 4.



Source: Department of Design and Construction. Kaneohe Kailua Sewer Tunnel Shaft

| | No. of Projects Encumbered | | Value of Projects Encumbered | | | Value of CIP Projects Completed (\$ millions) |
|--------------------------|----------------------------|--------------|-----------------------------------|----------------------------|------------------------------|---|
| | Planning and Design | Construction | Planning and Design (\$ millions) | Construction (\$ millions) | Total CIP Projects Completed | |
| FY 2011 | 150 | 102 | \$60.0 | \$158.0 | 115 | \$286.0 |
| FY 2012 | 75 | 75 | \$51.0 | \$329.0 | 89 | \$240.0 |
| FY 2013 | 103 | 83 | \$32.0 | \$269.0 | 108 | \$335.0 |
| FY 2014 | 138 | 89 | \$67.7 | \$322.4 | 92 | \$171.2 |
| FY 2015 | 132 | 104 | \$42.8 | \$255.6 | 88 | \$287.9 |
| Change from last year | -4% | 17% | -37% | -21% | -4% | 68% |
| Change over last 5 years | -12% | 2% | -29% | 62% | -23% | 1% |

Source: Department of Design and Construction

Land Services

Land Services' mission is to provide land and engineering survey, title search, real property appraisal, negotiation, and document preparation services in connection with the acquisition of lands and easements required for city projects and activities. Acquisitions include various roadways, utility and access rights-of-way and sites for wastewater collection and treatment facilities. Sites for solid waste collection, disposal, and transfer activities are also acquired. This program also acquires land for public use sites such as parks and playgrounds, golf courses, police and fire stations, and bus yards.

The number of parcels acquired increased 65% from 84 total parcels in FY 2014 to 139 total parcels in FY 2015. The department explained that the increase can be attributed to the increase in dedication of roads, sewer, drain and related infrastructure to the City.

The number of negotiations increased 31% from 2,739 in FY 2011 to 3,578 in FY 2015. According to the department this increase is primarily attributed to research needed in conjunction to the request for ownership information and the change in the counting method used to track all communications, which now include those from the administration, city council, other city departments, and the general public.



Source: Department of Design and Construction

| | Land Services Operating Expenditures (\$ millions) | Total Field Surveys Conducted | Total Title Searches Conducted | Total Parcels Acquired | Total Negotiations Conducted | Total Property Appraisals | Total Parcel and Land Court Maps |
|-----------------------|--|-------------------------------|--------------------------------|------------------------|------------------------------|---------------------------|----------------------------------|
| FY 2011 | \$2.1 | 936 | 3,004 | 104 | 2,739 | 365 | 136 |
| FY 2012 | \$2.1 | 940 | 2,789 | 139 | 3,284 | 370 | 119 |
| FY 2013 | \$2.2 | 960 | 1,789 | 56 | 3,882 | 390 | 107 |
| FY 2014 | \$2.4 | 902 | 1,704 | 84 | 4,508 | 405 | 87 |
| FY 2015 | \$2.5 | 907 | 1,297 | 139 | 3,578 | 465 | 80 |
| Change from last year | 1% | 1% | -24% | 65% | -21% | 15% | -8% |
| Change over 5 years | 16% | -3% | -57% | 34% | 31% | 27% | -41% |

Source: Department of Budget and Fiscal Services and Department of Design and Construction.

Chapter 7 - Department of Emergency Management

The Department of Emergency Management (DEM) coordinates the city's emergency management operations with state, federal (including military), and non-government agencies to prepare, respond to, and recover from various types of disasters and emergencies.

The department's goals are to:

- Bring public awareness, preparedness, and educational programs that are critical for community level resiliency.
- Synchronize public and private sectors to ensure seamless response and recovery.
- Sustain the city's Emergency Operations Center (EOC) capability by facilitating event tracking, planning and management.
- Develop an all-hazard strategic plan, using a risk based all-hazard approach inclusive of both natural and man-caused hazards.

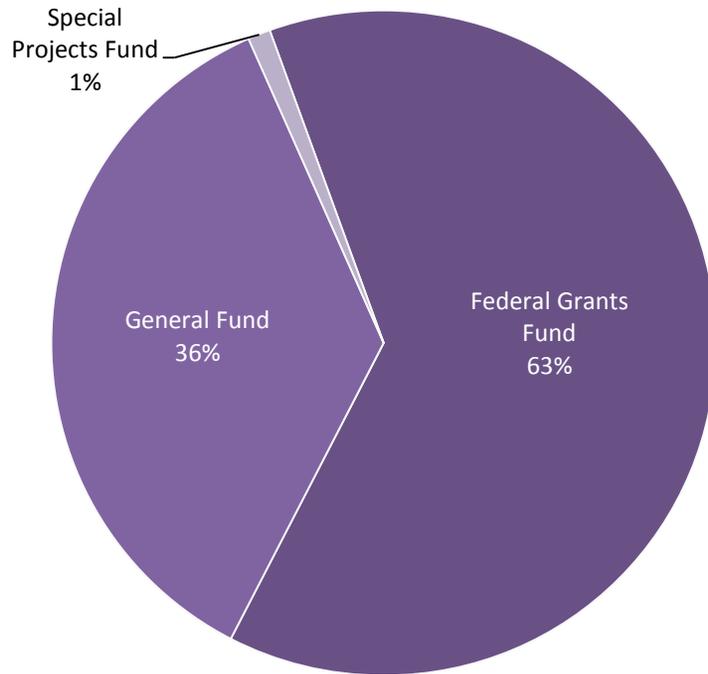


To develop, prepare for, and under disaster emergency situations, assist in the implementation of emergency management plans and programs to protect and enhance public health, safety and welfare of residents and visitors.

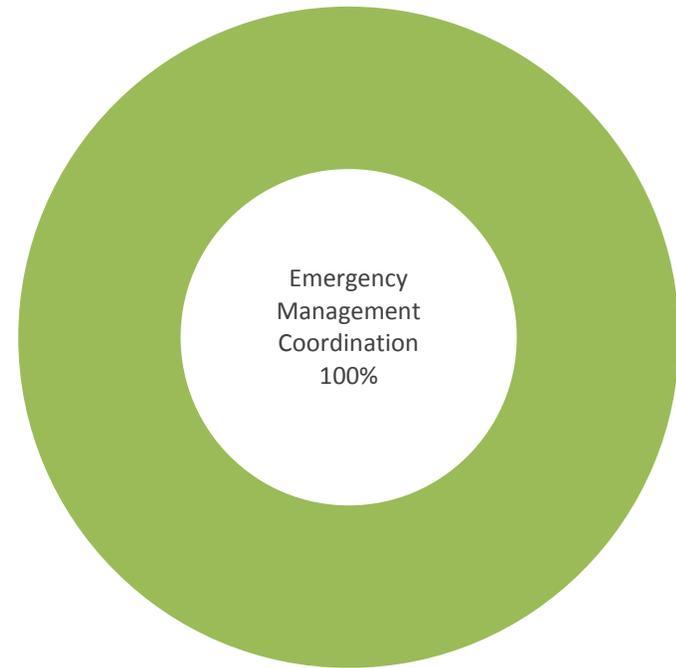
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Total Revenues (\$ million) | Total Operating Expenditures (\$ million) | Staffing | | Overtime Expenditures ³ | | |
|--------------------------|--------------------------------|---|--------------------------------------|---------------------|------------------------------------|-----------|-------------|
| | | | Total Authorized FTE ¹ | Total Vacant FTE | Cost Per FTE ² | Total | Non-Holiday |
| FY 2011 | \$3.6 | \$8.4 | 15.5 | 7 | \$540,133 | \$59,596 | \$58,496 |
| FY 2012 | \$13.4 | \$11.7 | 15.5 | 6 | \$754,791 | \$74,553 | \$74,868 |
| FY 2013 | \$4.2 | \$6.4 | 13.5 | 5 | \$477,533 | \$118,648 | \$115,940 |
| FY 2014 | \$3.9 | \$6.6 | 15.5 | 5 | \$428,214 | \$381,491 | \$379,754 |
| FY 2015 | \$1.5 | \$2.9 | 15.5 | 4 | \$184,384 | \$168,175 | \$167,560 |
| Change from last year | -60% | -57% | 0% | -20% | -57% | -56% | -56% |
| Change over last 5 years | -57% | -66% | <1% | -43% | -66% | 182% | 186% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.

¹Rounded totals. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

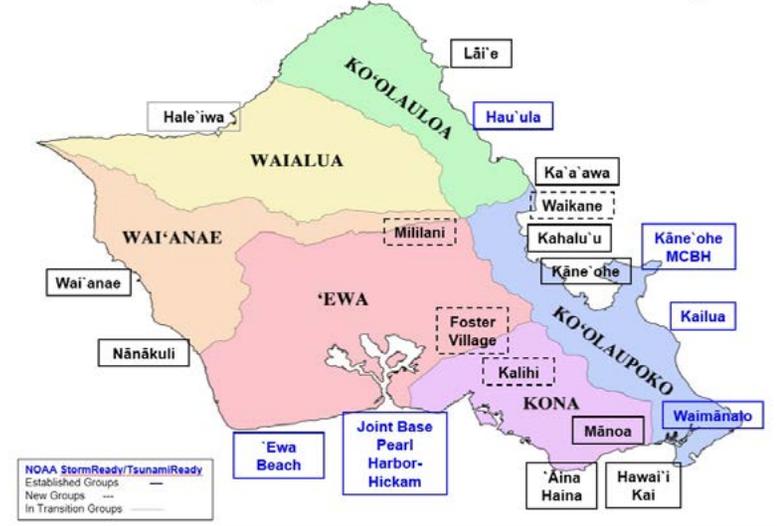
Spending and Staffing

Over the last five years, the department’s operating expenditures decreased 66% from \$8.4 million in FY 2011 to \$2.9 million in FY 2015. Revenues also declined from \$3.6 million in FY 2011 to \$1.5 million in FY 2015, a 57% decrease. According to the department, both revenue and expenditure fluctuations can occur due to the inconsistency in expending federal grant funds. Each grant has a two-year period to spend, and the departments spend the money based on need, not on a time schedule. In addition, grant awards have varied greatly year-to-year.

Total authorized staffing remained consistent from FY 2011 to FY 2015 while vacant FTEs decreased from 7.0 FTE in FY 2011 to 4.0 FTE in FY 2015.

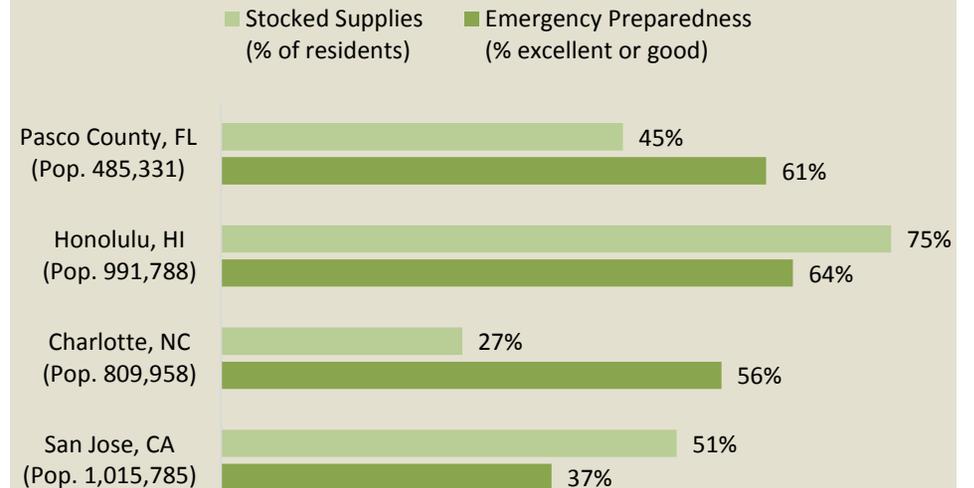
In the 2015 National Citizen Survey, 64% of Honolulu residents rated *Emergency Preparedness* as *excellent* or *good*. This rating is a 9% decrease from the 73% rating in FY 2014. The survey also found that 75% of residents *Stocked Supplies for an Emergency*, which is a decrease of 5% from the 80% rating in FY 2014.

Community Preparedness Groups



Source: Office of the City Auditor

National Comparison of Emergency Preparedness



Source: Office of the City Auditor; Department of Emergency Management; 2015 National Citizen Survey (Honolulu); 2015 National Citizen Survey for Pasco County, FL & San Jose, CA; 2014 National Citizen Survey for Charlotte, NC.

Disaster and Emergency Response

The department maintains the city's Emergency Operations Center (EOC) where it coordinates emergency/disaster response and recovery support. Activities include communications support, coordinating deployment of pumping and heavy equipment, activating emergency management reserve corps personnel, and coordinating state response resources.

In FY 2015, the EOC was activated for 30 days to address emergency events such as flooding, high surf, brush/wildfires, and tropical depressions/cyclones.

Over the last five years, the number of days the EOC has been activated declined for high surf and flood/flash flood warnings, and also tsunami info/watch/warnings. According to the department, the decrease is due to the unpredictable nature of disasters. As an example, there has been tsunami warnings in three consecutive years (2010, 2011, and 2012), then no warnings at all since 2012.

Since FY 2012, total Nixle accounts has had an increase of 140%. The continued growth has been due to a combination of community outreach programs, word of mouth, and social media. In addition, every time there is a threat looming (e.g. during busy hurricane seasons), there is a surge in enrollment.

Source: Department of Emergency Management Facebook page

| | Number of Days EOC Activated ¹ | | | | | Nixle ² | |
|--------------------------|---|----------------------------|-----------------------------|-----------------------------|------------------|--------------------|-----------------------|
| | High Surf Warning | Flood/ Flash Flood Warning | Tsunami Info/ Watch/Warning | Tropical Depression/Cyclone | Brush/ Wild Fire | Total Alerts Sent | Total Active Accounts |
| FY 2011 | 24 | 28 | 15 | 2 | 2 | 143 | - |
| FY 2012 | 2 | 20 | 0 | 2 | 6 | 186 | 17,027 |
| FY 2013 | 3 | 11 | 1 | 1 | 2 | 248 | 26,014 |
| FY 2014 | 13 | 8 | 2 | 5 | 5 | 292 | 33,899 |
| FY 2015 | 8 | 9 | 0 | 9 | 4 | 285 | 40,944 |
| Change from last year | -38% | 13% | -100% | 80% | -20% | -2% | 21% |
| Change over last 5 years | -67% | -68% | -100% | 350% | 100% | 99% | - |

Source: Department of Emergency Management. ¹DEM operated the EOC 35 days in FY 2014 which included other events that are not shown in this table. ²Nixle is a text and email based notification system for O'ahu residents and visitors to receive alerts regarding various emergencies.

Disaster and Emergency Response



Photos (above and right) courtesy of the Department of Emergency Management Facebook page and Office of the City Auditor

During FY 2015, the city's EOC was activated for several major events. Three storms entered into Hawaiian waters and two additional storms, Tropical Storm Wali and Hurricane Ana, originated in Hawaiian waters. Hurricane Iselle strengthened to a category 3 hurricane in August 2014 and for the first time, a City Call Center (768-CITY) was established and took hundreds of calls from a concerned public. Iselle spared Oahu any severe effects. DEM activated the EOC for the Honolulu Marathon and Blue Angels.

The department's public education programs supported more than 120 outreach events in FY 2015. Program highlights include:

- Increased the involvement of volunteer community-based emergency preparedness committees.
- Conducted 23 Community Emergency Response Team (CERT) classes with more than 350 graduates from various parts of the island.
- Coordinated hurricane exercise Makani Pahili 2015, with 27 participating agencies at the city EOC.
- Conducted multiple hazardous materials (HAZMAT) safety awareness activities with public agencies, private industry, and citizens to enhance preparedness.
- DEM received the 2014 Healthcare Association of Hawaii Award for Community Service.
- Installed three new outdoor warning sirens to provide early warning for disasters and upgraded 13 sirens to solar power.



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Chapter 8 - Honolulu Emergency Services Department

The Honolulu Emergency Services Department (HESD) is comprised of four divisions: Administration, Emergency Medical Services (EMS), Ocean Safety and Lifeguard Services (OSLS), and Health Services (HS).



Administration

Provides administrative support for overall operations which includes establishing policy, overseeing the management of budgetary issues, managing public and media relations, providing guidance and training, managing and handling labor relations issues, and long range services planning.



Emergency Medical Services (EMS)

Provides pre-hospital emergency medical care and advanced life support emergency ambulance services for the city. The State Department of Health contracts with the city to provide pre-hospital emergency medical care and services on O'ahu. The division's costs are eligible for 100% state reimbursement.



Ocean Safety and Lifeguard Services (OSLS)

Provides a comprehensive year-round ocean safety program which includes lifeguard tower services along the 198 miles of O'ahu's coastline. The program provides dispatched emergency response services utilizing all-terrain vehicles, rescue craft, and rapid response vehicles that service the beaches and ocean waters for ocean rescue and emergency medical situations.



Health Services (HS)

Conducts pre-employment, physical and annual medical evaluations for all current and prospective city employees; maintenance of licensure or physical fitness standards as mandated by the city, Occupational Safety & Health Administration, Department of Transportation or other regulating agency; and other medical assistance to other city programs.

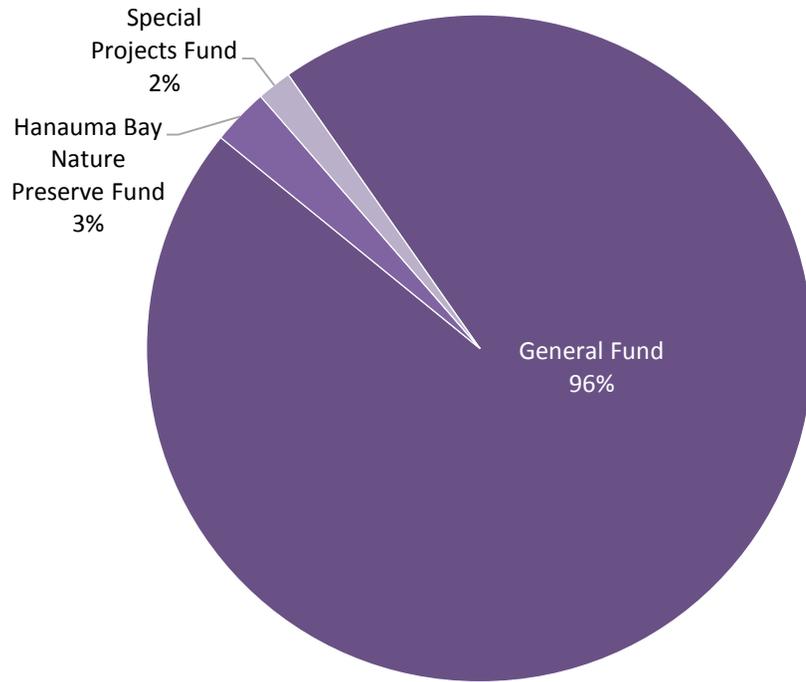


To develop programs and deliver exemplary services related to emergency medical services and lifeguard services on the island of O'ahu.

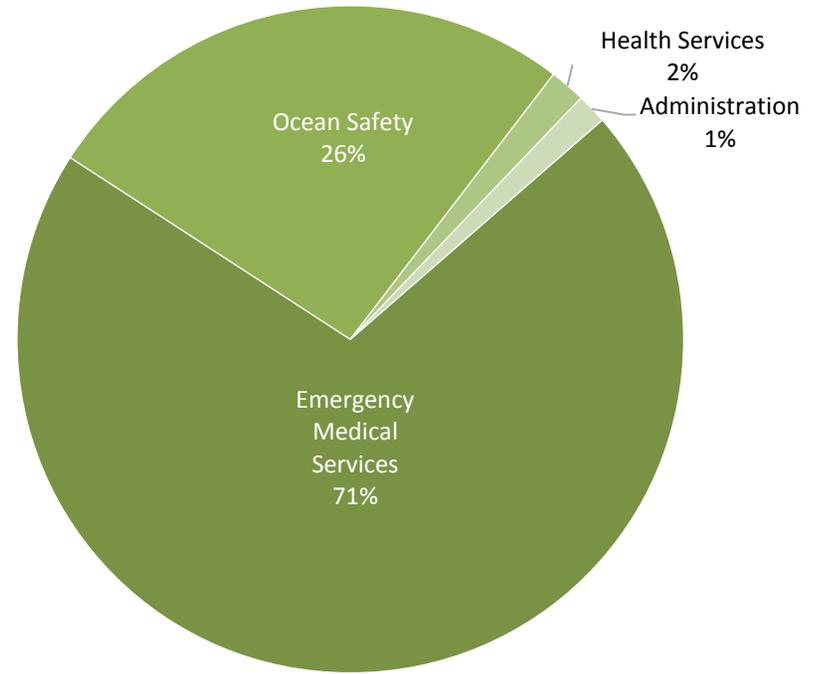
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Revenue (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | | Overtime Expenditures ³ | |
|--------------------------|--------------------------|--|-------------------|---------------|---------------------------|------------------------------------|------------------------------|
| | | | Authorized FTE | Vacant FTE | Cost Per FTE ² | Total (\$ millions) | Non-Holiday (\$ millions) |
| FY 2011 | \$33.4 | \$32.5 | 445.7 | 61.5 | \$72,812 | \$5.4 | \$4.9 |
| FY 2012 | \$33.3 | \$33.3 | 456.2 | 59.5 | \$73,070 | \$5.8 | \$5.2 |
| FY 2013 | \$32.0 | \$34.8 | 450.8 | 52.0 | \$77,255 | \$5.7 | \$5.1 |
| FY 2014 | \$34.2 | \$35.4 | 476.2 | 79.5 | \$74,392 | \$6.3 | \$5.7 |
| FY 2015 | \$34.5 | \$37.2 | 476.2 | 50.0 | \$78,180 | \$5.8 | \$4.5 |
| Change from last year | 1% | 5% | 0% | -37% | 5% | -9% | -22% |
| Change over last 5 years | 3% | 15% | 7% | -19% | 7% | 6% | -9% |

Source: Honolulu Emergency Services Department and the Department of Budget and Fiscal Services (BFS). The FY 2015 totals are estimated (as of January 20, 2016) as provided by BFS. FY 2015 FTE staffing as of 7-15-15. ¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Highlights and Health Services

Total revenue increased 1% to \$34.5 million in FY 2015 from \$34.2 million in FY 2014. The department noted that this increase was due to collective bargaining salary increases and reimbursement from the State.

Total operating expenditures have steadily increased from \$32.5 million in FY 2011 to \$37.2 million in FY 2015, a 15% increase over the last five years. According to HESD, this trend was the result of rising costs for supplies and maintenance equipment; and collective bargaining salary increases.

Total vacant FTE decreased 37% to 50.0 FTE in FY 2015 from 79.5 FTE in FY 2014. HESD explained that this decrease was due to funding made available to fill vacant positions.

Total overtime expenditures decreased 9% to \$5.8 million in FY 2015 from \$6.3 million in FY 2014. The department said that this decrease was the result of change in work schedules and some operational procedures.

In FY 2015, Health Services laboratory passed annual inspection and HS coordinated Hepatitis B vaccination clinics with the Department of Parks and Recreation, which saved the city \$60 per employee that received the Hepatitis B series.



Photos Courtesy of the Honolulu Emergency Services Department

| | Total | | | | | | |
|--------------------------|----------------------------|--|---------------|-------------------|---|---|--|
| | HSD Operating Expenditures | Pre-employment and Annual Medical Evaluations ¹ | DOT Physicals | Medical Examiners | DOT Physicals Performed per Medical Examiner ² | MRO Random Testing Assessments ³ | DPR's Summer Fun Program Urine Drug Screens ⁴ |
| FY 2011 | - | - | - | - | - | - | - |
| FY 2012 | - | - | - | - | - | - | - |
| FY 2013 | - | - | - | - | - | - | - |
| FY 2014 ⁵ | - | - | - | - | - | - | - |
| FY 2015 | \$651,150 | 2,390 | 819 | 1 | 819 | 3,908 | 1,079 |
| Change from last year | - | - | - | - | - | - | - |
| Change over last 5 years | - | - | - | - | - | - | - |

Source: Honolulu Emergency Services Department. ¹HS administers a drug screening program for new hires and random testing for selected employees. ²Number of DOT Physicals/Number of Medical Examiners. ³Medical Review Officer (MRO) provides pre-employment testing as well as for the Honolulu Police Department and the Honolulu Fire Department's random testing. ⁴MRO also assess urine drug screens of candidates of the Department of Parks and Recreation's Summer Fun Program. ⁵The Health Services program was transferred from the Department of Human Resources to HESD on July 1, 2013. HESD did not maintain data for the Health Services program prior to and in FY 2014.

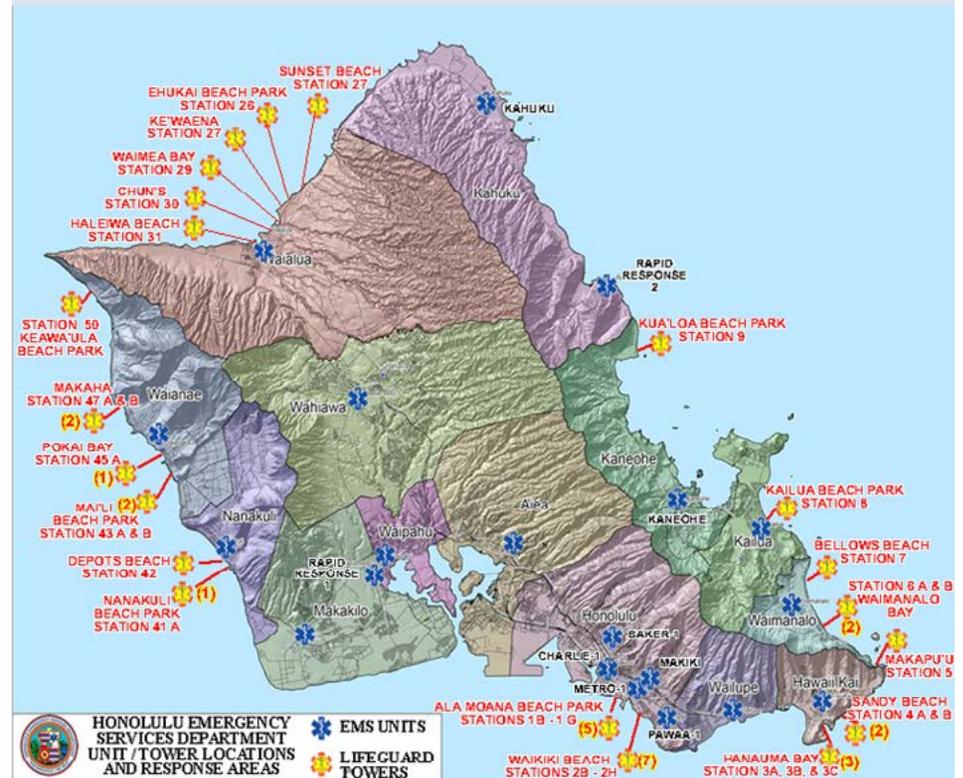
Ocean Safety and Lifeguard Services

OSLS expenditures increased 3% to \$9.8 million in FY 2015 from \$9.5 million in FY 2014. According to the department, this increase was due to collective bargaining salary increases and a staffing increase of 16 FTE. HESD added that staffing shortages required more use of contract and overtime personnel and greater frequency of large swell activity (*El Niño* year) combined with increased crowds engaged in ocean recreation contributed to more post shift overtime. The department further noted that there were major tower repairs for aging lifeguard stations, an increase in utility costs, and repair and replacement of high ticket rescue equipment like personal watercraft and all-terrain vehicles.

Preventive actions have steadily increased from 583,425 in FY 2011 to 898,528 in FY 2015, a 54% increase over the last five years. Public contact and interactions increased 13% to 1.4 million in FY 2015 from 1.2 million in FY 2014. HESD explained that these increases were the result of a steady growth in attendance at O`ahu beaches. The department said that there were robust efforts to employ sound risk management principles to assess known hazards and take proactive measures to warn beachgoers and deter the need for rescues, emergencies and mishaps before they occur.

Over the last five years, though preventive actions steadily increased, major first aid increased from 1,158 in FY 2011 to 1,218 in FY 2015, a 5% increase over the last five years. The department attributed this increase to the exponential growth of beach and ocean users; contemporary trend to engage in more risky and adventurous behavior spurred by social media; people venturing to areas with greater hazards; extreme sports mimic mentality; and an increase in ocean users with limited water skills venturing offshore and into surf zones (the advent of stand up paddleboards).

Map of OSLS' 38 Lifeguard Stations at O`ahu Beaches



Source: Honolulu Emergency Services Department

| | Operating Expenditures (\$ millions) | Ocean Rescues | Preventive Actions ¹ | Public Contact ² (million) | First Aid - Major ³ | Beach Users (millions) |
|--------------------------|--------------------------------------|---------------|---------------------------------|---------------------------------------|--------------------------------|------------------------|
| FY 2011 | \$8.8 | 1,868 | 583,425 | 1.1 | 1,158 | 15.6 |
| FY 2012 | \$8.5 | 2,318 | 597,902 | 1.0 | 1,170 | 16.4 |
| FY 2013 | \$9.2 | 2,619 | 744,764 | 1.2 | 1,336 | 18.1 |
| FY 2014 | \$9.5 | 2,795 | 758,688 | 1.2 | 1,282 | 17.7 |
| FY 2015 | \$9.8 | 2,752 | 898,528 | 1.4 | 1,218 | 17.3 |
| Change from last year | 3% | -2% | 18% | 13% | -5% | -2% |
| Change over last 5 years | 11% | 47% | 54% | 30% | 5% | 11% |

Source: Honolulu Emergency Services Department. ¹Preventive Action means any action taken to prevent an accident or serious injury from happening. ²Public Contact means any verbal interaction with a member of the public. ³Major First Aid means any injury requiring ambulance (EMS) assistance.

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Chapter 9 - Department of Enterprise Services

The Department of Enterprise Services (DES) operates and maintains the Neal S. Blaisdell Center, the Waikiki Shell, the Honolulu Zoo, and six municipal golf courses. The department also coordinates the preparation, administration, and enforcement of citywide concession contracts. This is the only city department whose operating budget is primarily funded by user fees from public events and activities.

The department's goals are to:

- Develop new services and lines of business in order to reduce the dependency on General Fund subsidies;
- Provide excellence in service and facilities; and
- Increase public awareness of departmental programs and services via marketing, public relations, and social media.

The department's administration directs and coordinates the programs and operations through its four divisions:

- Building Services – Provides facilities support to the Blaisdell Center, Waikiki Shell, Honolulu Zoo, six municipal golf courses and designated concessions.
- Customer Services – Plans, develops, markets and rents out the Blaisdell Center and Waikiki Shell facilities.
- Golf Course – Operates and maintains six municipal golf courses.
- Honolulu Zoo – Operates and maintains the city's 42-acre zoological park.



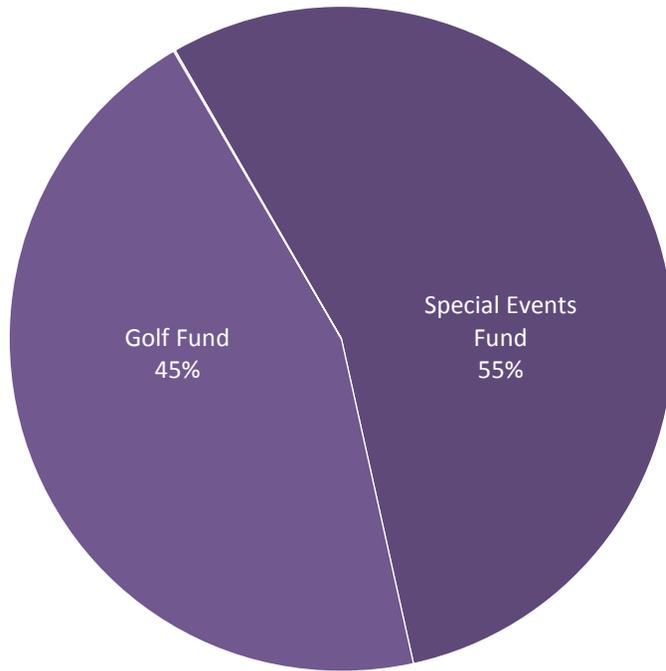
Photo Courtesy of the Department of Enterprise Services.

To manage and market a diversity of community-oriented facilities and services for the use and benefit of the public, supporting cultural, recreational, and educational opportunities and events on a self-supporting basis.

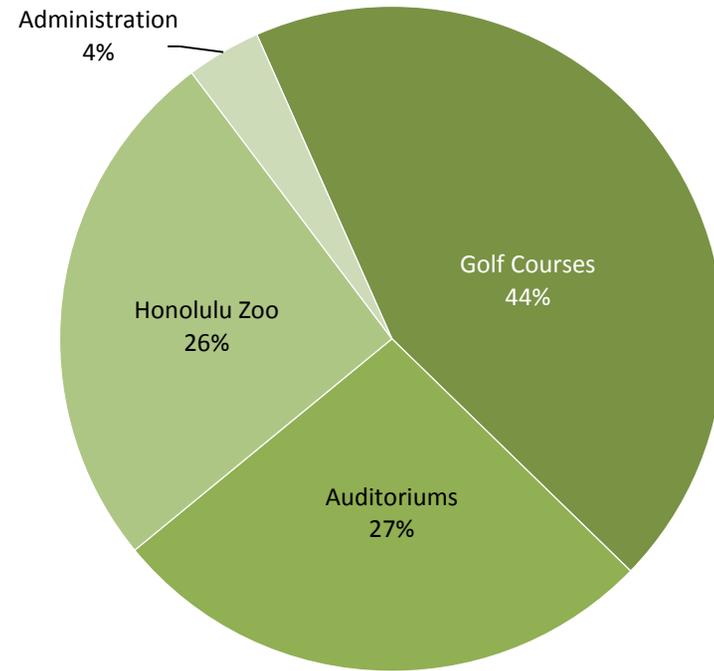
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses¹



| | Total Revenues (\$ millions) | Operating Expenditures (\$ millions) | General Fund Subsidy ² | | |
|--------------------------|---------------------------------|---|-----------------------------------|--------------------------------------|-----------------------------------|
| | | | Golf Fund (\$ millions) | Special Events Fund (\$ millions) | Total GF Subsidy (\$ millions) |
| FY 2011 | \$20.6 | \$18.6 | \$8.5 | \$10.1 | \$18.6 |
| FY 2012 | \$23.1 | \$20.2 | \$9.3 | \$10.7 | \$20.0 |
| FY 2013 | \$23.7 | \$20.3 | \$9.2 | \$11.1 | \$20.3 |
| FY 2014 | \$23.9 | \$20.9 | \$9.3 | \$11.6 | \$20.9 |
| FY 2015 | \$23.5 | \$21.8 | \$9.8 | \$12.0 | \$21.8 |
| Change from last year | -2% | 4% | 6% | 3% | 4% |
| Change over last 5 years | 14% | 17% | 16% | 18% | 17% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100% due to rounding. ²General Fund Subsidy includes Employee Fringe Benefits (Retirement, Social Security, Medicare), Federal Insurance Contributions Act (FICA), Workers Compensation Insurance (WC), Unemployment Insurance, Health Fund (HF), Other Post-employment Benefits (OPEB), Debt Services, and Central Administrative Services Expenses (CASE).

Spending and Staffing



Photo Courtesy of the Department of Enterprise Services.

DES operating expenditures increased 17% over the last five years from \$18.6 million in FY 2011 to \$21.8 million in FY 2015. The department encourages efficiency and operational cost-savings by focusing on obtaining necessary resources, filling essential positions, and repairing and replacing aging facilities as well as obsolete equipment. As part of its ongoing strategy, department fees and rates are reviewed periodically, and any revenue enhancement proposals are carefully analyzed. DES continues to aggressively market its facilities and services as well as promote work-related safety.

Total revenues increased 14% over the last five years from \$20.6 million in FY 2011 to \$23.5 million in FY 2015. The department attributes this increase to Golf fee increases, world-class entertainment such as Diana Ross, Elton John, John Fogerty, Miranda Lambert, and Boyz II Men, higher usage of the Waikiki Shell including Jack Johnson and Henry Kapon and Friends concerts, and the numerous expos, trade shows, and job fairs including the highly attended Made in Hawaii Festival.

Total authorized staffing was 297.9 FTE positions in FY 2014, compared to 265.9 in FY 2015, a 11% decrease. The department of Budget and Fiscal Services explained that full-time staffing counts illustrate a significant decrease due to the deactivation of positions in FY 2015.

Overtime expenditures increased 20% from \$512,639 in FY 2014 to \$615,893 in FY 2015. The department attributes the increase to staffing shortages and staff being on long-term leave at the Zoo, changing work schedules due to ongoing construction, and the need to sustain the minimum standards of animal welfare requirements (health, food, and cleanliness).

| | Staffing | | | Overtime Expenditures ² | |
|--------------------------|----------------------|------------------|---------------------------|------------------------------------|-------------|
| | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ¹ | Total | Non-Holiday |
| FY 2011 | 297.9 | 68.6 | \$62,432 | \$645,339 | \$400,025 |
| FY 2012 | 297.9 | 58.1 | \$67,927 | \$372,313 | \$149,877 |
| FY 2013 | 297.9 | 69.6 | \$68,213 | \$608,581 | \$355,106 |
| FY 2014 | 297.9 | 57.4 | \$70,022 | \$512,639 | \$280,903 |
| FY 2015 | 265.9 | 34.5 | \$81,907 | \$615,893 | \$369,102 |
| Change from last year | -11% | -40% | 17% | 20% | 31% |
| Change over last 5 years | -11% | -50% | 31% | -5% | -8% |

Source: Department of Budget and Fiscal Services. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable.

Administration and Building Services

Administration focuses on maximizing revenues, optimizing fiscal and manpower resources in support of the department’s and mayor’s fiscal sustainability goal by reducing the General Fund subsidies for the Special Events Fund and Golf Fund. It also directs and coordinates the programs and activities of the Blaisdell Center, Waikiki Shell, Honolulu Zoo, and municipal golf courses; and coordinates the preparation, administration, and enforcement of citywide concession contracts. Concessions Management is responsible for identifying prospective city properties for commercial concessionaire operations and conducting comprehensive studies on the feasibility and recommendation to operate commercial concessions on such properties. Administration emphasizes that DES venues and their services provided to the community “creates memories.”

Over the last five years, the administration’s operating expenditures increased 64% from \$480,300 in FY 2011 to \$787,821 in FY 2015. In FY 2015, the division administered 33 concession contracts. Some of the contracts administered in FY 2015 include Blaisdell parking, Blaisdell food, Hanauma Bay concessions, Zoo parking, municipal course driving range and food, Department of Parks and Recreation food concessions, and 602 surf board locker rentals.

Revenues generated from DES concessions decreased 2% from \$6.6 million in FY 2014 to \$6.5 million in FY 2015. The department attributes the decrease to some concessions being placed off-line because of needed repairs and maintenance and because the Blaisdell food and beverage revocable permit provisions did not allow the concessionaire to meet projected revenues.



*Top left to right–
Pikake Room
Air Conditioning
Replacement,
Repainting of Zoo,
Arena Roof repair,
Zoo Commissary
painting.*

Photos Courtesy of the Department of Enterprise Services.

In FY 2015, the Building Services Division completed 1,450 recorded requests for special set-ups and maintenance and repair tasks. Of these requests, 1,286 work-orders were completed or 89% by fiscal year end. Included in these tasks were several painting and electrical tasks that were performed for the Honolulu Zoo to prepare for the accreditation inspection. Other major projects involving Building Services personnel were the Waikiki Shell Interior Fencing, Kapiolani Beach Concession Grease Interceptor, Phase II of the Blaisdell Railings, Hawaii Suite Mobile Wall Tracks and Trolley Replacement, Pikake Room Air Conditioning Replacement, and the Arena Dressing Rooms.

| | Operating Expenditures | | DES Concessions | | Blaisdell & Waikiki Shell Performances | | | Expos, Trade Shows & Job Fairs ¹ |
|--------------------------|------------------------|---------------------------|-----------------|------------------------|--|------------------------|------------|---|
| | Administration | Auditoriums (\$ millions) | Total | Revenues (\$ millions) | Total | Revenues (\$ millions) | Attendance | |
| FY 2011 | \$480,300 | \$5.0 | 30 | \$6.2 | 911 | \$5.5 | 798,472 | 47 |
| FY 2012 | \$536,111 | \$5.4 | 31 | \$6.5 | 353 | \$5.6 | 647,889 | 47 |
| FY 2013 | \$718,447 | \$5.2 | 34 | \$6.5 | 651 | \$6.1 | 770,496 | 53 |
| FY 2014 | \$724,184 | \$5.7 | 36 | \$6.6 | 540 | \$6.2 | 817,136 | 58 |
| FY 2015 | \$787,821 | \$5.8 | 33 | \$6.5 | 471 | \$5.5 | 678,862 | 55 |
| Change from last year | 9% | 3% | -8% | -2% | -13% | -11% | -17% | -5% |
| Change over last 5 years | 64% | 17% | 10% | 6% | -48% | 0% | -15% | 17% |

Source: Department of Budget and Fiscal Services and Department of Enterprise Services. ¹Excludes small shows in the Hawaii Suite meeting rooms.

Customer Services

The Customer Service Division manages the business and patron operations of the Blaisdell Center and the Waikiki Shell. It encourages extensive and varied entertainment choices for the people of Honolulu while maximizing revenues generated to support operations at the Blaisdell Center and the Waikiki Shell. In FY 2015, 678,862 people attended 471 performances at the Blaisdell Center and the Waikiki Shell, compared to an attendance of 817,136 for 540 performances in FY 2014. These figures represent a decrease of 17% in attendance and a decline of 13% in total performances offered. In FY 2015, Blaisdell and Waikiki Shell Performance revenues decreased 11% from \$6.2 million in FY 2014 to \$5.5 million in FY 2015. The division partly attributes the attendance and associated revenue decrease to not having a Broadway show perform at the venue during FY 2015. In FY 2014, the popular Broadway show, *The Lion King*, boosted attendance by over 100,000 guests.

Auditorium’s operating expenditures increased 17% over the past five years from \$5.0 million in FY 2011 to \$5.8 million in FY 2015. The division attributes the increase to collective bargaining agreement salary increases, increased electricity, water and sewer costs, and scheduled maintenance projects, such as the recoating of the Blaisdell Arena roof, and the filling of vacant positions.

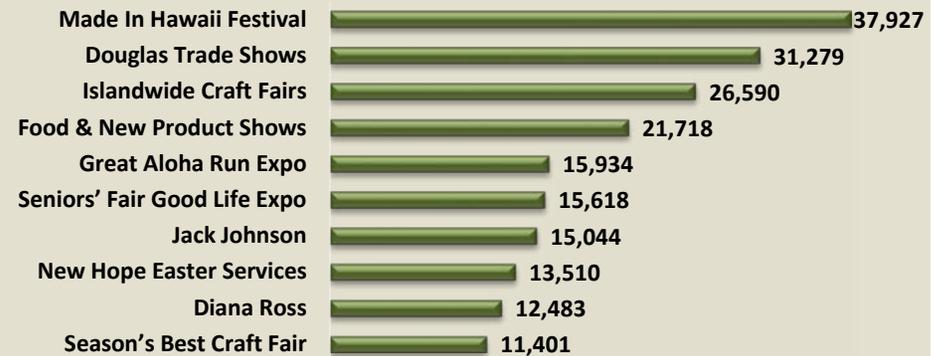
In FY 2015, the division was able to encourage Diana Ross to make her first public performance in Hawaii to over 12,000 guests. During FY 2015, the Blaisdell held 55 major expositions, trade shows and job fairs including Made In Hawaii Festival, Pacific Ink and Art Expo, Job Quest, Building Industry Association’s Remodel it Right, The Hawaii Lodging, Hospitality & Foodservice Expo, Goodwill Goes Glam, and Great Aloha Run Sports, Health and Fitness Expo.

In the FY 2015 National Citizen Survey, 57% of Honolulu residents rated recreational opportunities as *excellent* or *good*. Ratings were *similar* to percentages reported nationwide. The FY 2015 National Citizens Survey reported 46% positive percent *excellent* or *good* ratings for Honolulu citizens opportunities to attend cultural/arts/music activities in the City and County of Honolulu.



Source: Department of Enterprise Services

Attendance for Top Ten Blaisdell Center Events in FY 2015



Opportunities to attend cultural/arts/music activities in the City and County of Honolulu?

471

Events held at the Blaisdell and Waikiki Shell in FY 2015

46%

National Citizen Survey Positive Percent *excellent* or *good*

11th

National Citizen Survey Honolulu Ranked 11th out of 16 cities¹

Source: 2014 National Citizen Survey (Honolulu). ¹Cities with 300,000 or more residents.

Golf Course

The Golf Course Division’s mission is to operate and maintain six municipal golf courses, which provides affordable golf opportunities for the city’s recreational golfers. The six municipal courses include:

- Ala Wai
- Ewa Villages
- Kahuku
- Pali
- Ted Makalena
- West Loch



Photos Courtesy of the Department of Enterprise Services.

Number of Rounds Played in FY 2015



Source: Department of Enterprise Services

The division’s operation expenditures increased 15% over the past five years from \$8.3 million in FY 2011 to \$9.6 million in FY 2015. The department attributes the increase to salary increases, increased electricity, water and sewer costs, tree trimming work, and repairs to air conditioning systems. In FY 2015, total number of rounds played saw a 16% decrease over the last five years from 475,663 rounds played in FY 2011 to 400,869 in FY 2015. The department commented that the downward trend in number of rounds played is a result of national trends and declining interest in the sport.

In FY 2015, green fees and cart rental fees saw a slight decrease of 2% from \$9.7 million in FY 2014 to \$9.5 million in FY 2015. The department attributes the decrease in golf play and revenue to a national trend of declining interest in the sport.

The department’s automated tee time system is in its 19th year of operation. The system provides fair and equitable access to all golfers. The department reported that there are more than 116,000 registered golfers that are enrolled in the database. In FY 2015, more than 2,600 golf ID cards were issued and more than 1,600 replacement golf ID cards replaced.

| | Operating Expenditures (\$ millions) | Number of Rounds Played | Revenues ¹ (\$ millions) |
|--------------------------|---|-------------------------|--|
| FY 2011 | \$8.3 | 475,663 | \$8.7 |
| FY 2012 | \$9.2 | 464,708 | \$9.1 |
| FY 2013 | \$9.0 | 442,362 | \$9.8 |
| FY 2014 | \$9.0 | 416,356 | \$9.7 |
| FY 2015 | \$9.6 | 400,869 | \$9.5 |
| Change from last year | 6% | -4% | -2% |
| Change over last 5 years | 15% | -16% | 10% |

Source: Department of Budget and Fiscal Services and the Department of Enterprise Services. ¹FY 2015 green fees with golf I.D. card: 18-holes \$26 (weekend/holiday); \$22 (weekday); \$55 (without I.D. card).

Honolulu Zoo

The Honolulu Zoo Division plans, operates, and maintains a beautifully landscaped 42-acre zoological and botanical garden located within Kapiolani Park in Waikiki. Honolulu Zoo emphasizes Pacific tropical and island ecosystems and traditional values of malama (caring) and hookipa (hospitality). The division’s operating expenditures increased 15% over the last five years.

In FY 2015, the Zoo’s revenues remained relatively stable at \$4.8 million in FY 2014 and FY 2015. Visitor attendance experienced a slight decline of 2% from having 606,566 visitors in FY 2014 to 592,780 visitors in FY 2015. The decrease was attributed to a lack of new animal exhibits. The division explained that exhibit grounds, upkeep and deferred maintenance challenges due to staffing have also affected visitor attendance, as well as many constructions projects happening simultaneously.

In FY 2015, the Honolulu Zoo served as the site for the first day of filming for Universal Studios Jurassic World. The elephant exhibit served as the site of the



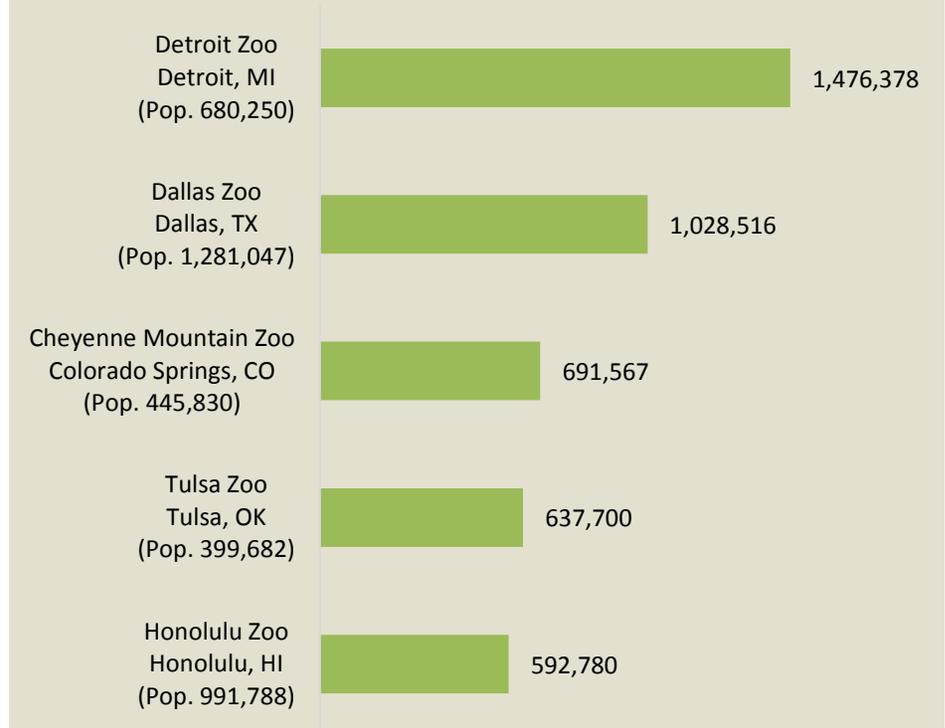
Photos Courtesy of the Department of Enterprise Services.

“Gentle Giants” petting zoo in the movie. Proceeds from the filming were used to secure two new elephant shade structures and wooden fencing.

In April of 2015, just in time for Mother’s Day, the Zoo enjoyed the birth of two new additions

to its collection - a baby two-toed sloth and a baby siamang. The Association of Zoos and Aquariums (AZA) renewed the Honolulu Zoo’s accreditation in FY 2012. The division reported that the Zoo continues to address concerns in preparation for the next accreditation inspection in 2016. In FY 2015, the Zoo carried out various AZA improvement efforts such as resurfacing asphalt walkways, removing diseased trees, and replacing Savanna barn roofs that had termite damage and changing out exhibit mesh that had become severely corroded for the following animals: aardvarks, meerkats, hyenas, and baboons.

National Comparison of Zoo Attendance¹



Source: Department of Enterprise Services and city/county zoo websites. ¹Zoo Attendance for Detroit Zoo reflects the total attendance as of the close of September 1, 2014 Labor Day weekend.

| | Revenues ¹ (\$ millions) | Operating Expenditures (\$ millions) | Zoo Visitor Attendance |
|--------------------------|--|--|---------------------------|
| FY 2011 | \$2.8 | \$4.8 | 603,677 |
| FY 2012 | \$4.0 | \$5.0 | 667,981 |
| FY 2013 | \$5.1 | \$5.3 | 663,699 |
| FY 2014 | \$4.8 | \$5.4 | 606,566 |
| FY 2015 | \$4.8 | \$5.6 | 592,780 |
| Change from last year | 1% | 3% | -2% |
| Change over last 5 years | 70% | 15% | -2% |

Source: Department of Budget and Fiscal Services and the Department of Enterprise Services. ¹Honolulu Zoo admission: \$14 (Adult 13+); \$6 (Children 3-12 years); \$8 Kama’aina/U.S. Military (Adult) and \$4 (Children). Revenues exclude admissions paid by Honolulu Zoo Society membership fees.

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Chapter 10 - Department of Environmental Services

The Department of Environmental Services (ENV) plans, directs, operates and administers the city's wastewater, solid waste, and storm water permit programs. ENV directly supports the mayor's core infrastructure priorities through its various programs and functions.

The department's goals and objectives are:

- Sustainability - Ensure that operations and services emphasize sustainable practices.
- Operating as a Business - Provide cost effective, quality service through improved business and work processes.
- Employee Development - Invest in employee development in order to improve operational and fiscal competencies.
- Communication - Improve collaboration and communication with employees, customers, and community.
- Customer Service - Better understand and respond to internal and external customer needs.



Source: Department of Environmental Services

ENV is organized into five areas: administration; environmental quality; collection system maintenance; wastewater treatment and disposal; and refuse collection and disposal.

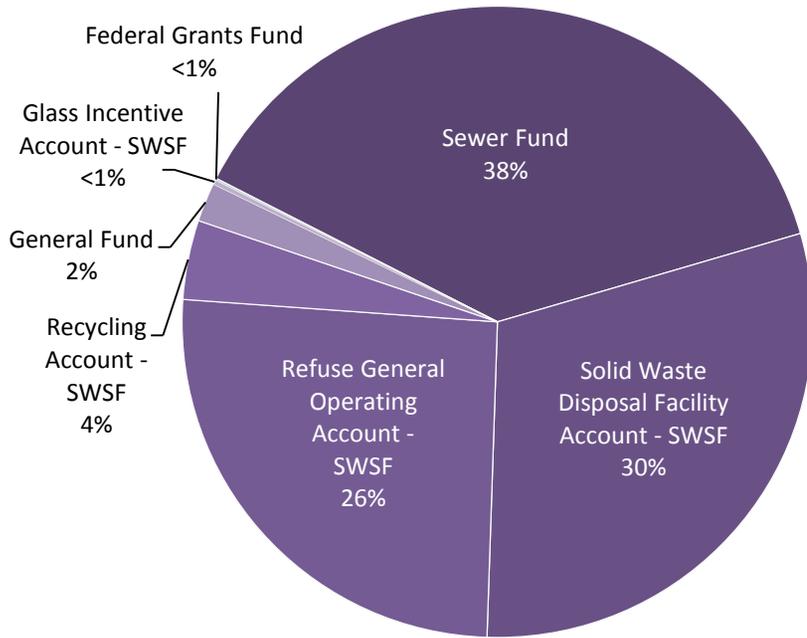


To protect public health and the environment by efficiently and effectively managing the wastewater and solid waste systems of the City and County of Honolulu.

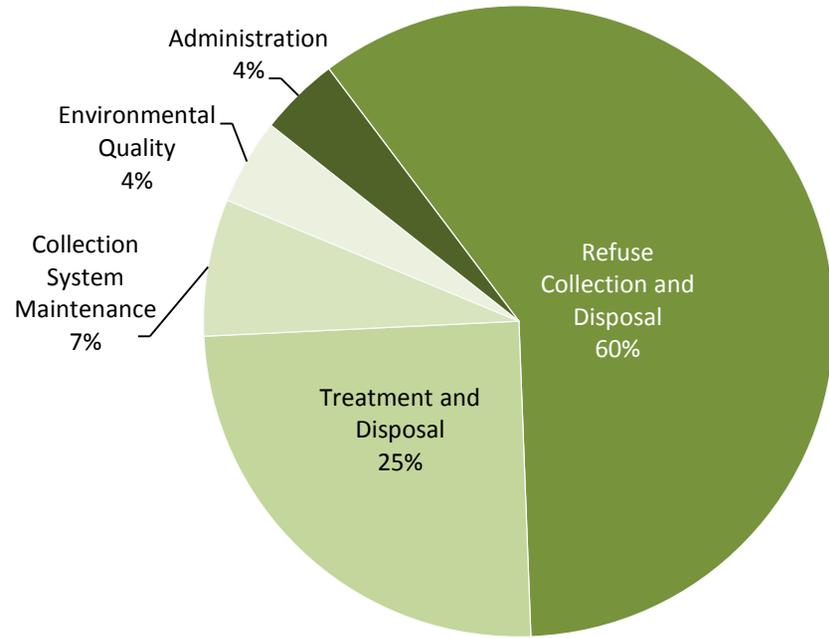
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Total Operating Expenditures (\$ millions) | Revenues (\$ millions) | Staffing | | | Overtime Expenditures ³ | |
|--------------------------|--|------------------------|----------------------|------------------|---------------------------|------------------------------------|---------------------------|
| | | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | Total (\$ millions) | Non-Holiday (\$ millions) |
| FY 2011 | \$213.8 | \$438.2 | 1,166 | 322 | \$183,345 | \$10.5 | \$9.2 |
| FY 2012 | \$216.1 | \$484.1 | 1,166 | 323 | \$185,304 | \$11.0 | \$9.8 |
| FY 2013 | \$230.1 | \$496.8 | 1,147 | 301 | \$200,597 | \$11.3 | \$10.1 |
| FY 2014 | \$247.5 | \$565.2 | 1,171 | 294 | \$211,376 | \$10.2 | \$9.0 |
| FY 2015 | \$251.1 | \$541.0 | 1,065 | 213 | \$235,755 | \$9.7 | \$8.3 |
| Change from last year | 1% | -4% | -9% | -28% | 12% | -5% | -8% |
| Change over last 5 years | 17% | 23% | -9% | -34% | 29% | -8% | -9% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.

¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Spending, Staffing, and Administration

Over the last five years, the department’s operating expenditures increased 17% from \$213.8 million in FY 2011 to \$251.1 million in FY 2015. According to the department, the increase was due to salary costs, fringe benefits, utilities, and contractual services.

Revenues increased 23% from \$438.2 million in FY 2011 to \$541 million in FY 2015. According to the department, revenues increased due to increased sewer service changes.

Departmental vacancies declined 28% within the last fiscal year from 294 total vacant FTE in FY 2014 to 213 total vacant FTE in FY 2015. The department noted that vacancies decreased by 28% due to an increase in positions that have been filled.

Overtime expenditures decreased from the previous year by 5%, with \$10.2 million in FY 2014 and \$9.7 million in FY 2015. The department stated that the decrease was due to closer monitoring and additional implemented processes to help them work towards meeting their overtime reduction metrics.

Administration

Administration directs and coordinates the operation and maintenance of the city’s wastewater, storm water, and solid waste programs. It provides overall development and management through financial and capital planning, scheduling and tracking, information technology support, and other services.

Over the last five years, administration’s operating expenditures increased 78% from \$5.8 million in FY 2011 to \$10.2 million in FY 2015. ENV noted that the increase was due to the department’s share of the BWS billing services and contractual services.

Non-revenue receipts declined 55% from \$44.4 million in FY 2014 to \$20 million in FY 2015. The department noted that non-revenue receipts are from the State Revolving Fund. Proceeds from State Revolving Fund loans are dependent on loans granted and construction expenditures related to those specific loans during the fiscal year. Other revenues declined 55% from \$3.5 million in FY 2014 to \$1.6 million in FY 2015. The department noted that “other revenues” include: Licenses and Permits, Fines and Forfeitures, Utilities or Other Enterprises, Easements, and Intergovernmental Revenue.

Capital expenditures increased 37% over the last fiscal year, from \$153.2 million in FY 2014 to \$210.2 million in FY 2015. The department attributed the increase to expenditures in accordance with its plan to meet the EPA consent decree.

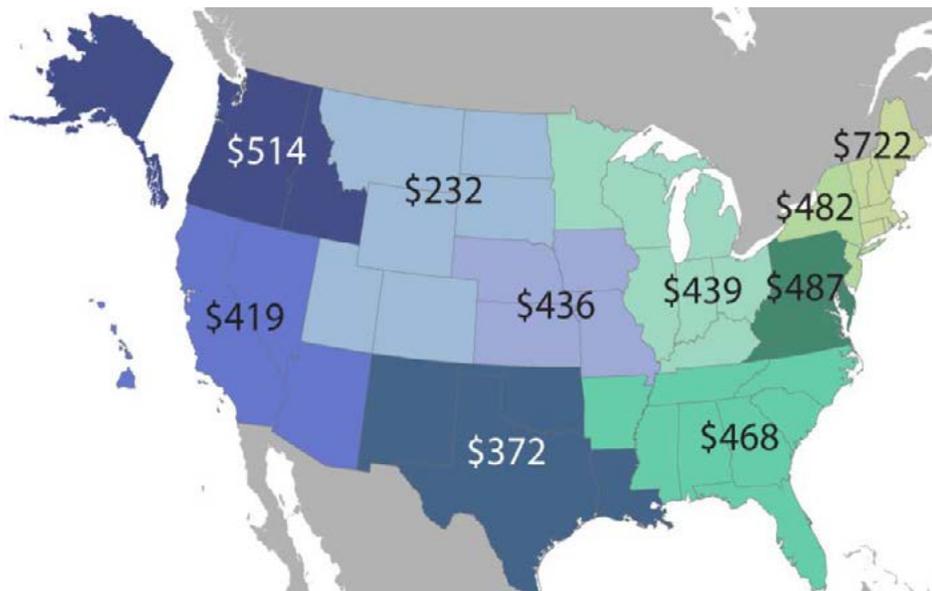
| | Operating Expenditures (\$ millions) | Revenue Sources (\$ millions) | | | | | Average Annual Sewage Charge | Bond Rating | Capital Expenditures (\$ millions) |
|--------------------------|--------------------------------------|-------------------------------|--------------------------------|----------------------|-----------------------------|---------|------------------------------|-------------|------------------------------------|
| | | Charges for Services | Utilities or Other Enterprises | Non-Revenue Receipts | Other Revenues ¹ | | | | |
| FY 2011 | \$5.8 | \$350.7 | \$85.4 | \$0.0 | \$2.1 | \$1,063 | AA | \$171.9 | |
| FY 2012 | \$7.1 | \$376.1 | \$103.6 | \$0.0 | \$4.5 | \$1,106 | AA | \$135.8 | |
| FY 2013 | \$5.7 | \$370.3 | \$104.6 | \$18.3 | \$3.7 | \$1,157 | AA | \$127.6 | |
| FY 2014 | \$8.2 | \$406.1 | \$111.2 | \$44.4 | \$3.5 | \$1,213 | AA | \$153.2 | |
| FY 2015 | \$10.2 | \$407.9 | \$111.6 | \$20.0 | \$1.6 | \$1,262 | AA | \$210.2 | |
| Change from last year | 25% | <1% | <1% | -55% | -55% | 4% | -- | 37% | |
| Change over last 5 years | 78% | 16% | 31% | -- | -24% | 19% | -- | 22% | |

Source: Department of Budget and Fiscal Services and Department of Environmental Services. ¹Other Revenues includes: Licenses and Permits, Intergovernmental Revenue, Fines and Forfeits, and Miscellaneous Revenues.

Administration and Citizen Survey

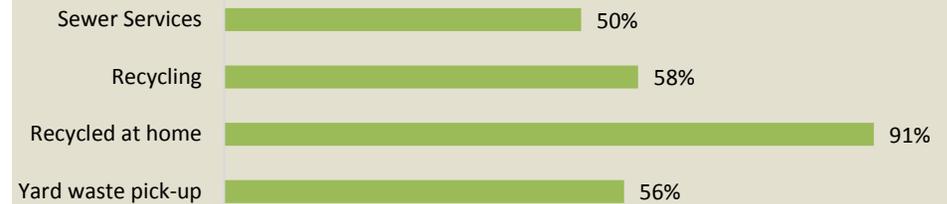
The average annual sewage charge increased 19% from \$1,063 in FY 2011 to \$1,262 in FY 2015. ENV noted that costs in Hawai'i are generally substantially higher than the national averages. Required upgrades to the wastewater collection system under the 1995 and 2010 consent decrees have contributed significantly to system costs and supporting rates.

According to the National Association of Clean Water Agencies (NACWA), the national average annual sewer charge in CY 2014 was \$448 which is a 4.1% increase from CY 2013 national average annual sewer charge of \$435 per single family dwelling. CY 2014 was the 13th consecutive year that sewer service charges have increased faster than inflation, nearly doubling the average annual charge since 2002. The average annual sewer charge in Region 9 (which includes Hawai'i) was \$419.



Source: National Association of Clean Water Agencies (NACWA), 2014 Service Charge Index

Ratings for Sewer and Solid Waste Services (% Excellent or Good)



Source: 2015 National Citizen Survey (Honolulu)

In the 2015 National Citizen Survey, only 36% of residents rated the overall cleanliness of Honolulu as *excellent* or *good*. This rating was *much lower* than the ratings received by other cities with populations over 300,000.

Citizens are interested in environmental sustainability; 84% of residents responded that they made their home more energy efficient, and 91% stated they recycled at home. These ratings were similar and higher respectively within cities with populations over 300,000.

Recycle at Home (% Excellent or Good)



Source: 2015 National Citizen Survey (Honolulu)

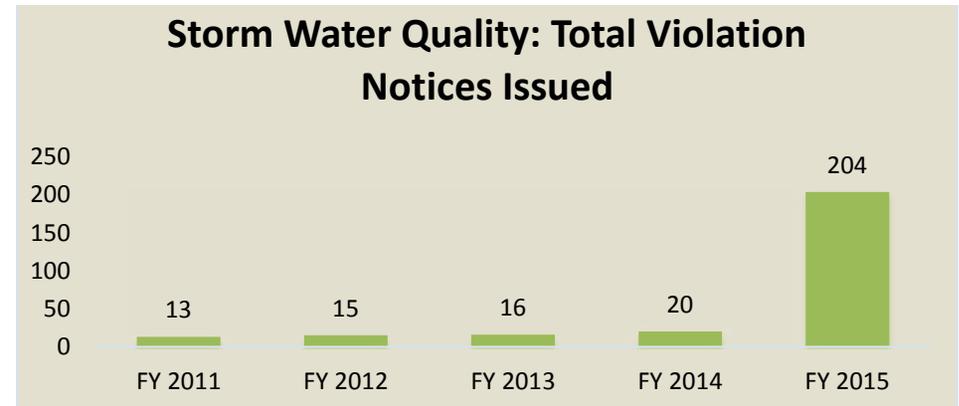
Environmental Quality

The Environmental Quality (EQ) Division directs, coordinates and manages activities related to compliance with state and federal requirements for the city's wastewater, industrial waste, water quality, and storm water programs.

Compliance responsibilities over the wastewater program include: issuing permits; conducting inspections and investigations; overseeing the city's effluent and bio-solids reuse; and annual reporting. The division also oversees consent decree requirements including wastewater recycling; monitoring ocean discharges; and conducting air quality monitoring; as well as the city's compliance with the Storm Water Management Plan (SWMP) requirements under the federal Clean Water Act and the National Pollutant Discharge Elimination Systems (NPDES) permits.

EQ's operating expenditures increased 45% from \$7.6 million in FY 2014 to \$11 million in FY 2015. According to the division, the decrease was due to some expenditures being delayed from FY 2014 to FY 2015.

Compliance with the 2010 Wastewater Consent Decree is a priority for the city and the department. The decree provides a program of improvements to the city's wastewater collection and treatment systems. ENV is responsible for capital planning, programming, and compliance reporting requirements for the consent decree. As of June 30, 2015, the city completed its fifth year of reporting to the Environmental Protection Agency. It reports that all milestones and requirements have been met.



Source: Department of Environmental Services

In FY 2015 there was a 44% decline of Total Regulatory Control Enforcements from 550 enforcements in FY 2014 to 309 Regulatory Control Enforcements in FY 2015. The department commented that the decline in enforcements issued can be accounted for due to there being more grease removal devices in compliance in FY 2015 compared to FY 2014.

The number of water quality lab samples reviewed declined 11% from 18,449 samples in FY 2011 to 16,435 samples in FY 2015.

| | Operating Expenditures (\$ millions) | Regulatory Control ¹ | | Water Quality Laboratory | | Storm Water Quality | |
|--------------------------|--------------------------------------|-----------------------------------|--------------------|--------------------------|---------|-----------------------------|--------------------------------|
| | | Total Investigations/ Inspections | Total Enforcements | Parameter Results | Samples | Total Investigations Closed | Total Violation Notices Issued |
| FY 2011 | \$10.8 | 5,820 | 480 | 45,132 | 18,449 | 351 | 13 |
| FY 2012 | \$10.0 | 4,594 | 1,000 | 37,375 | 16,854 | 304 | 15 |
| FY 2013 | \$10.2 | 5,892 | 397 | 40,814 | 17,202 | 292 | 16 |
| FY 2014 | \$7.6 | 6,500 | 550 | 34,843 | 16,759 | 320 | 20 |
| FY 2015 | \$11.0 | 6,264 | 309 | 37,323 | 16,435 | 426 | 204 |
| Change from last year | 45% | -4% | -44% | 7% | -2% | 33% | 920% |
| Change over last 5 years | 2% | 8% | -36% | -17% | -11% | 21% | 1469% |

Source: Department of Budget and Fiscal Services and Department of Environmental Services. ¹The Regulatory Control Branch regulates commercial operations to determine if wastewater discharge (e.g. fats, oils, and grease) poses a threat to the city's sewer system.

Refuse Collection and Disposal

Refuse Collection and Disposal (RCD) Division is responsible for administering, managing, and planning the city's solid waste program. It collects, transports, and disposes solid waste through recycling, transfer stations, landfills, residential and non-residential collection, and the H-POWER waste-to-energy facility.

Over the last five years, RCD's operating expenditures increased 18% from \$127.2 million in FY 2011 to \$149.8 million in FY 2015. According to the division, the increase was due to the purchase of refuse trucks and equipment moved from CIP to Operating Budget. Expansion of H-POWER facility to increase its capacity by 300,000 tons of municipal solid waste (MSW) per year resulted in an increase in its operating and maintenance costs.

Total MSW disposed at the landfill declined 65% over the last five years from 166,921 tons in FY 2011 to 59,000 tons in FY 2015. The department attributes the 65% decline to an increase in waste-to-energy and recycling efforts that diverted more waste from the landfill. Such efforts include the Expansion of H-Power facility which increased capacity by 300,000 tons which enables the City to divert more waste from the landfill including bulky wastes and sewage sludge.

In the 2015 National Citizen Survey, 72% and 56% of Honolulu residents rated garbage collection and yard waste pick-up as *excellent* or *good*, respectively. ENV commented that curbside recycling is provided to 160,000 homes on Oahu. Full implementation was completed in 2010 and Honolulu residents support for curbside recycling and are using their recycling bins.



Source: Department of Environmental Services

| | Operating Expenditures (\$ millions) | Municipal Solid Waste Disposal (MSW) Categories (Tons) | | | | | |
|--------------------------|--------------------------------------|--|----------------------------|-------------------------|-------------------------|---|----------------------------|
| | | Total MSW ¹ | General Material Recycling | MSW Disposed at H-POWER | H-POWER Ash and Residue | Total MSW Diverted from Landfill ² | Total Disposed at Landfill |
| CY 2011 | \$127.2 | 1,251,775 | 490,061 | 594,793 | 163,618 | 921,236 | 166,921 |
| CY 2012 | \$120.7 | 1,231,425 | 487,157 | 613,328 | 161,665 | 938,820 | 130,940 |
| CY 2013 | \$132.9 | 1,237,389 | 477,011 | 678,389 | 180,369 | 975,031 | 81,989 |
| CY 2014 | \$148.2 | 1,243,255 | 475,953 | 686,279 | 188,399 | 973,833 | 81,023 |
| CY 2015 ³ | \$149.8 | 1,268,000 | 490,000 | 719,000 | 201,000 | 1,000,000 | 59,000 |
| Change from last year | 1% | 2% | 3% | 5% | 7% | 3% | -27% |
| Change over last 5 years | 18% | 1% | 0% | 21% | 23% | 9% | -65% |

Source: Department of Budget and Fiscal Services and Department of Environmental Services. ¹Total MSW reflects all MSW from the island of O'ahu. ²Total MSW Diverted from Landfill = (General Material Recycling + MSW Disposed at H-POWER) - H-POWER Ash and Residue. ³MSW Categories for CY 2015 are estimates reported by ENV.

Collection System Maintenance and Wastewater Treatment and Disposal

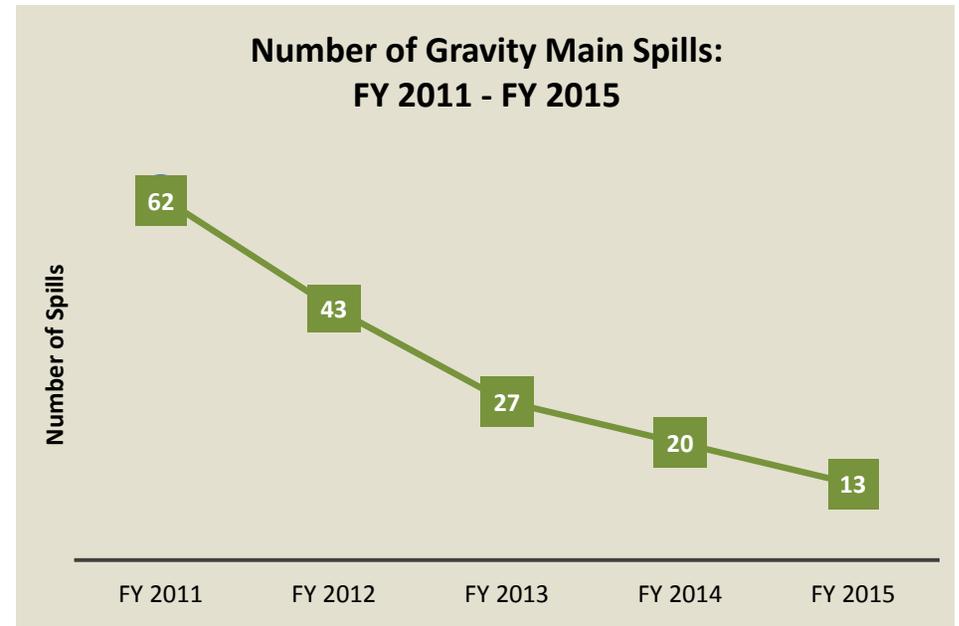
Collection System Maintenance (CSM) oversees and maintains 2,100 miles of the gravity sewer system and numerous pump stations and respective force mains around the island. The Division of Wastewater Treatment and Disposal operates city wastewater treatment plants.



Source: Department of Environmental Services

Over the past five years, CSM's operating expenditures increased 109% from \$8.4 million in FY 2011 to \$17.6 million in FY 2015. The division reported that the increase was due to staffing increases in FY 2012 to comply with the 2010 Consent Decree.

The Miles of Lines CCTV inspected declined 23% over the last year from 77 miles of line inspected in FY 2014 to 59 miles of line inspected in FY 2015. The department reported that the number of miles of line of CCTV inspected is based on the number of miles of CCTV work orders completed and closed in the system. The department stated that for the FY 2015 reporting period the 59 miles of line inspected does not



Source: Department of Environmental Services

include a large shipment of SOLO film footage. The outstanding batch of SOLO film footage represents 18-20 miles of inspections and the final FY 2015 actual miles of lines CCTV inspected should be 77-80 miles of lines.

| | Collection System Maintenance | | | | Wastewater Treatment and Disposal | |
|--------------------------|--------------------------------------|---------------------------|-------------------------------|--|--------------------------------------|---|
| | Operating Expenditures (\$ millions) | Miles of Lines Maintained | Miles of Lines CCTV Inspected | Number of Gravity Main Spills ¹ | Operating Expenditures (\$ millions) | Wastewater Collected and Treated (mgd) ² |
| FY 2011 | \$8.4 | 596 | 61 | 62 | \$61.6 | 105 |
| FY 2012 | \$17.4 | 613 | 51 | 43 | \$60.8 | 100 |
| FY 2013 | \$19.4 | 676 | 51 | 27 | \$61.9 | 99.5 |
| FY 2014 | \$19.4 | 744 | 77 | 20 | \$64.2 | 103 |
| FY 2015 | \$17.6 | 758 | 59 | 13 | \$62.4 | 105.3 |
| Change from last year | -9% | 2% | -23% | -35% | -3% | 2% |
| Change over last 5 years | 109% | 27% | -3% | -79% | 1% | 0% |

Source: Department of Budget and Fiscal Services and Department of Environmental Services. ¹Gravity Main Spills are defined as wastewater escaping from a non-pressurized pipe due to backup, breakage, or excessive flow. ²mgd=millions of gallons per day.

Environmental Sustainability – Recycling

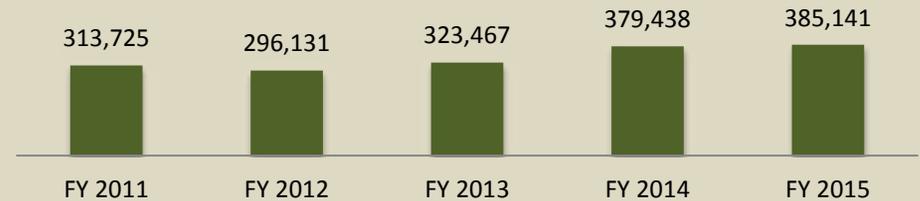
ENV reported that Honolulu is a leader in environmental sustainability. In 2008, the ENV issued the city’s 25-Year Integrated Solid Waste Management Plan¹. Recycling, energy conversion, composting and reuse are necessary to minimize the need for landfill disposal.

The city’s H-POWER waste-to-energy facility converts solid waste into electricity. Electricity generated by H-POWER is sold to Hawaiian Electric Company (HECO), the island’s primary electric utility. In FY 2015, ENV generated and sold 385,141 megawatt hours (MWh) to HECO compared to 379,483 MWh in FY 2014, a 2% increase.

In the 2015 National Citizen Survey, 58% of Honolulu residents rated recycling as excellent or good. The survey also showed that 91% of residents stated they recycled at home, which is similar and higher respectively than the national benchmark comparison as well as the benchmark comparison for cities with populations over 300,000.

ENV commented that the city provides extensive recycling programs and the most appropriate benchmark is the recycling at home category given that the city provides weekly recycling collection of either mixed recyclables or green waste for 160,000 homes.

Electricity Generated at H-POWER and Delivered to HECO (MWh)



Electrical Energy Revenue (\$ millions)



Source: Department of Environmental Services

| | Total MSW Diverted from Landfill by Recycling (Tons) | Municipal Solid Waste Recycling Categories ¹ (Tons) | | | | |
|--------------------------|--|--|-----------------------------|----------------------------|----------------------|--------------------------------|
| | | Green Waste | Office Paper (City Offices) | Curbside Mixed Recyclables | H-POWER MSW Recycled | Other Recyclables ² |
| CY 2011 | 554,616 | 70,480 | 60 | 20,971 | 431,175 | 27,226 |
| CY 2012 | 572,284 | 70,860 | 80 | 20,941 | 451,663 | 24,381 |
| CY 2013 | 610,887 | 69,170 | 105 | 21,409 | 498,020 | 22,183 |
| CY 2014 | 631,391 | 83,166 | 119 | 22,561 | 497,879 | 27,665 |
| CY 2015 ³ | 649,170 | 79,750 | 135 | 22,750 | 518,000 | 28,535 |
| Change from last year | 3% | -4% | 13% | 1% | 4% | 3% |
| Change over last 5 years | 17% | 13% | 125% | 8% | 20% | 5% |

Source: Department of Environmental Services.¹Reflects only city collected MSW. ²Other recyclables includes white goods, propane tanks, tires, batteries and recovered metals at H-POWER. ³MSW Categories for CY 2015 are estimates reported by ENV.

Chapter 11 - Department of Facility Maintenance

The Department of Facility Maintenance (DFM) plans and administers the city's repair, renovation and maintenance programs for roads, bridges, streams, and flood control systems. It also maintains city buildings, vehicles and construction equipment. The department also enforces stored property/sidewalk Nuisance Ordinances. These functions are mandated by city charter.

DFM consists of four divisions:

- Administration
- Automotive Equipment Service
- Public Building and Electrical Maintenance
- Road Maintenance

The department's goals are to:

- Deliver and enhance basic city core services that maintain Honolulu's infrastructure in compliance with the city charter and laws.
- Perform work based on the value of customer service and building a quality of life for both the general public and city employees.
- Improve morale of DFM management and staff through continuous training, regular communication, job recognition, and updating equipment.
- Improve department effectiveness by recruiting and retaining staff, eliminating redundancy, using updated technology, and continuous evaluation.



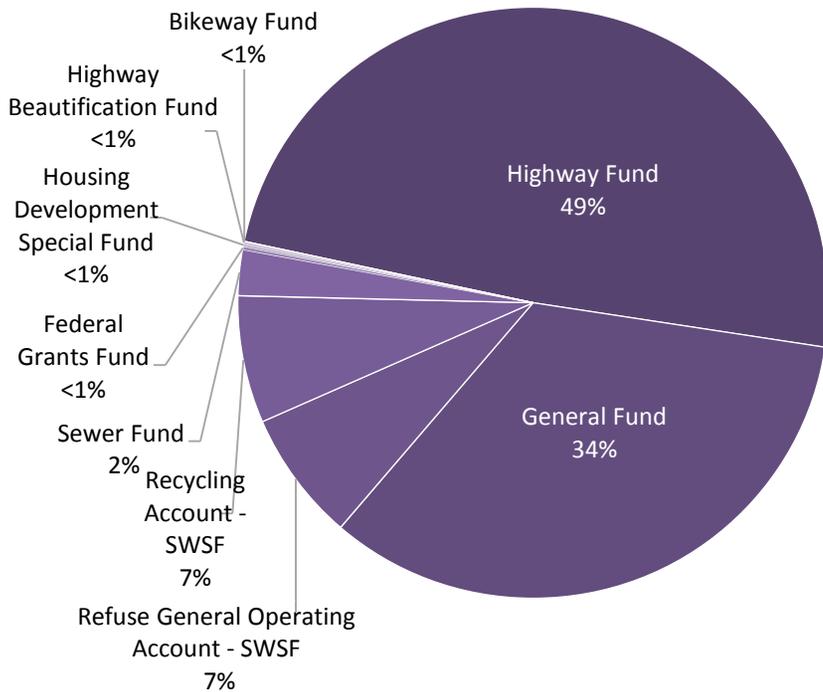
Source: Department of Facility Maintenance

To provide efficient, effective, accountable, and progressive management of its fiscal and functional responsibilities.

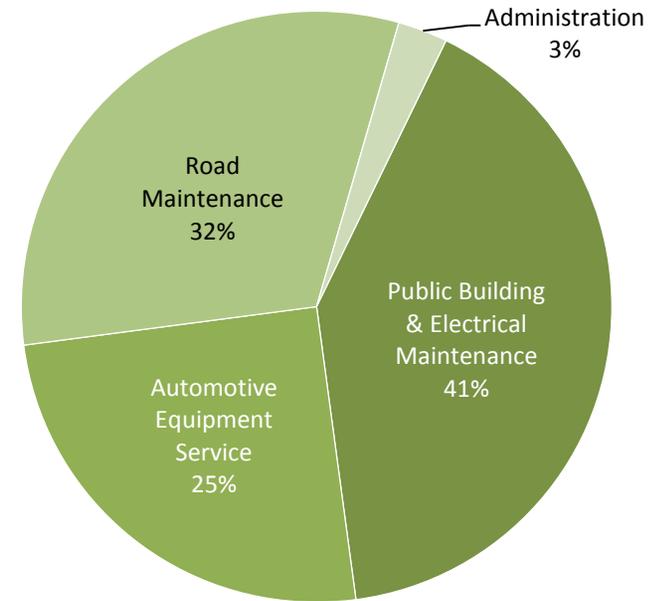
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses¹



| | Total Revenues (\$ millions) | Total Operating Expenditures (\$ millions) | Staffing | | | Overtime Expenditures | |
|--------------------------|---------------------------------|--|-------------------------|---------------------|---------------------------|------------------------|---|
| | | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | Total (\$ millions) | Non-Holiday ³ (\$ millions) |
| FY 2011 | \$4.0 | \$52.9 | 777.1 | 267.0 | \$68,062 | \$1.6 | \$1.4 |
| FY 2012 | \$3.6 | \$58.9 | 776.1 | 261.3 | \$75,914 | \$2.1 | \$1.9 |
| FY 2013 | \$3.2 | \$67.5 | 775.1 | 256.0 | \$87,546 | \$2.2 | \$2.0 |
| FY 2014 | \$3.2 | \$73.1 | 811.7 | 279.2 | \$90,082 | \$2.2 | \$2.0 |
| FY 2015 | \$3.3 | \$74.2 | 693.7 | 177.0 | \$107,006 | \$2.7 | \$2.4 |
| Change from last year | 2% | 2% | -15% | -37% | 19% | 21% | 18% |
| Change over last 5 years | -17% | 40% | -11% | -34% | 57% | 72% | 69% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.



Source: Office of the City Auditor

Over the last five years, the department’s operating expenditures increased 40% from \$52.9 million in FY 2011 to \$74.2 million in FY 2015. The department reported that the increase was primarily due to the absorbed responsibility and associated cost of consolidating electricity, water and sewer costs for public buildings that were transferred from the Department of Design and Construction (DDC). DFM also attributes the increase to converting of contractual janitorial, custodial services, and median landscape maintenance positions to permanent City positions to comply with a United Public Workers Union agreement which resulted in higher salary costs; creation of the Stored Property Ordinance (SPO) and the Sidewalk Nuisance Ordinance (SNO) enforcement team that assisted with clearing City property and sidewalk areas of unauthorized private property; implementation of the Pavement Preservation Program and transfer of these contract services from the Capital Improvement Project program managed by DDC to DFM’s operating program; and rising fuel and vehicle maintenance.

In FY 2015 total revenues decreased 17% from \$4.0 million in FY 2011 to \$3.3 million in FY 2015. The department attributes the majority of the revenue decrease to the loss of income due to the projected sale of City-owned and managed parking, residential and commercial properties.

Over the last five years, the department’s total overtime expenditures increased 72% from \$1.6 million in FY 2011 to \$2.7 million in FY 2015. The department reported that the increase was primarily due to meeting the operational demands for quicker automotive/equipment repair turnaround times to accommodate the volume of work, SPO/SNO enforcement during off hours, increased cleaning of storm drain systems and streets to comply with NPDES storm water quality permit requirements, and increased civil service vacancies.

The departments total vacant FTE decreased 37% from 279.2 FTE’s in FY 2014 to 177.0 FTE’s in FY 2015. The department of Budget and Fiscal Services explained that full-time staffing counts illustrate a significant decrease due to the deactivation of positions in FY 2015.

Administration

Administration plans, directs, administers, and coordinates line and staff activities related to facility maintenance functions and programs involving public roads, streets, and bridges. Administration also manages staffing for flood control systems, street lighting, traffic signs and markings, and public buildings. It also administers parking and property management activities, and provides interdepartmental mail services.

The division’s operating expenditures increased 23% from \$1.6 million in FY 2014 to \$2.0 million in FY 2015. The department reported that the 23% increase can be attributed to increased expenditures for subsidy payments for various residential properties.

| | Administration |
|--------------------------|---|
| | Operating Expenditures (\$ millions) |
| FY 2011 | \$1.1 |
| FY 2012 | \$1.9 |
| FY 2013 | \$1.8 |
| FY 2014 | \$1.6 |
| FY 2015 | \$2.0 |
| Change from last year | 23% |
| Change over last 5 years | 89% |

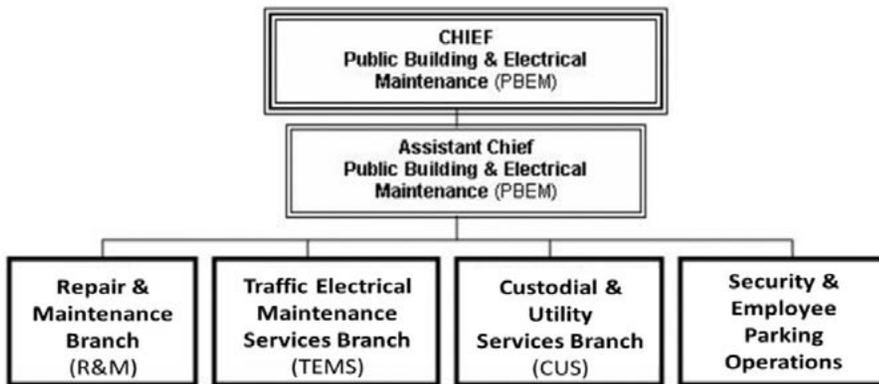
Source: Department of Budget and Fiscal Services

Public Building and Electrical Maintenance

Public Building and Electrical Maintenance Division (PBEM) plans, directs, coordinates, and administers the repair, maintenance, and renovation programs for public buildings, street, park, mall, outdoor, and other city lighting and electrical facilities. PBEM is also responsible for city employee parking, motor pool, security and janitorial services for various city facilities, including Honolulu Hale and the Frank F. Fasi Municipal Building. The division is organized into three branches and one operation: Repair and Maintenance, Traffic Electrical Maintenance Services (TEMS), Custodial and Utility Services, and Security and Employee Parking Operations.

Over the last five years, the division's operating expenditures increased 57% from \$19.2 million in FY 2011 to \$30.2 million in FY 2015. The division explained that the most significant increase in operating expenditures resulted from the consolidation of electricity, water and sewer costs transferred from the Department of Design and Construction. It also attributes the increase in expenditures to the: conversion of contractual janitorial and custodial services to permanent City positions to comply with a United Public Workers Union agreement which resulted in higher salary cost; rise in street lighting costs due primarily a 45% increase in electricity costs; wage increases; increased maintenance costs in joint-owned wood utility poles; and increased material costs for electrical supplies and materials such as poles, wire, and light bulbs.

In FY 2015, the Repair and Maintenance Branch completed 4,296 work orders for carpentry, plumbing, masonry, painting, mechanical, electrical, and air-conditioning repairs. Total work orders for Building and Appurtenant Structures Repair decreased 17% over the last five years from 5,012 repairs in FY 2011 to 4,296 in FY 2015. The department attributes this decrease to a close collaborative effort with the DDC to address more complex building repairs.



Source: Department of Facility Maintenance and Office of the City Auditor

| | Public Building and Electrical Maintenance | | | | |
|--------------------------|--|--|------------------------------|--|---|
| | Operating Expenditures (\$ millions) | Total Work Orders for Building and Appurtenant Structures Repair | Total Street Lights Replaced | Total Civil Defense Sirens Tested and Maintained | Electricity Usage ¹ (millions KWh) |
| FY 2011 | \$19.2 | 5,012 | 8,240 | 31 | 168,988,378 |
| FY 2012 | \$21.0 | 3,616 | 10,138 | 12 | 184,224,363 |
| FY 2013 | \$29.7 | 4,451 | 10,047 | 3 | 159,041,937 |
| FY 2014 | \$31.1 | 4,405 | 10,813 | 18 | 165,042,309 |
| FY 2015 | \$30.2 | 4,296 | 12,123 | 1 | 46,697,035 |
| Change from last year | -3% | -2% | 12% | -94% | -72% |
| Change over last 5 years | 57% | -14% | 47% | -97% | -72% |

Source: Department of Budget and Fiscal Services and Department of Facility Maintenance. ¹FY 2011-2014 Electricity usage for 10 city departments: CSD, DDC, DEM, DES, DFM, DPR, DTS, ENV, HESD, and HFD. FY 2015 Electricity usage is for DFM only because the Annual City and County of Honolulu Energy Consumption and Cost Survey for FY 2015 was unavailable.

Public Building and Electrical Maintenance

The division tested and maintained one Civil Defense Siren in FY 2015, which is a 97% decrease from the 31 Civil Defense Sirens that were tested and maintained in FY 2011. The department noted that the 97% decrease is a result of replacement upgrades to the civil defense siren system.

The Traffic Electrical Maintenance Services (TEMS) branch maintained 51,797 street lights by replacing 12,123 defective or burned-out street light lamps; 4,822 photo-electric controls; and 1,440 luminaries. The branch also completed 484 joint-pole changeovers and 599 work orders for repair and maintenance work related to indoor and outdoor lighting at various parks, recreation centers, and botanical gardens at Hanauma Bay, the Honolulu Zoo, and the Neal S. Blaisdell Center.

The TEMS division replaced a total of 12,123 street lights in FY 2015, which is a 47% increase from the 8,240 street lights replaced in FY 2011. The department attributes the 47% rise to an increase in staffing levels and replacement of older aerial bucket trucks.

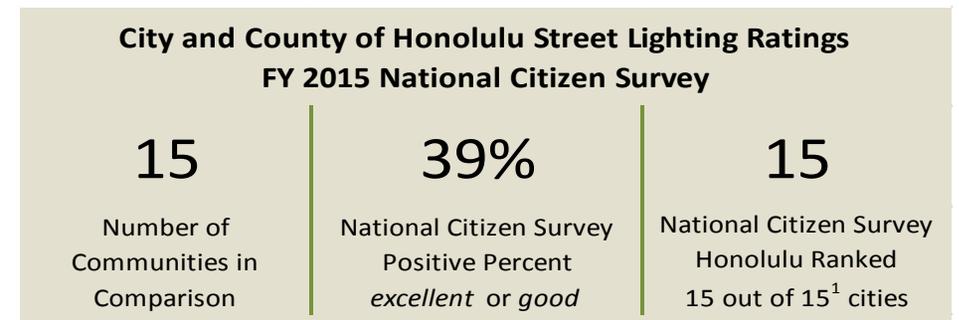


Source: Department of Facility Maintenance



Source: Office of the City Auditor

In the 2015 National Citizen Survey, 39% of Honolulu residents rated street lighting as *excellent* or *good*. This is consistent with the prior year's rating. This rating is *lower* than percentages reported nationwide and is *similar* among cities with populations over 300,000. Among large cities, Honolulu ranked 15 out of 15 cities for street lighting.



Source: National Citizens Survey. ¹Cities with 300,000 or more residents.

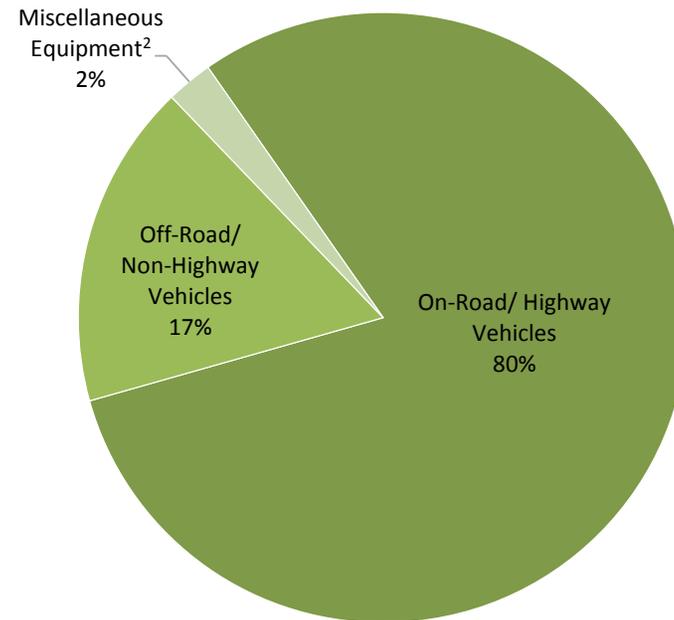
Automotive Equipment Service

Automotive Equipment Service (AES) manages most of the city's vehicle and equipment repair and maintenance program (excludes Honolulu Police Department, Honolulu Fire Department, Board of Water Supply, and Honolulu Authority for Rapid Transportation). It also prepares plans and specifications for purchase of new vehicles and equipment.

Over the past five years, total operating expenditures for AES increased 11%, from \$16.7 million in FY 2011 to \$18.6 million in FY 2015. According to the division, the increase was due to the increase in negotiated wages and an increase in the cost of parts, materials and supplies.

In FY 2015 AES reduced the environmental impact of its vehicle fleet by replacing older vehicles and purchasing more fuel efficient vehicles for the Motor Pool fleet and the various city agencies. The division increased its use of alternative fuels such as biodiesel, propane, and ethanol blended gasoline. The division also implemented a plan with a parts supplier to maintain a vehicle and equipment parts inventory for vehicles and equipment up to 18,000 lbs. Gross Vehicle Weight Rating (GVWR) and to manage an on-site service counter in support of the AES division. The department reports that this plan for the Light Equipment Repair Shop, helps reduce the time it takes to locate and obtain replacement parts for the wide range of vehicles and equipment it supports.

FY 2015 Total Vehicles and Equipment Under DFM's Jurisdiction¹



Source: Department of Facility Maintenance

| | AES Operating Expenditures (\$ millions) | Total Number of Repair and Maintenance Job Tasks Completed | Number of Tire Repair and Replacements | Total Vehicles and Equipment Under DFM's Jurisdiction | | | | |
|--------------------------|--|--|--|---|---------------------------|--------------------------------|--------------------------------------|----------------------------------|
| | | | | Total | On-Road/ Highway Vehicles | Off-Road/ Non-Highway Vehicles | Miscellaneous Equipment ² | Unleaded Fuel Cost (\$ millions) |
| FY 2011 | \$16.7 | 38,410 | 3,279 | 2,232 | 1,567 | 134 | 531 | 2.0 |
| FY 2012 | \$18.3 | 33,989 | 3,610 | 2,280 | 1,891 | 287 | 102 | 2.3 |
| FY 2013 | \$18.7 | 31,424 | 3,350 | 2,333 | 1,922 | 220 | 191 | 1.7 |
| FY 2014 | \$18.7 | 31,631 | 4,220 | 2,284 | 1,646 | 349 | 289 | 1.1 |
| FY 2015 | \$18.6 | 38,989 | 2,526 | 2,359 | 1,895 | 406 | 58 | 1.1 |
| Change from last year | -1% | 23% | -40% | 3% | 15% | 16% | -80% | -3% |
| Change over last 5 years | 11% | 2% | -23% | 6% | 21% | 203% | -89% | -47% |

Source: Department of Budget and Fiscal Services and Department of Facility Maintenance. ¹Percentages do not total 100% due to rounding. ²Miscellaneous Equipment includes trailers, forklifts, compressors, generators, etc.

Road Maintenance

The Division of Road Maintenance (DRM) maintains city roadways, sidewalks, storm drains, and bridges. It also provides road striping and signs, and services outdoor municipal parking lots, bike paths, and road medians and traffic islands. DRM also maintains city-owned streams, channels, ditches, and other flood control facilities. It also maintains litter containers at bus stops and Waikiki sidewalk areas, and removes graffiti from City property within the street right-of-way. DRM's road maintenance and repair activities are in accord with the mayor's priorities to invest in the city's core infrastructure.

Over the last five years, DRM operating expenditures increased 48% from \$15.9 million in FY 2011 to \$23.5 million in FY 2015. According to the division the increase in operating expenditures was mainly due to Pavement Preservation contracts that used operating funds rather than CIP funds; utilizing Slurry Seal topical treatments in the Village Park, Waipahu, Nuuanu Valley, and Pauoa Valley, areas; as well as initiating seal coat treatments in the Waipio, Crestview, and Seaview areas to keep roads in fairly good condition from deteriorating. It also attributes the increase to the transfer of median landscape maintenance responsibilities from the Department of Parks and Recreation to the division, and later the conversion of these contractual median landscape maintenance services to permanent City positions to comply with a United Public Workers Union agreement which resulted in higher salary cost. During this time DRM also added a new work group to perform stored property and sidewalk nuisance ordinance enforcement to address improperly stored private property on city property and to clear sidewalks of obstructions that impede pedestrians.

In FY 2015, the DRM crews resurfaced 8.49 lane miles of roadways and patched 32,976 potholes from July 1, 2014 thru June 30, 2015. The division explained

that the reduction in potholes patched are a result of overall improvement of road conditions due to increased contract pavement resurfacing and road rehabilitation projects that have addressed many of the recurring pothole situations. The overall improvement of road conditions supports and carries out the Mayor's priority to repave the City's roads.

Over the last five years, DRM first aid repairs decreased 78% from 7,868 first aid repairs in FY 2011 to 1,743 first aid repairs in FY 2015. The department primarily attributes the 78% decrease to increased contract resurfacing work. The added contract work alleviated the need to perform in-house repair work on those streets.

In FY 2015, DRM reported that 39,530 curb miles were mechanically swept, and met the National Pollution Discharge Elimination System (NPDES) permit requirements. DRM crews also cleaned 836 storm drains and inspected 2,036 storm drains. DRM continued implementation of the pavement preservation program designed to apply cost-effective treatments (such as slurry seal coatings, seal coat, crack sealing, and other less costly maintenance techniques) to prolong roadway life and reduce the rate of roadway deterioration. In FY 2015 DRM implemented its first Indefinite Delivery/Indefinite Quantity (IDIQ) Pavement Preservation construction contract involving slurry seal in the Village Park and Waipahu areas. The scope of work included crack sealing; furnishing and applying Slurry Seal Mix II to existing asphalt concrete pavement surfaces; resurfacing/reconstruction of asphalt concrete pavement; and restoration of pavement striping, markings and pavement markers. Fifty-seven lane miles were slurry sealed.

| | DRM Operating Expenditures (\$ millions) | First Aid Repairs ¹ (Tons) | Number of Potholes Patched | Number of Pothole Hotline Calls Received | In-House Resurfacing (Lane Miles) |
|--------------------------|--|---------------------------------------|----------------------------|--|-----------------------------------|
| FY 2011 | \$15.9 | 7,868 | 67,714 | 5,583 | 19 |
| FY 2012 | \$17.6 | 2,314 | 52,071 | 4,927 | 8 |
| FY 2013 | \$17.3 | 1,258 | 51,647 | 4,614 | 18 |
| FY 2014 | \$21.6 | 2,123 | 41,659 | 4,924 | 4 |
| FY 2015 | \$23.5 | 1,743 | 32,976 | 4,060 | 8 |
| Change from last year | 8% | -18% | -21% | -18% | 112% |
| Change over last 5 years | 48% | -78% | -51% | -27% | -55% |

Source: Department of Budget and Fiscal Services and Department of Facility Maintenance. ¹First Aid Repairs involve resurfacing narrow roadways and repairing asphalt roadways, including base work and/or overlays to distressed areas.

National Citizen Survey

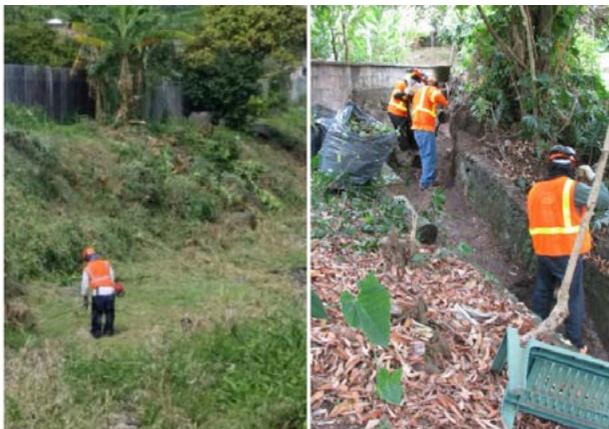
In the 2015 National Citizen Survey, Honolulu residents were asked to rate the quality of street repair. About 11% rated street repair as *excellent* or *good*, which is much lower than the percentages reported nationwide and among cities with populations over 300,000. Among large cities, Honolulu ranked 21 out of 21 cities for street repair.

The survey also asked residents to rate the quality of street cleaning and sidewalk maintenance. Residents rated 22% as *excellent* or *good* for street cleaning and 24% as *excellent* or *good* for sidewalk maintenance. The rating for street cleaning and sidewalk maintenance is *much lower* and *lower* than the percentages reported nationwide. Among cities with populations over 300,000, Honolulu ranked last for street cleaning (16 out of 16 cities) and ranked 12 out of 13 for sidewalk maintenance.

Honolulu residents' rating for quality of storm drainage services decreased 31% over last year. Street lightings rating remained the same as FY 2014. Street cleaning, sidewalk maintenance, and street repair ratings decreased 7%, 2%, and 7%, respectively, over the last year.



Source: 2015 National Citizen Survey (Honolulu). ¹Positive Percent Ratings are ratings of *excellent* or *good* and based on a 100% scale.



Stream Cleaning



Street and Sidewalk Maintenance and Repair



Storm Drainage Cleaning

Photos courtesy of the Department of Facility Maintenance

Chapter 12 - Honolulu Fire Department

The Revised Charter of Honolulu (RCH) designates the Honolulu Fire Department (HFD) as the fire protection agency for the City and County of Honolulu. The HFD's responsibilities are to provide firefighting, rescue, emergency medical, and hazardous materials (HM) response for O'ahu, which encompasses an area of 597 square miles. The HFD is accredited by the Commission on Fire Accreditation International (CFAI).

HFD is organized into four divisions: Administrative Services Bureau (ASB); Fire Operations (OPS); Planning and Development (P&D); and Support Services (SS). Each division is managed by an assistant chief (AC) who is responsible for the daily management of the sections and provides executive support to the fire chief and the deputy fire chief.



Administrative Services Bureau

Provides administrative, personnel, logistical, and maintenance support to the fire suppression force. The ASB oversees the HFD's operating budget, property and inventory, personnel administration, and the administration of safety and health-related programs, such as the HFD Drug and Alcohol and Infectious Disease programs.



Fire Operations

Provides fire suppression and responds to search and rescue, hazardous materials, and medical emergency incidents



Planning and Development

Coordinates the HFD's short- and long-term planning and operational and quality improvement processes. P&D also prepares and submits annual compliance reports; develops and maintains deployment models; and reviews, researches, and monitors emerging legislation, regulations, trends, events, and past department performance to establish goals and objectives necessary to fulfill the HFD's mission.



Support Services

Support Services manages and coordinates the operations of the Training and Research Bureau (TRB) and the Fire Prevention Bureau (FPB).

Photos courtesy of the Honolulu Fire Department

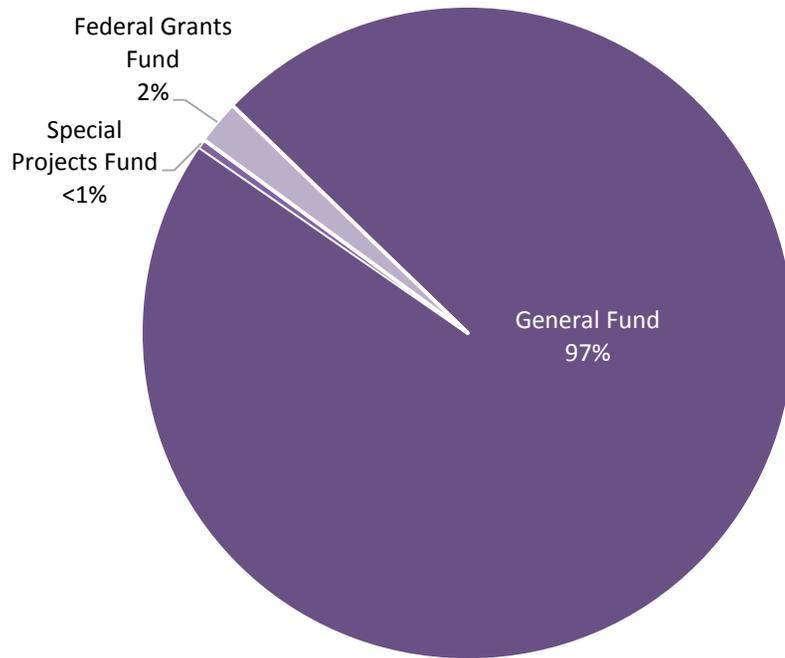


To provide for a safer community through prevention, preparedness, and effective emergency response.

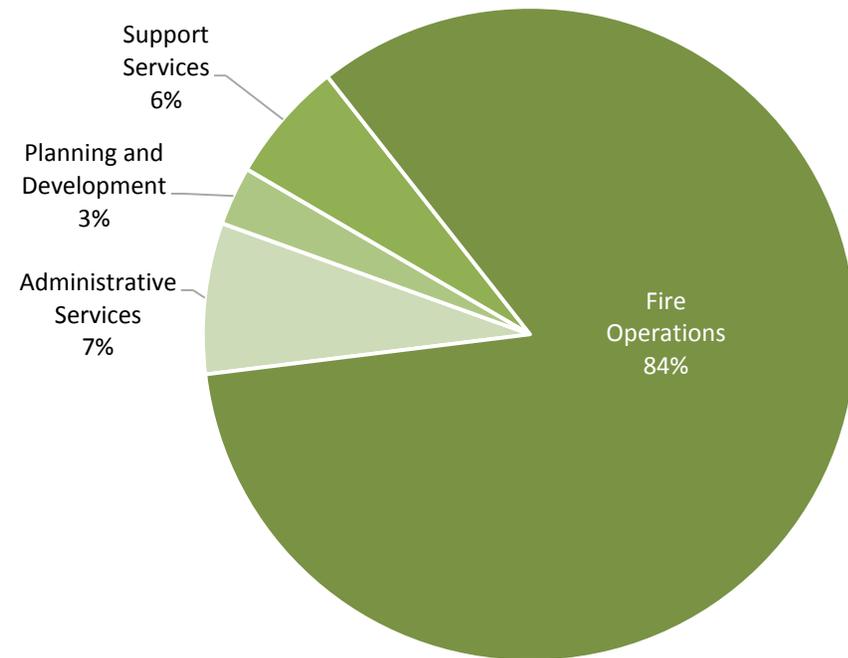
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Revenues (\$ millions) | Operating Expenditures (\$ millions) | Staffing | | Cost Per FTE ² | Overtime Expenditures ³ | |
|--------------------------|---------------------------|--|-------------------|---------------|---------------------------|------------------------------------|------------------------------|
| | | | Authorized FTE | Vacant FTE | | Total (\$ millions) | Non-Holiday (\$ millions) |
| FY 2011 | \$3.5 | \$95.9 | 1,190 | 157 | \$80,578 | \$10.4 | \$5.7 |
| FY 2012 | \$3.1 | \$95.1 | 1,190 | 119 | \$79,879 | \$9.9 | \$5.5 |
| FY 2013 | \$3.2 | \$91.3 | 1,181 | 89 | \$77,347 | \$7.7 | \$3.1 |
| FY 2014 | \$2.7 | \$95.6 | 1,190 | 133 | \$80,335 | \$10.7 | \$6.3 |
| FY 2015 | \$4.2 | \$110.8 | 1,165 | 105 | \$95,104 | \$11.8 | \$7.0 |
| Change from last year | 55% | 16% | -2% | -21% | 18% | 10% | 10% |
| Change over last 5 years | 21% | 16% | -2% | -33% | 18% | 14% | 22% |

Source: Department of Budget and Fiscal Services(BFS). The FY 2015 totals are estimates (as of January 20, 2016) as provided by BFS. FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Spending and Staffing

Total operating expenditures increased 16% to \$110.8 million in FY 2015 from \$95.6 million in FY 2014. According to HFD, this increase was due to the collective bargaining agreement (CBA) increases.

Total revenue increased 55% to \$4.2 million in FY 2015 from \$2.7 million in FY 2014. The department noted that this increase was due to grant reimbursements, which included the 2013 and 2014 Assistance to Firefighters Grant (AFG) and Department of Forestry and Wildlife (DOFAW). HFD added that in past years, most grant reimbursements were received after the close of that fiscal year and the funds went back to the city's General Fund.

Total vacant FTE decreased 21% to 105 FTE in FY 2015 from 133 FTE in FY 2014. HFD explained that this decrease was due to the department conducting a firefighter recruit class to fill vacancies.

Total overtime expenditures increased 10% to \$11.8 million in FY 2015 from \$10.7 million in FY 2014. The department said that this increase was due to CBA increases in overtime pay rates and the mandated rank-for-rank (R4R) overtime program.

The 2015 National Citizen Survey asked residents to rate fire services in Honolulu. About 85% rated services as *excellent* or *good*, which is a 1% decrease from the prior year and a 4% decrease from FY 2011. The 85% rating is *similar* to percentages reported nationwide and among communities with populations over 300,000. Among large communities, Honolulu ranked 17th out of 22 communities, equivalent to the 24th percentile for fire services.



Photos Courtesy of the Honolulu Fire Department

| | Fire Communication Center: Calls for Service | | | | | | | Citizen Survey (% <i>Excellent</i> or <i>Good</i>) |
|--------------------------|--|----------------|------------------|---------------|--------------|--------------------|--------|---|
| | Fire | Medical/Rescue | Hazard Materials | Service Calls | False Alarms | Other ¹ | Total | Fire Services |
| FY 2011 | 2,117 | 28,907 | 1,899 | 1,968 | 2,154 | 9,343 | 46,388 | 89% |
| FY 2012 | 2,142 | 29,799 | 1,833 | 1,798 | 2,646 | 9,875 | 48,093 | 89% |
| FY 2013 | 1,755 | 30,608 | 1,831 | 1,703 | 3,263 | 10,274 | 49,434 | 85% |
| FY 2014 | 1,669 | 31,413 | 1,741 | 2,037 | 3,483 | 10,346 | 50,689 | 86% |
| FY 2015 | 1,798 | 31,973 | 1,605 | 2,439 | 3,451 | 10,499 | 51,765 | 85% |
| Change from last year | 8% | 2% | -8% | 20% | -1% | 1% | 2% | -1% |
| Change over last 5 years | -15% | 11% | -15% | 24% | 60% | 12% | 12% | -4% |

Source: Honolulu Fire Department and 2011-2015 National Citizen Survey (Honolulu). ¹Calls that represent good intent or miscellaneous calls not categorized in the other five categories.

Fire Commission & Administrative Services Bureau

The Honolulu Fire Commission is comprised of five commissioners and assisted by a part-time secretary and an attorney from the Department of the Corporation Counsel. The Commission meets monthly with the fire chief, deputy fire chief, and assistant chiefs. The Commissioners are appointed by the Mayor and confirmed by the Honolulu City Council. No compensation is rendered for their services.

Fire Commission operating expenditures have consistently increased from \$1,463 in FY 2011 to \$5,306 in FY 2015, a 263% increase over the last 5 years. According to the department, this increasing trend is due to funding for the Honolulu Fire Commissioners to attend the Hawai'i Fire Chiefs Association Conference and incremental increases for the contract secretary position. HFD noted that there was an increase in current expenses totaling \$40.

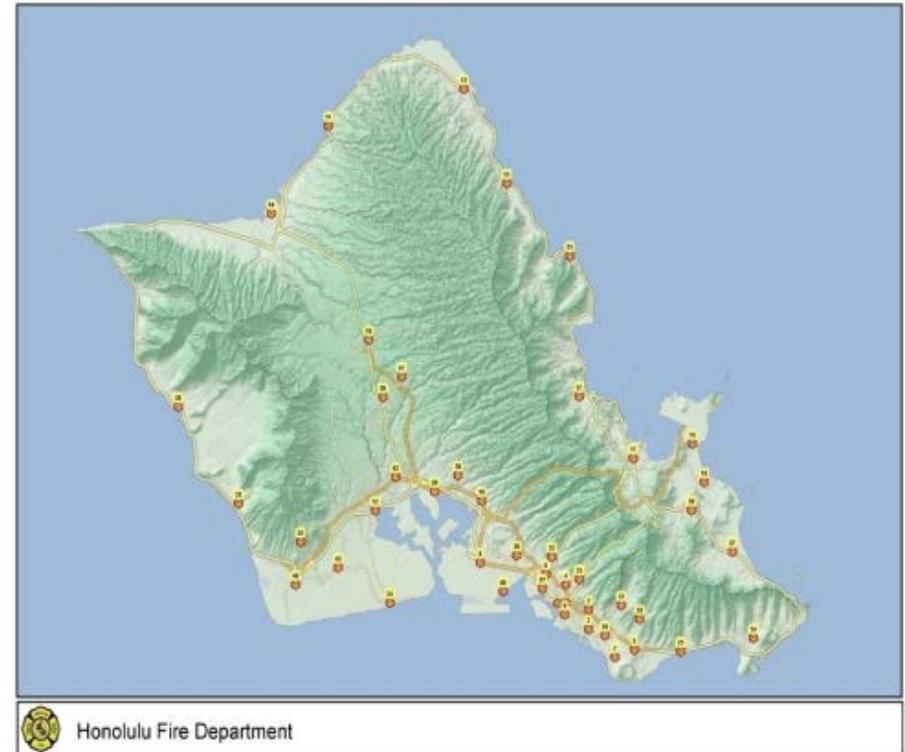
Administrative Services Bureau operating expenditures increased 4% to \$3.2 million in FY 2015 from \$3.1 million in FY 2014. HFD explained that this increase was due to the collective bargaining agreement.

HFD protects the city with a force of over 1,100 firefighters. O`ahu is divided into five battalions containing 43 fire stations.

| | Operating Expenditures ¹ | | | |
|--------------------------|-------------------------------------|------------------------------|-----------------------------|-------------------------------------|
| | Fire Commission | Administration (\$ millions) | Mechanic Shop (\$ millions) | Fireboat ² (\$ millions) |
| FY 2011 | \$1,463 | \$2.8 | \$1.9 | \$1.3 |
| FY 2012 | \$2,297 | \$3.1 | \$2.0 | \$1.3 |
| FY 2013 | \$3,095 | \$2.9 | \$2.1 | \$1.2 |
| FY 2014 | \$3,526 | \$3.1 | \$2.3 | \$1.2 |
| FY 2015 | \$5,306 | \$3.2 | \$2.3 | - |
| Change from last year | 50% | 4% | -0.1% | - |
| Change over last 5 years | 263% | 17% | 23% | - |

Source: Honolulu Fire Department and Department of Budget and Fiscal Services. ¹Operating expenditure data unavailable for OSHO, SCBA Shop, Fire Fiscal, and Storeroom. ²On June 30, 2014, HFD ended its contract to operate, maintain and staff O`ahu's only fireboat, which was relinquished to the State and decommissioned on June 30, 2015.

O`ahu Fire Stations



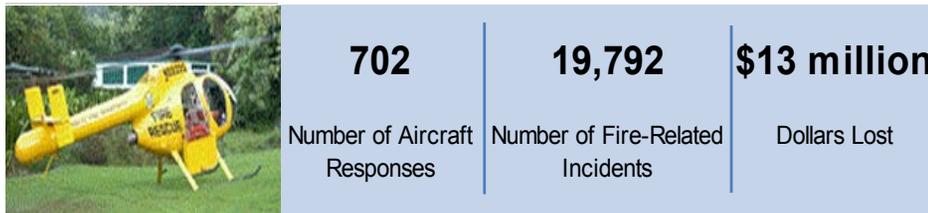
- | | | |
|-----------------|--------------------|-------------------|
| FB Waterfront* | 15 Hau`ula | 30 Moanalua |
| 1 Central | 16 Wahiawa | 31 Kalihi Kai |
| 2 Pawa`a | 17 Kaneohe | 32 Kalihi Uka |
| 3 Makiki | 18 Kailua | 33 Palolo |
| 4 Kuakini | 19 Aikahi | 34 Hawai`i Kai |
| 5 Kaimuki | 20 Pearl City | 35 Makakilo |
| 6 Kalihi | 21 Ka`a`awa | 36 Mililani |
| 7 Waikiki | 22 Manoa | 37 Kahaluu |
| 8 Mokulele | 23 Wailupe | 38 Waiau |
| 9 Kaka`ako | 24 Ewa Beach | 39 Olamana |
| 10 Aiea | 25 Nuuanu | 40 Kapolei |
| 11 Sunset Beach | 26 Wai`anae | 41 Mililani Mauka |
| 12 Waipahu | 27 Waimanalo | 42 Waikele |
| 13 Kahuku | 28 Nanakuli | 43 East Kapolei |
| 14 Waialua | 29 McCully-Moilili | A1 Aircraft |

Source: Honolulu Fire Department. *Waterfront Fire Station was relinquished to the State of Hawai'i Department of Transportation's Harbors Division in FY 2014.

Fire Operations

Fire Operations is responsible for emergency responses including fires, medical emergencies, mountain and ocean rescues, hazardous materials (HM), and homeland security incidents. In addition, Fire Operations conducts commercial occupancy inspections; prepares industrial and commercial fire preplans; participates in community relations activities; attends training classes, drills, and exercises; keeps abreast of trends in firefighting techniques, emergency medical services, fire prevention, public education, and municipal water supply; and performs daily maintenance on HFD apparatuses, facilities, and grounds.

Fire Operations expenditures increased 16% to \$92.7 million in FY 2015 from \$79.7 million in FY 2014. According to the department, this increase was due to numerous factors, which included pay raises, overtime due to the collective bargaining agreement, increased fuel usage, required repairs and maintenance to stations and aircraft, and required equipment for safe emergency response.



Source: Honolulu Fire Department
Photo Courtesy of the Honolulu Fire Department



Photos Courtesy of the Honolulu Fire Department

| | Significant Incident Statistics | | | | | | | | | | | |
|--------------------------|--|--|--|--------------------|------------------------|----------------|-----------|---------------------------|----------------|----------|----------------|----------|
| | Fire Operations Expenditures (\$ millions) | Residents Served Per Fire Station ¹ | Fireboat Rescue & Responses ^{2,3} | Aircraft Responses | Fire-Related Incidents | Building Fires | Wildfires | Dollar Loss (\$ millions) | Fatalities | | Injuries | |
| | | | | | | | | | Fire Personnel | Civilian | Fire Personnel | Civilian |
| FY 2011 | \$76.8 | 21,722 | 32 | 566 | 18,436 | 217 | 399 | \$15.5 | 0 | 7 | 24 | 25 |
| FY 2012 | \$78.0 | 21,900 | 34 | 641 | 19,223 | 210 | 434 | \$15.9 | 0 | 4 | 25 | 17 |
| FY 2013 | \$76.5 | 22,706 | 22 | 396 | 16,995 | 224 | 334 | \$26.0 | 0 | 3 | 8 | 10 |
| FY 2014 | \$79.7 | 22,870 | 5 | 357 | 17,485 | 224 | 277 | \$13.2 | 0 | 3 | 18 | 24 |
| FY 2015 | \$92.7 | 23,065 | - | 702 | 19,792 | 240 | 367 | \$13.0 | 0 | 2 | 21 | 26 |
| Change from last year | 16% | 1% | - | 97% | 13% | 7% | 32% | -1% | - | -33% | 17% | 8% |
| Change over last 5 years | 21% | 6% | - | 24% | 7% | 11% | -8% | -16% | - | -71% | -13% | 4% |

Source: Honolulu Fire Department and the Department of Budget and Fiscal Services. ¹Residents Served Per Fire Station = Population (based on most recent available census data) / the Number of Fire Stations. ²Includes Fire Alarm Responses and Rescues; and Emergency Responses. ³On June 30, 2014, HFD ended its contract to operate, maintain and staff O'ahu's only fireboat, which was relinquished to the State and decommissioned on June 30, 2015.

Emergency Medical Responses and Hazardous Materials

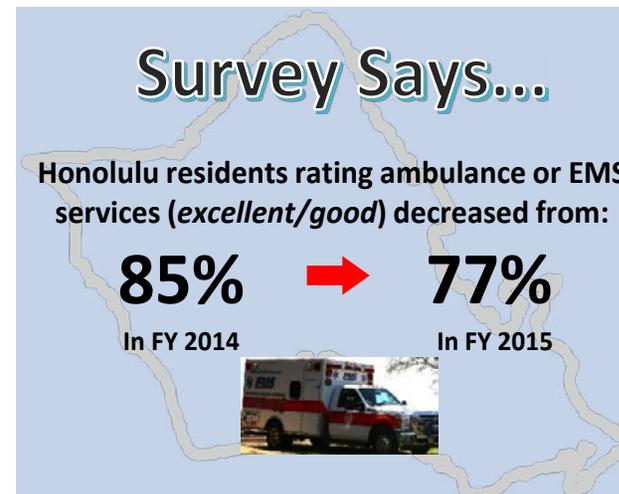
The HFD contracts with the Honolulu Emergency Services Department's Emergency Medical Services Division to send an apparatus to life-threatening calls, such as heart attacks, difficulty breathing, possible strokes, vehicle crashes, significant trauma, etc.

The 80% fractile time for EMS urban responses has increased 15% from FY 2011 to FY 2015 from 5:58 in FY 2011 to 6:50 in FY 2015. According to the department, this increase is due to an increase in traffic and urban density, which has lengthened apparatus travel times.

In FY 2015, the 80% fractile times for EMS suburban and rural responses have decreased from the prior year. The suburban fractile time was 7:27 in FY 2015 compared to 7:35 in FY 2014. The rural fractile time improved to 8:00 in FY 2015 from 8:50 in the prior year. HFD explained that these decreases were due to improved processes implemented for routing responding apparatuses and increased company-level familiarization with their primary response areas.

Hazardous materials facilities inspected increased in FY 2015 to 328 facilities from 241 facilities in the prior year, a 36% increase, and from 104 facilities in FY 2011, a 215% increase. The department said that this increase was due to ensuring that every permit for hazardous activities received an inspection.

The 2015 National Citizen Survey asked residents to rate ambulance or emergency medical services in Honolulu. About 77% rated services as *excellent* or *good*, which is an 8% decrease from the prior year and a 9% decrease from FY 2011. The 77% rating is *similar* to percentages reported nationwide and among communities with populations over 300,000. Among large communities, Honolulu ranked 15th out of 20 cities, equivalent to the 26th percentile for ambulance or emergency medical services.



| | Emergency Medical Service Incidents | EMS Urban Responses | | EMS Suburban Responses | | EMS Rural Responses | | Hazardous Materials | | | Citizen Survey (% Excellent or Good) |
|--------------------------|-------------------------------------|--------------------------------|-------------------------------|------------------------|------------------|---------------------|-------------------|---------------------|----------------------|----------------------|---|
| | | 80% Fractile Time ¹ | Within 7 Minutes ² | 80% Fractile Time | Within 9 Minutes | 80% Fractile Time | Within 11 Minutes | Incidents | Facilities Permitted | Facilities Inspected | Ambulance or Emergency Medical Services |
| FY 2011 | 27,962 | 5:58 | 90.7% | 7:33 | 90.9% | 7:51 | 95.0% | 1,899 | 385 | 104 | 86% |
| FY 2012 | 28,307 | 5:58 | 91.5% | 7:36 | 91.4% | 7:57 | 95.0% | 1,833 | 271 | 122 | 86% |
| FY 2013 | 29,605 | 6:21 | 86.5% | 7:46 | 87.5% | 8:50 | 89.6% | 1,831 | 363 | 287 | 85% |
| FY 2014 | 30,408 | 6:21 | 87.6% | 7:35 | 91.4% | 8:50 | 95.1% | 1,741 | 247 | 241 | 85% |
| FY 2015 | 30,916 | 6:50 | 82.1% | 7:27 | 91.9% | 8:00 | 95.2% | 1,605 | 328 | 328 | 77% |
| Change from last year | 2% | 8% | -6% | -2% | 1% | -9% | 0.1% | -8% | 33% | 36% | -8% |
| Change over last 5 years | 11% | 15% | -9% | -1% | 1% | 2% | 0.2% | -15% | -15% | 215% | -9% |

Source: Honolulu Fire Department and 2011-2015 National Citizen Survey (Honolulu). ¹⁻²Total response time standards as stated in the Department's 2005 and 2010 Standard of Cover document prepared for the Commission on Fire Accreditation International. Fractile refers to the point below which a stated fraction of the values lie.

Planning and Development

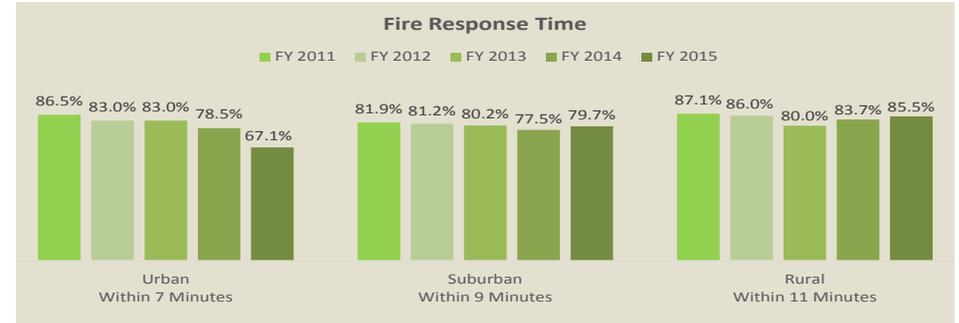
Planning & Development expenditures decreased 7% to \$3.2 million in FY 2015 from \$3.4 million in the prior year. According to the department, this decrease was due to a reduction in the number of radios sent to the manufacturer for service and repairs.

Radio Shop services and repairs decreased 6% to 2,699 in FY 2015 from 2,878 in FY 2014. HFD explained that this decrease was the result of the issuance of portable radios to other city departments by the Honolulu Police Department when they upgraded their portable radios. The department noted that when city users experienced problems with the radios, the Radio Shop exchanged them, as parts for these older radios are no longer available. HFD added that repurposing radios was a no-cost solution for the city departments to obtain the 800 MHz system for day-to-day operations and interoperability with first responders.

In FY 2015, Radio Shop planning and training decreased 7% to 161 from 173 in the prior year. The department said that this decrease was due to fewer city departments joining the trunking radio system. HFD added that last year, the Radio Shop did not provide training to newly promoted Fire Fighter IIIs and Fire Captains.

The 80% fractile time for urban fire responses has steadily increased from 6:18 in FY 2011 to 8:03 FY 2015. According to the department, this increasing trend is the result of increases in traffic and urban density, which has lengthened apparatus travel times.

In FY 2015, the 80% fractile times for suburban and rural fire responses have decreased from the prior year. The suburban fractile time was 9:03 in FY 2015 compared to 9:14 in FY 2014. The rural fractile time improved to 10:06 in FY 2015 from 10:27 in the prior year. HFD explained that these decreases were due to improved implemented processes for routing response apparatuses and increased company-level familiarization with their primary response areas.



Source: Honolulu Fire Department

| | Planning & Development Expenditures (\$ millions) | Radio Shop | | Urban Fire Responses | | Suburban Fire Responses | | Rural Fire Responses | |
|--------------------------|---|----------------------|-----------------------|--------------------------------|-------------------------------|-------------------------|-------------------------------|----------------------|--------------------------------|
| | | Services and Repairs | Planning and Training | 80% Fractile Time ¹ | Within 7 Minutes ² | 80% Fractile Time | Within 9 Minutes ³ | 80% Fractile Time | Within 11 Minutes ⁴ |
| FY 2011 | \$3.2 | 1,931 | 164 | 6:18 | 86.5% | 8:47 | 81.9% | 9:34 | 87.1% |
| FY 2012 | \$4.3 | 2,306 | 148 | 6:33 | 83.0% | 8:52 | 81.2% | 9:54 | 86.0% |
| FY 2013 | \$2.7 | 2,088 | 156 | 6:55 | 83.0% | 8:57 | 80.2% | 10:38 | 80.0% |
| FY 2014 | \$3.4 | 2,878 | 173 | 7:09 | 78.5% | 9:14 | 77.5% | 10:27 | 83.7% |
| FY 2015 | \$3.2 | 2,699 | 161 | 8:03 | 67.1% | 9:03 | 79.7% | 10:06 | 85.5% |
| Change from last year | -7% | -6% | -7% | 13% | -11% | -2% | 2% | -3% | 2% |
| Change over last 5 years | 1% | 40% | -2% | 28% | -19% | 3% | -2% | 6% | -2% |

Source: Honolulu Fire Department and Department of Budget and Fiscal Services. ¹Fractile refers to the point below which a stated fraction of the values lie. ²⁻⁴Total response time standards for first arriving company as stated in the Department's 2005 and 2010 Standards of Cover document prepared for the Commission on Fire Accreditation International (CFAI).

Support Services

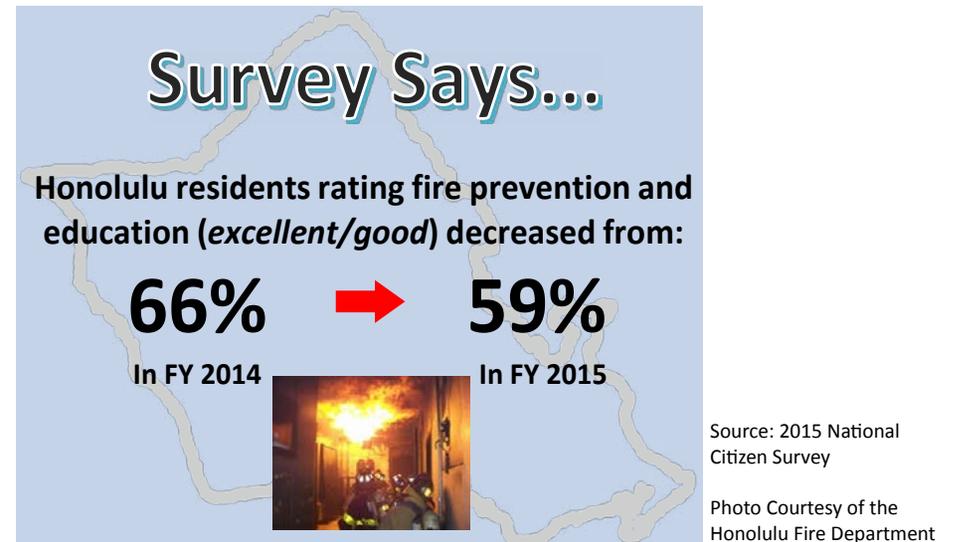
Support Services expenditures increased 19% to \$6.6 million in FY 2015 from \$5.6 million in the prior year. According to the department, this increase was due to additional expenditures resulting from the collective bargaining agreement and increased staffing for the Fire Prevention Bureau, and the Training and Research Bureau.

Fire code compliance inspections decreased 35% to 50,532 inspections in FY 2015 from 77,492 inspections in the prior year. HFD explained that this decrease was the result of a different process involving the street-front inspections for residential properties. The department added that the database used was different than in previous years.

Building plans reviewed increased 19% to 2,951 in FY 2015 from 2,473 in the prior year. HFD noted that this increase is attributed to more plans being reviewed, as an increased number of plans were provided in the permitting process.

Fire safety presentation attendees have steadily increased from 20,200 attendees in FY 2011 to 38,350 attendees in FY 2015. HFD said that this increasing trend is the result of the department's focus on increasing the amount of public education as a means of community risk reduction.

The 2015 National Citizen Survey asked residents to rate fire prevention and education in Honolulu. About 59% rated it as *excellent* or *good*, which is a 7% decrease from the prior year and an 11% decrease from FY 2011. The 59% rating is lower than percentages reported nationwide, but similar to percentages among communities with populations over 300,000. Among large communities, Honolulu ranked 10th out of 12 communities, equivalent to the 18th percentile for fire prevention and education.



| | Support Services Expenditures (\$ millions) | Fire Prevention | | Building Plans Reviewed | Training and Research | Citizen Survey (% Excellent or Good) |
|--------------------------|---|--------------------------------|--------------------------|-------------------------|---------------------------------------|--------------------------------------|
| | | Fireworks Permits ¹ | Inspections ² | | Fire Safety Presentations (Attendees) | Fire Prevention and Education |
| FY 2011 | \$5.3 | 11,202 | 64,670 | 2,354 | 20,200 | 70% |
| FY 2012 | \$5.3 | 8,840 | 54,049 | 2,595 | 22,160 | 72% |
| FY 2013 | \$5.4 | 10,069 | 63,485 | 2,952 | 23,880 | 68% |
| FY 2014 | \$5.6 | 11,320 | 77,492 | 2,473 | 35,900 | 66% |
| FY 2015 | \$6.6 | 11,749 | 50,532 | 2,951 | 38,350 | 59% |
| Change from last year | 19% | 4% | -35% | 19% | 7% | -7% |
| Change over last 5 years | 26% | 5% | -22% | 25% | 90% | -11% |

Source: Honolulu Fire Department, Department of Budget and Fiscal Services, and 2011-2015 National Citizen Survey (Honolulu). ¹Fireworks Permits includes public display permits, satellite city hall permits and special permits. ²Inspection consists of occupancy inspections (initial) and company inspection program inspections.

Chapter 13 - Department of Human Resources

The Department of Human Resources (DHR) is the city's central personnel agency. The city charter requires the department to establish a comprehensive personnel management program based on merit principles and generally accepted methods governing the classification of positions and the employment, conduct, movement, and separation of public employees. The activities of human resources are fully supported by the General Fund. The department has five major functional areas:

- Administration - includes the Equal Opportunity program, which is responsible for promoting and monitoring the city's compliance with federal, state and city laws on discrimination, equal employment, sexual harassment, ADA compliance and other discrimination issues. It also evaluates the handling of discrimination complaints in employment, services, programs and facilities of the city. Also included is the Enterprise Resource Planning (ERP) Branch, which is responsible for managing and executing the Human Resources functions of the City's C²HERPS Project.
- Classification and Pay - plans, develops and administers classification and pay plans; prepares class specifications; and recommends pricing for newly established classes.
- Employment and Personnel Services - administers recruitment, examination, transactions and employee benefits programs; refers qualified candidates to department positions; oversees compliance with drug and alcohol testing; and administers the Fair Labor Standards Act and information privacy program.
- Labor Relations and Training - administers labor relations; personnel development and training programs; leads collective bargaining negotiations; conducts grievance hearings; and advocates arbitration cases.
- Industrial Safety and Workers' Compensation - administers a citywide safety and accident prevention program, and the city's pay-as-you-go, self-insured, workers' compensation program.



Source: Department of Human Resources

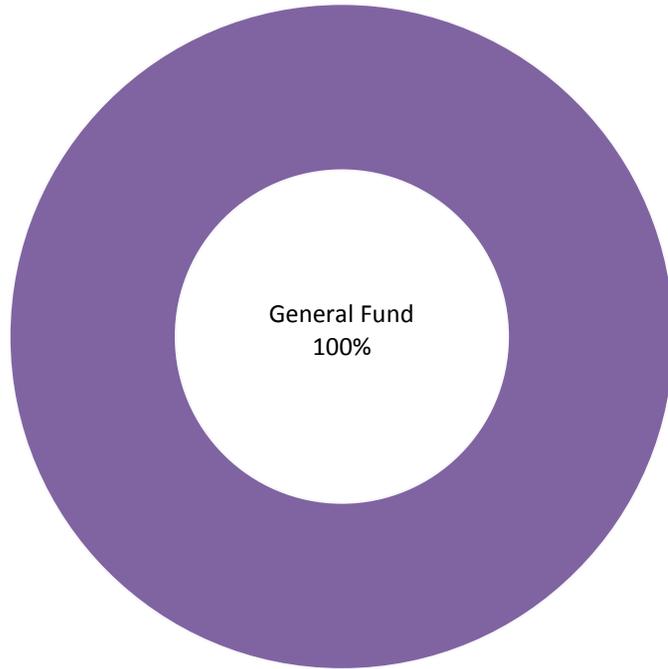


To recruit, develop and retain an outstanding workforce dedicated to quality public service for the City and County of Honolulu.

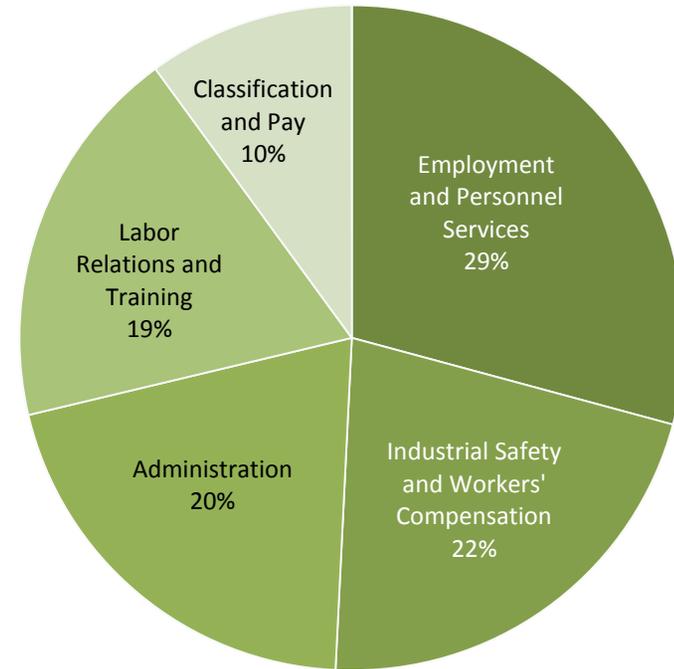
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Total Operating Expenditures (\$ millions) | Total Authorized FTE | Cost Per FTE ¹ | Total Overtime Expenditures ² |
|--------------------------|---|-------------------------|---------------------------|--|
| FY 2011 | \$5.0 | 91.5 | \$55,073 | \$37,456 |
| FY 2012 | \$5.3 | 91.5 | \$57,703 | \$28,424 |
| FY 2013 | \$5.4 | 91.5 | \$59,207 | \$43,630 |
| FY 2014 | \$5.2 | 81.0 | \$63,732 | \$8,737 |
| FY 2015 | \$5.6 | 81.0 | \$69,568 | \$10,832 |
| Change from last year | 9% | 0% | 9% | 24% |
| Change over last 5 years | 12% | -11% | 26% | -71% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable.

Spending and Staffing

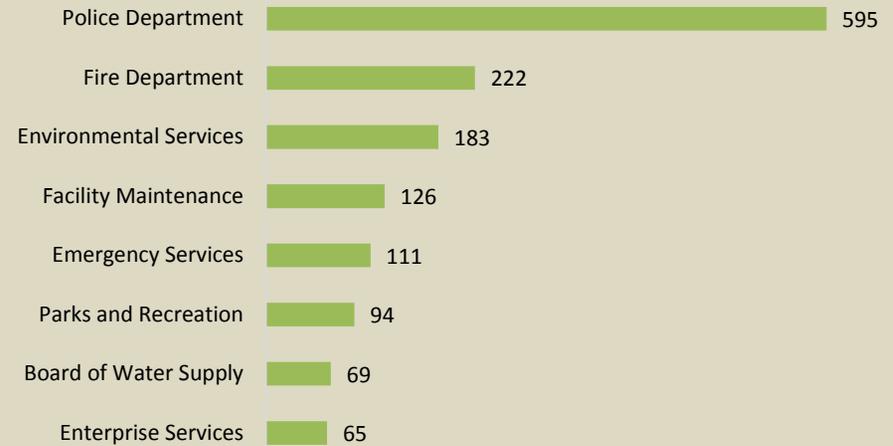
Over the last five years, the department's operating expenditures increased 12% from \$5.0 million in FY 2011 to \$5.6 million in FY 2015. According to the department, salaries constitute approximately 90% of the department's budget. The increase is attributed to collective bargaining salary adjustments. Cost saving measures were taken by the department in the area of current expense spending by leveraging technology and utilizing automation to increase efficiency.

Overtime expenditures decreased 71% over the last five years. The department reported that overtime utilized by the Employment and Personnel Services Division fluctuates according to the conduct of large examination programs, and the processing of negotiated salary adjustments. In addition, an overt effort was made to minimize the use of overtime funds.

From FY 2011 to FY 2015, the number of injury claims filed by city employees increased by 13%, and the total direct expenditures have increased by 18%.

Over the last five years, the average cost per workers' compensation claim increased 4.5% from \$6,235 in FY 2011 to \$6,515 in FY 2015. The department reported that the increases were due primarily to a 34% increase in wage replacement benefits, an 11% increase in indemnity benefits, and a 20% increase in medical benefits.

Top Eight Departments with the Highest Number of New Workers' Compensation Claims FY 2015



Source: Department of Human Resources

| | Workers' Compensation | | | Labor Relations and Training | | |
|--------------------------|------------------------------------|---|-------------------------------------|------------------------------|---|--------------------------------------|
| | Total Workers' Compensation Claims | Total Direct Expenditures (\$ millions) | Average Cost Per Claim ¹ | Hours of Training Provided | Overall Training Satisfaction Rating (Out of 5) | Grievances Closed Before Arbitration |
| FY 2011 | 2,932 | \$18.3 | \$6,235 | 12,740 | 4.8 | 86% |
| FY 2012 | 3,069 | \$17.8 | \$5,790 | 7,971 | 4.7 | 92% |
| FY 2013 | 3,079 | \$19.3 | \$6,262 | 12,184 | 4.7 | 94% |
| FY 2014 | 3,279 | \$20.2 | \$6,147 | 14,823 | 4.7 | 91% |
| FY 2015 | 3,314 | \$21.6 | \$6,515 | 18,161 | 4.7 | 93% |
| Change from last year | 1% | 7% | 6% | 23% | 0% | 2% |
| Change over last 5 years | 13% | 18% | 4% | 43% | -1% | 7% |

Source: Department of Human Resources. ¹Average Cost Per Claim is Total Workers' Compensation Claims ÷ Total Number of Workers' Compensation Claims.

Highlights

Negotiations with Bargaining Units 2 (blue-collar supervisory), 3 (white-collar non-supervisory), and 4 (white-collar supervisory) began in June 2014, and resulted in two-year agreements for the period July 1, 2015 to June 30, 2017. The Employer and Union tentatively agreed to new contracts in April 2015, and the contract settlements were ratified on April 28, 2015 and April 30, 2015.

Effective July 1, 2013, a new collective bargaining Unit 14 was created to represent first responder employees, including state law enforcement officers, and county ocean safety and water safety officers. Negotiations have taken place in this fiscal year to negotiate a new collective bargaining agreement.

The number of new hires entering city service remained relatively the same over the past five years from 778 in FY 2011 to 779 in FY 2015.

In FY 2015, 10 college students completed the Po`okela Fellow Program. The program introduces students to government operations and showcases the city as a desirable place of employment.

Over the last 5 years, training hours increased about 30% from 12,740 hours in FY2011 to 18,161 hours in FY 2015. The increase in hours can be credited to a new supervisory/managerial courses added to the curriculum such as: Prevention of Workplace Violence for Supervisors and Managers; Coaching for Performance course for executives and managers; a new curriculum titled Developing Productive Work Relationships Through Collaboration which featured a series of courses including active listening, conflict resolution, and personality assessment training.

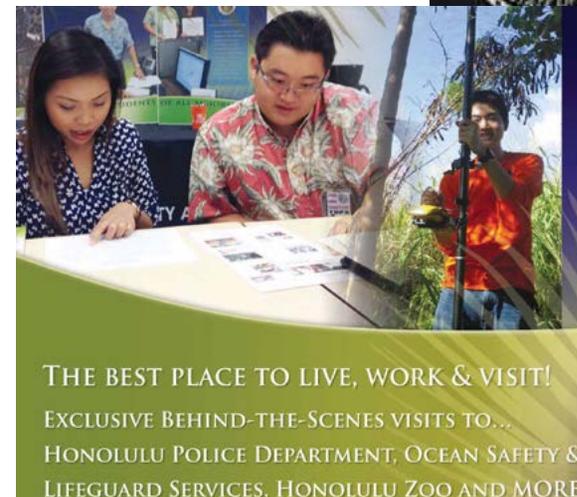


Job Fair at Neal Blaisdell Center

Source : Department of Human Resources



Source: Department of Human Resources



Source : Department of Human Resources, Po`okela Internship Flyer

Chapter 14 - Department of Information Technology

The Department of Information Technology (DIT) plans, directs, and coordinates the city's information technology program. It sets and enforces citywide technology and data security standards and policies. The department also maintains and manages the city's computer network and data processing operations 24-hours per day, 7-days a week. Its mission is to provide information technology products, services, guidance, and direction to city agencies so that the public is served in a cost-effective and efficient manner; and to maintain and secure the city's communications network.

The department's goals are to:

- Apply technology to serve the public good; operate and maintain a cost-effective and efficient computer and communications network and facility; and optimize the use of technological resources and expertise to meet the needs of city employees and its citizens.
- Provide a strategic technological direction for the city, including applications, communications, infrastructure, standards, strategies and policies.
- Ensure that computer resources are secure from unauthorized access in an environment that promotes user innovation and self-sufficiency.
- Coordinate departmental technology acquisition and maintenance across all city agencies to ensure optimum return on investment.
- Deploy E-government, mobile and social media initiatives to further support and enhance services delivered to the citizens.
- Provide technological and programming support to all city agencies.
- Provide technological support for Homeland Security initiatives.
- Support the mayor's Revised Directive of 2006 regarding information technology services for the city.
- Support Chapter 12 of the Revised Charter regarding the organization, powers, duties and functions of the Department of Information Technology.

Department of Information and Technology Equipment



Source: Department of information and Technology and the Office of the City Auditor

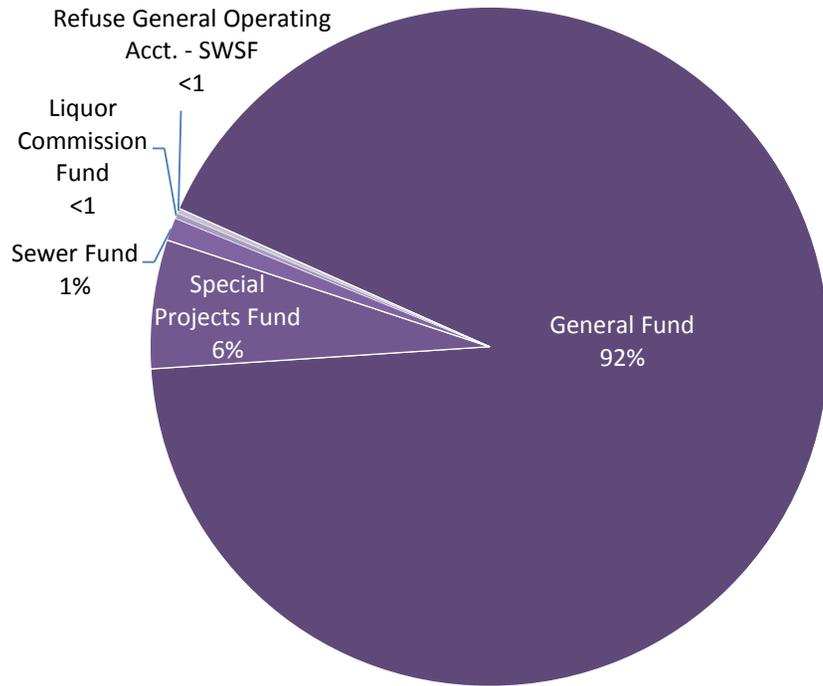


To provide information technology products, services, guidance, and direction for city agencies to serve the public in a cost-effective and efficient manner.

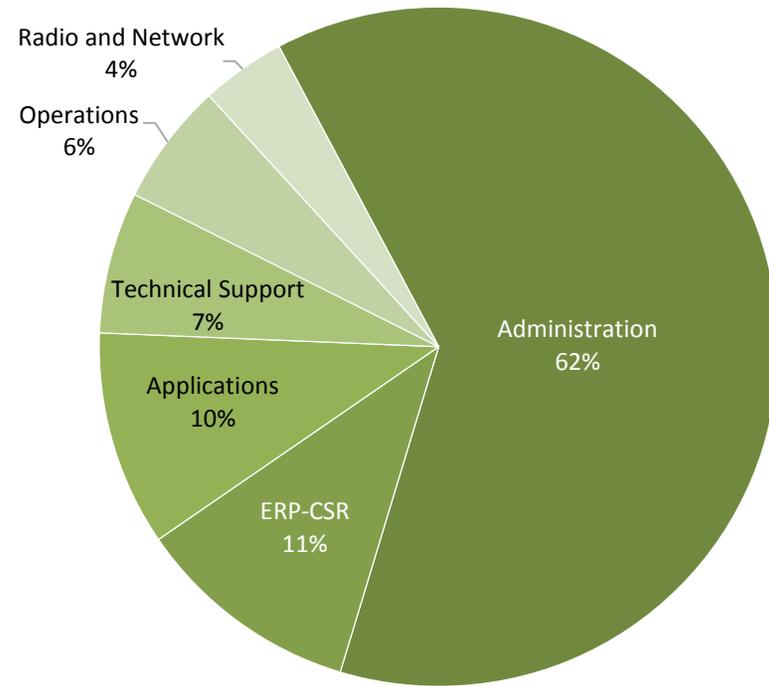
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Total Operating Expenditures (\$ millions) | Administration (\$ millions) | Revenues (\$ millions) | Staffing | | | Overtime Expenditures ³ | |
|--------------------------|--|------------------------------|------------------------|----------------------|------------------|---------------------------|------------------------------------|-------------|
| | | | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | Total | Non-Holiday |
| FY 2011 | \$18.2 | \$10.9 | \$2.9 | 152 | 27.5 | \$119,535 | \$206,176 | \$168,163 |
| FY 2012 | \$19.8 | \$12.1 | \$3.2 | 152 | 30.5 | \$130,052 | \$184,132 | \$160,619 |
| FY 2013 | \$17.2 | \$10.1 | \$3.7 | 144.5 | 26.0 | \$118,857 | \$235,723 | \$208,443 |
| FY 2014 | \$21.1 | \$13.5 | \$2.9 | 152.0 | 25.0 | \$138,536 | \$175,765 | \$152,368 |
| FY 2015 | \$21.9 | \$13.7 | \$3.0 | 144.0 | 14.0 | \$152,348 | \$181,170 | \$155,233 |
| Change from last year | 4% | 2% | 3% | -5% | -44% | 10% | 3% | 2% |
| Change over last 5 years | 21% | 26% | 6% | -5% | -49% | 27% | -12% | -8% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100 due to rounding. ²Cost per FTE = Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Applications and ERP - CSR

Total operating expenditures increased 21% over the last five years from \$18.2 million in FY 2011 to \$21.9 million in FY 2015. DIT noted that the increase was primarily due to a \$2 million increase for the Enterprise Resource Planning (C2HERPS) System Upgrade project and increased salaries due to the negotiated collective bargaining agreements.

FY 2015 revenues increased 6% from \$2.9 million in FY 2011 to \$3.0 million. According to DIT, the increase was due to increased activity in support of the State of Hawaii.

Administration’s expenditures increased 26% over the last five years from \$10.9 million in FY 2011 to \$13.7 million in FY 2015. The department attributes the 26% increase to increased maintenance costs and the aforementioned upgrade of the C2HERPS software packages.

In FY 2015 Total DIT vacant FTE count decreased 49% over the last five years from 27.5 Total Vacant FTE in FY 2011 to 14.0 Total Vacant FTE in FY 2015. The department attribute the 49% decrease to a departmental push to hire more people in efforts of reducing reliance on external vendor support. This, along with the hiring of a dedicated personnel clerk, has allowed the department to significantly reduce the vacancy rate.

Applications – Enterprise Resource Planning – Customer Service Representative (ERP-CSR)

The Applications Division performs computer systems development, including feasibility studies, systems analysis and design, electronic data management, and computer programming. It also provides consulting services to end users and city administrators with strategic planning information resources in overall city operations.

In FY 2015, Applications replaced personal computers (PCs) owned by the city for five to seven years. During the fiscal year, 550 small form factor (SFF) PCs were purchased; 13 laptops were purchased at end of lease. Applications also purchased 35 SFF i5 PCs for AutoCAD users in the Department of Transportation Services (DTS); and four year-old PCs were upgraded with additional memory, solid state drives, and an operating system upgrade.

Over the last five years expenditures decreased 44% from \$4.0 million in FY 2011 to \$2.2 million on FY 2015. Applications attributed this decrease to the reorganization that separated ERP and CSR from the Applications Division. The number of completed requests for service (RFS) increased 38% over the last five years. Applications attributed the increase primarily to DIT application staff numbers going up, increasing productivity.

| | Operating Expenditures (\$ million) | Applications | | |
|--------------------------|--|-----------------------------------|---|--|
| | | Total New Requests For Service | Total Completed Requests for Service | Total Requests Outstanding at End of Year |
| FY 2011 | \$4.0 | 158 | 164 | 16 |
| FY 2012 | \$2.1 | 96 | 83 | 3 |
| FY 2013 | \$2.0 | 218 | 168 | 39 |
| FY 2014 | \$2.0 | 247 | 210 | 32 |
| FY 2015 | \$2.2 | 307 | 226 | 30 |
| Change from last year | 12% | 24% | 8% | -6% |
| Change over last 5 years | -44% | 94% | 38% | 88% |

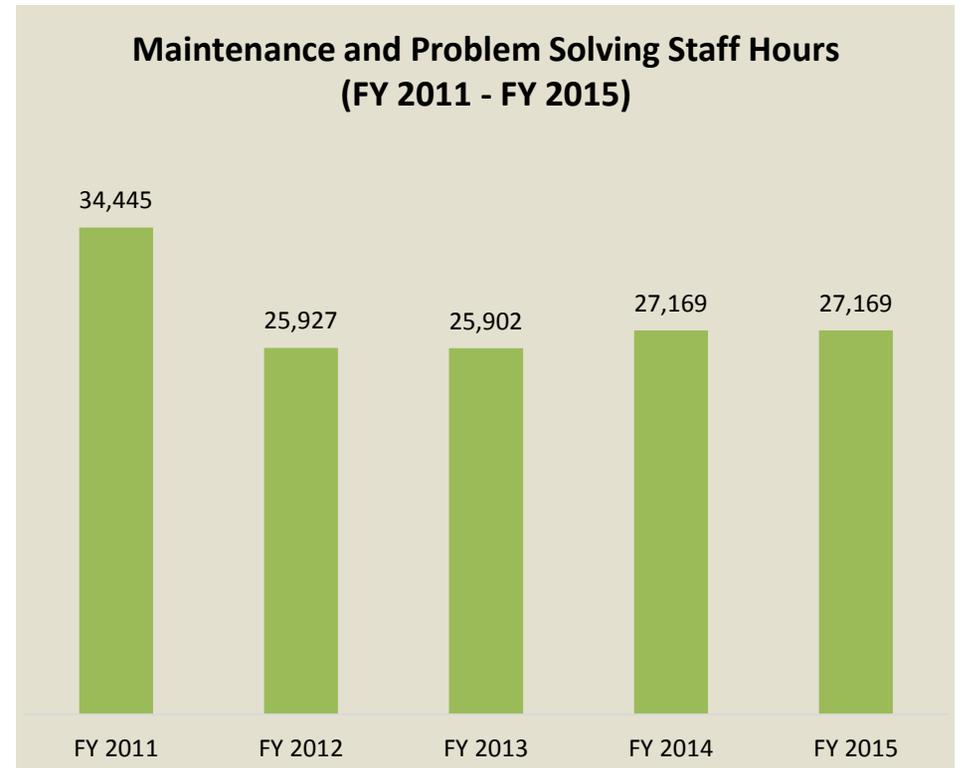
Source: Executive Operating Program and Budget (FY 2012-FY 2016), Department of Budget and Fiscal Services, and Department of Information Technology

ERP-CSR

Enterprise Resource Planning-Customer Service Representative provides technology support for the city’s financial management system. It also implements the city’s data processing plans for ERP financial, human resource/ payroll, budgeting management, and other automated systems. In addition, ERP-CSR provides computer services representative support services for all city agencies.

Staff hours for maintenance and problem solving decreased 21% over the last five years from 34,445 in FY 2011 to 27,122 in FY 2015. The department reported that in FY 2010, the division had to backfill contract employees which resulted in 8 additional positions compared to staffing levels in FY 2014. According to the department over the last five years permanent positions were filled, and some were shifted out of the CSR branch to work on higher priority projects.

FY 2015 staff hours for analysis and programming decreased 31% from 10,483 in FY 2011 to 7,232 in FY 2015. Overhead staff hours also decreased 64% over the last five years from 4,992 to 1,808 staff hours. The department attributes the 64% decrease to the shift in technology from client-based applications that had to be maintained on the desktop by the CSR Branch to web-based applications.



Source: Department of Information Technology

| | Enterprise Resource Planning - Customer Service Representative | | | |
|--------------------------|--|--|---|---------------------------|
| | Operating Expenditures (\$ millions) | Maintenance and Problem Solving (Staff Hours) | Analysis and Programming (Staff Hours) | Overhead (Staff Hours) |
| FY 2011 | -- | 34,445 | 10,483 | 4,992 |
| FY 2012 | \$1.8 | 25,927 | 6,914 | 1,728 |
| FY 2013 | \$1.8 | 25,902 | 6,907 | 1,727 |
| FY 2014 | \$2.1 | 27,169 | 7,245 | 1,811 |
| FY 2015 | \$2.4 | 27,122 | 7,232 | 1,808 |
| Change from last year | 12% | 0% | 0% | 0% |
| Change over last 5 years | | -21% | -31% | -64% |

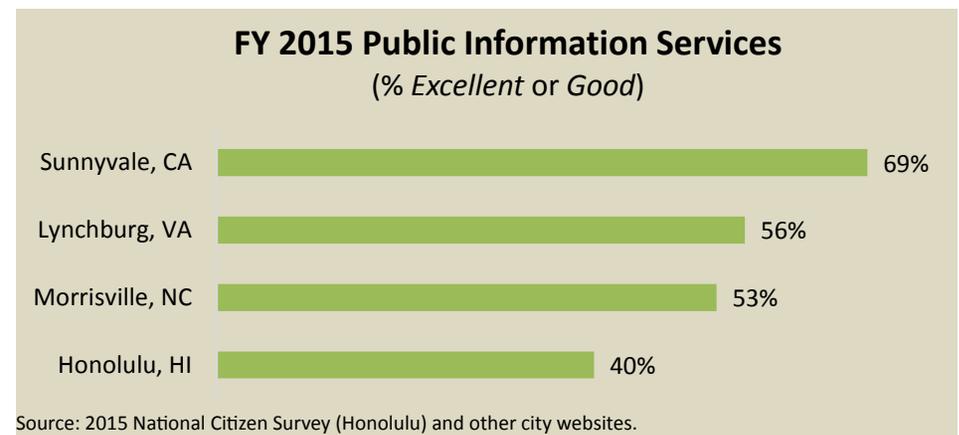
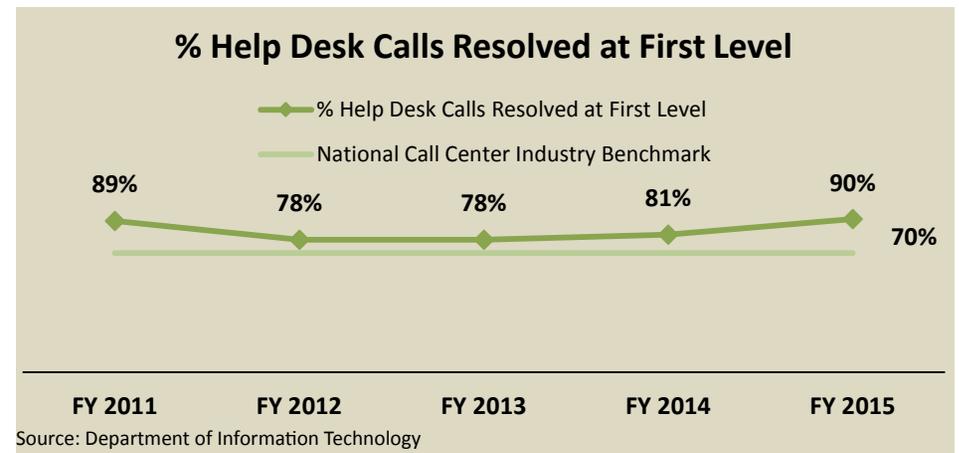
Source: Executive Operating Program and Budget (FY 2012-FY 2016), Department of Budget and Fiscal Services, and Department of Information Technology.

Operations

The Operations Division plans, administers, coordinates, and executes central and remote computer system operations of the city’s computer facilities island-wide. Operations also performs data entry services, assures data processing accuracy, maintains disaster recovery planning, manages the help desk call center, and controls and maintains the city data center computer equipment and network.

In FY 2015 the Data Center Operations established an enterprise document scanning service. This cost saving initiative helped eliminate the need to store boxes of documents, protect aging original copies, tracking and retrieval in response to audits, and disaster preparedness. The division also conducted disaster recovery testing to ensure DIT readiness to support disaster preparedness, business continuity, public safety, and city services in the event of a major disaster scenario involving activation of the secondary data center in Kapolei.

The percentage of help desk calls resolved at the first level increased to 90% in FY2015. The Operations Division’s help desk calls resolved at first level remains above the national call center industry benchmark of 70%. The department attributes the previous year increase in help desk calls resolved at the first level to staff hiring and improved staff expertise developed by system experience and collaboration among staff.



| | Operating Expenditures (\$ million) | Production Online Systems | | | % Help Desk Calls Resolved at First Level |
|--------------------------|--|---------------------------|----------|----------------------------------|--|
| | | Regular Business Hours | 24 hours | Changes Implemented ¹ | |
| FY 2011 | \$1.2 | 99.9% | 99.2% | 875 | 89% |
| FY 2012 | \$1.2 | 99.9% | 99.5% | 1,093 | 78% |
| FY 2013 | \$1.1 | 99.4% | 99.7% | 796 | 78% |
| FY 2014 | \$1.2 | 99.5% | 99.6% | 809 | 81% |
| FY 2015 | \$1.3 | 99.9% | 99.2% | 823 | 90% |
| Change from last year | 3% | <1% | <1% | 2% | 9% |
| Change over last 5 years | 2% | 0% | 0% | -6% | 1% |

Source: Executive Operating Program and Budget (FY 2012-FY 2016), Department of Budget and Fiscal Services, and Department of Information Technology. ¹Changes Implemented is the process of documenting change approvals, user acceptance, or authorizations for hardware and software and software promotion.

Radio and Network Infrastructure and Technical Support

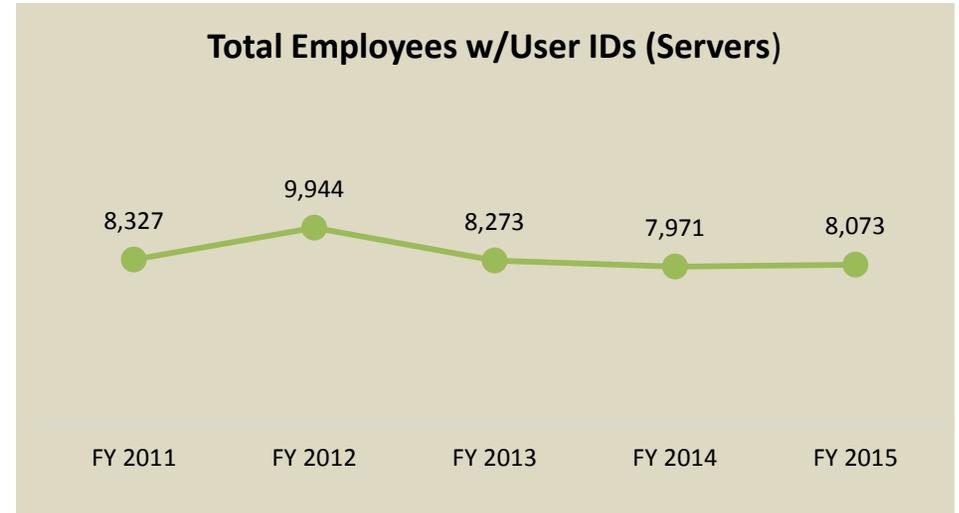
The Radio and Network Infrastructure (RNI) Division manages and supports city communications systems, including radio, microwave, fiber, wired, and 800 MHz systems and facilities. The division also manages tower, fiber, and wireless construction projects.

FY 2015 operating expenditures increased 3% from \$866,198 in FY 2014 to \$883,089 in FY 2015. According to RNI, this increase is attributed to higher salary costs due to collective bargaining agreements. Over the last five years, total local area networks increased from 175 in FY 2010 to 200 in FY 2014. RNI noted that the increase is attributed to the expansion of the MPLS network allowing for more redundancy and resiliency.

Technical Support

The Technical Support (TS) Division plans, installs, administers, and maintains systems software for the mainframe and midrange computers. The division also supports and controls the servers, communications networks, and storage area networks.

Responsibilities also include protection, security, and integrity of the city's information resources. Security-related functions include enforcing policies and procedures in monitoring and preventing attacks on the city's information system.



Source: Department of Information Technology

Operating expenditures decreased 27% over the last five years from \$2.0 million in FY 2011 to \$1.5 million in FY 2015. Technical support explained that operating expenditures decreased due to a departmental reorganization that separated the RNI Division from the Technical Support Division.

| | Radio and Network ¹ | | | Technical Support | | |
|--------------------------|--------------------------------|---------------------------|--------------------------|-------------------------------------|---|--------------------------------------|
| | Operating Expenditures | Total Local Area Networks | Total 800 MHz Zone Sites | Operating Expenditures (\$ million) | Total Employees w/ Access IDs (Mainframe) | Total Employees w/User IDs (Servers) |
| FY 2011 | - | 185 | 12 | \$2.0 | 8,098 | 8,327 |
| FY 2012 | \$780,036 | 185 | 12 | \$1.4 | 8,054 | 9,944 |
| FY 2013 | \$841,629 | 195 | 12 | \$1.3 | 7,960 | 8,273 |
| FY 2014 | \$866,198 | 200 | 12 | \$1.4 | 7,945 | 7,971 |
| FY 2015 | \$883,089 | 205 | 12 | \$1.5 | 7,975 | 8,073 |
| Change from last year | 2% | 3% | 0% | 7% | 0% | 1% |
| Change over last 5 years | -- | 11% | 0% | -27% | -2% | -3% |

Source: Executive Operating Program and Budget (FY 2012-FY 2016), Department of Budget and Fiscal Services, and Department of Information Technology. ¹FY 2012 was the first year RNI reported its operating budget separate from the Technical Support Division.

Chapter 15 - Legislative Branch

The Legislative Branch is established by city charter as coordinate with the executive branch of city government.¹ It is comprised of the Honolulu City Council, Office of the City Clerk, Office of Council Services, and the Office of the City Auditor.

The Honolulu City Council consists of nine elected officials, and staff, who are empowered with legislative and investigative powers. This body's major duties include establishing citywide policies via the passage of ordinances and resolutions, adopting the city's annual operating and capital improvement budgets, setting the annual real property tax rate and authorizing the issuance of general obligation bonds. The city charter requires the council to adopt a balanced budget.

The Office of the City Clerk is custodian of ordinances, resolutions, rules and regulations of all city agencies, the city seal, books, papers and records. The clerk provides staff support to the council for all regular sessions, committee meetings and public hearings. It is responsible for voter registration and conducts all elections for the City and County of Honolulu. The clerk also authenticates all official papers and instruments requiring certification.

The Office of Council Services (OCS) provides comprehensive research and reference services for the council. It conducts research and drafts legislation, revises city ordinances, and serves in an advisory capacity to the council and its committees.

The Office of the City Auditor (OCA) is an independent audit agency created to strengthen the auditing function and ensure that city agencies and programs are held to the highest standards of public accountability. The city auditor is responsible for conducting: 1) the annual financial audit; 2) performance audits of any agency or operation of the city; and 3) follow-up audits and monitoring of audit recommendations.

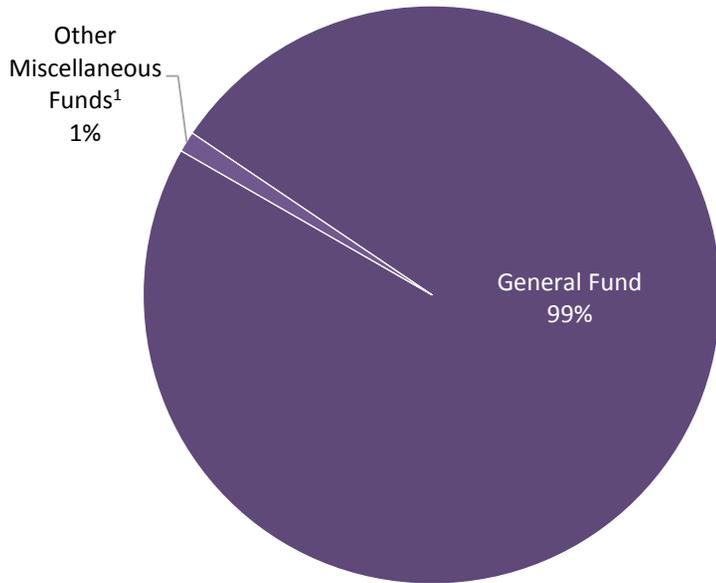
¹Section 1-103, Revised Charter of Honolulu

The Honolulu City Council serves and advances the general welfare, health, happiness, and safety of the people through exercising its legislative power.

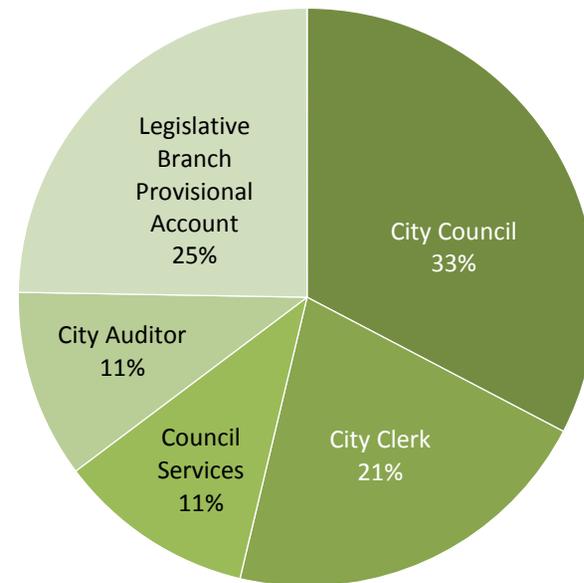
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses²



| | Total Revenue | Total Operating Expenditures (\$ millions) | Staffing | | | Overtime Expenditures ⁴ | |
|--------------------------|---------------|--|----------------------|-----------------------------|---------------------------------------|------------------------------------|-------------|
| | | | Total Authorized FTE | Total Vacant Authorized FTE | Cost Per Legislative FTE ³ | Total | Non-Holiday |
| FY 2011 | \$31,576 | \$11.5 | 127 | 2.0 | \$90,239 | \$60,099 | \$55,881 |
| FY 2012 | \$36,340 | \$11.3 | 126 | 3.0 | \$89,544 | \$14,119 | \$14,119 |
| FY 2013 | \$10,630 | \$13.0 | 126 | 7.0 | \$103,327 | \$49,675 | \$42,675 |
| FY 2014 | \$8,890 | \$13.3 | 132 | 7.5 | \$100,490 | \$10,691 | \$9,353 |
| FY 2015 | \$10,073 | \$14.0 | 137 | 6.0 | \$102,009 | \$47,577 | \$40,370 |
| Change from last year | 13% | 5% | 4% | -20% | 2% | 345% | 332% |
| Change over last 5 years | -68% | 22% | 8% | 200% | 13% | -21% | -28% |

Source: Department of Budget and Fiscal Services, Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor. ¹Percentages do not total 100% due to rounding. ²Other Miscellaneous Funds include: Solid Waste Fund; Housing Development Special Fund; Bus Transportation Fund; Sewer Fund; Affordable Housing Fund; Clean Water and Natural Lands Fund; and Grants in Aid Fund. ³Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ⁴Overtime pay is established by bargaining unit agreement, as applicable.

Offices of the Legislative Branch

Legislative Branch

Total revenue increased 13% to \$10,073 in FY 2015 from \$8,890 in FY 2014. The Legislative Branch noted that this increase was due to the increase in the number of candidate filings and requests for voter data from the prior year.

Although total revenue increased in FY 2015 from the prior year, it decreased 68% from \$31,576 in FY 2011. According to the Legislative Branch, this decrease was the result of a slight decrease in the number of candidates filing to run for office and a decrease in requests for voter data.

Total overtime expenditures increased 345% to \$47,577 in FY 2015 from \$10,691 in FY 2014. The Legislative Branch said that this increase was due to election work and processing of election documents.

Honolulu City Council

In FY 2015, the city council worked to shape Honolulu into a more sustainable, less automobile dependent, and healthier city. In May 2015, the city council enacted Ordinance 15-13, rezoning more than 1,200 acres in Ewa for the long-planned mixed-use Hoopili community. In FY 2015, the city council progressed toward reducing red tape, government waste, and making Honolulu government more accessible to the public. In recognition of National County Government Month in April 2015, the city council, with assistance from the city administration, hosted more than 300 visitors to city hall, including groups of students from both public and private schools in various age groups, to share information on national and local county governments. In FY 2015, the city council enacted several measures addressing threats to public health and the environment, which included Ordinance 14-29, which clarifies the intent of a 2012 ordinance to limit the city's plastic bag ban to "checkout bags" and to allow "compostable" (rather than "non-biodegradable") plastic bags to be provided to customers at checkout. One of the most difficult issues that the city council faced in FY 2015 was how to ensure that public sidewalks and malls would be used for their intended purpose – as a route for transit from place to place. The city council enacted ordinances that established a general prohibition against persons sitting or lying on sidewalks (a "sit/lie ban") in the Waikiki Special District and Chinatown. The city council again made the provision of housing, particularly for the homeless, a priority in the city's capital improvement budget ordinance for FY 2016.

The city council's operating expenditures increased 3% to \$4.6 million in FY 2015 from \$4.4 million in FY 2014. The city council explained that this increase was the result of across the board salary adjustments and the addition of five FTE, including three for the Charter Commission.

The provisional account increased 15% to \$3.5 million in FY 2015 from \$3.0 million in FY 2014. According to the city council, this increase was due to the upward trend for the cost of retirement and health benefits. The city council added that as payroll increases, the Federal Insurance Contributions Act (FICA) amount owed the federal government also rises.

In FY 2015, the city council had an authorized staffing total of 69 FTE with 2 vacancies.

Office of the City Clerk

The city clerk's operating expenditures decreased 3% to \$2.9 million in FY 2015 from \$3.0 million in FY 2014. The city clerk noted that this decrease was due to higher expenditures in FY 2014, which included the purchase of scanner and sorter equipment.

Total communications received decreased 3% to 4,823 in FY 2015 from 4,979 in FY 2014. The city clerk said that this decrease may be a result of less controversial matters being considered by the council, so less communications submitted.

Although total registered voters slightly decreased in FY 2015 from the prior year, the FY 2015 total of 463,685 registered voters was a 3% increase from the 448,508 registered voters in FY 2011. The city clerk explained that no one factor can be attributed to increasing the registered voter count from a year to year basis. The city clerk noted however, that an overall five year increase in registered voters could loosely be attributed to overall increases in population.

In FY 2015, the city clerk had an authorized staffing total of 37 FTE with 3 vacancies.

Offices of the Legislative Branch

Office of Council Services

Council services' operating expenditures increased 7% to \$1.5 million in FY 2015 from \$1.4 million in FY 2014. According to council services, this increase was the result of across the board salary adjustments and funding for an additional legal position.

Total number of written responses increased to 1,159 in FY 2015, which is a 14% increase from 1,016 responses in FY 2014 and a 41% increase from 820 responses in FY 2011. Council services said that this increase was due to more requests from councilmembers.

Council services amended a total of 454 Revised Ordinances of Honolulu (ROH) pages in FY 2015, which is a 12% increase from 404 pages in FY 2014 and a 50% increase from 303 pages in FY 2011. Council services attributed this increase to the adoption of new development and sustainable communities plans during this period.

In FY 2015, council services had an authorized staffing total of 20 FTE with 1 vacancy.

Office of the City Auditor

The city auditor's operating expenditures have steadily increased 21% from \$1.2 million in FY 2011 to \$1.5 million in FY 2015. According to the city auditor, operating expenditures have increased over the five year period as a result of increases in authorized staffing and financial audit contract costs. The city auditor noted that the financial audit contract amount for FY 2015 was lower than in previous years, but the audit is still ongoing and it is unknown at this time if there will be additional charges above the contract amount. The city auditor added that the FY 2015 operating expenditure total includes a contingency that may or may not be used.

In FY 2015, the city auditor had an authorized staffing total of 11 FTE with no vacancies, which is a decrease from one vacancy in FY 2014. The city auditor explained that this decrease was the result of filling a vacant position that the office had difficulty recruiting for in FY 2014.

In FY 2015, the city auditor completed 21 audits and reports, which included the audits of the Department of Customer Services' Motor Vehicle, Licensing and Permits Program; the Board of Water Supply; and the Department of Transportation Services' Bicycle Projects.

| | Operating Expenditures (\$ millions) | | | | | City Clerk | Council Services | City Auditor | | |
|--------------------------|--------------------------------------|------------|------------------|--------------|---------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|------------------------------------|
| | City Council | City Clerk | Council Services | City Auditor | Provisional Account | Total Communications Received | Total Registered Voters | Total Number of Written Responses | Total Number of ROH Pages Amended | Total Number of Audits and Reports |
| FY 2011 | \$3.7 | \$2.5 | \$1.3 | \$1.2 | \$2.7 | 3,546 | 448,508 | 820 | 303 | 23 |
| FY 2012 | \$3.6 | \$2.5 | \$1.3 | \$1.3 | \$2.7 | 4,323 | 458,742 | 883 | 420 | 24 |
| FY 2013 | \$4.2 | \$3.0 | \$1.4 | \$1.3 | \$3.2 | 3,567 | 454,491 | 847 | 409 | 23 |
| FY 2014 | \$4.4 | \$3.0 | \$1.4 | \$1.4 | \$3.0 | 4,979 | 463,759 | 1016 | 404 | 23 |
| FY 2015 | \$4.6 | \$2.9 | \$1.5 | \$1.5 | \$3.5 | 4,823 | 463,685 | 1,159 | 454 | 21 |
| Change from last year | 3% | -3% | 7% | 7% | 15% | -3% | -0.02% | 14% | 12% | -9% |
| Change over last 5 years | 24% | 16% | 15% | 21% | 28% | 36% | 3% | 41% | 50% | -9% |

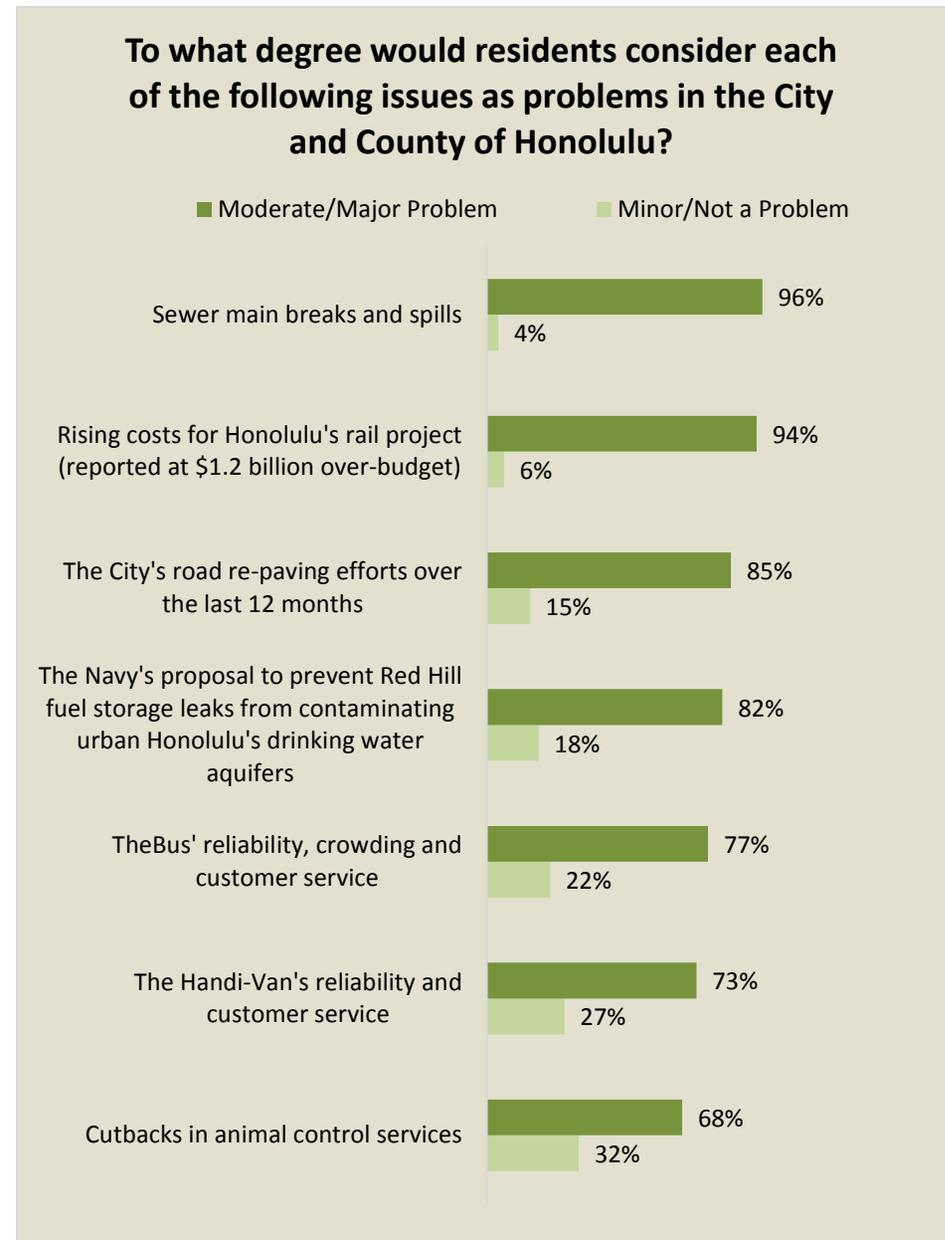
Source: Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor.

Results of 2015 Public Policy Questions

In this year’s National Citizen Survey, a majority (62%) of residents rated their overall quality of life in Honolulu as *excellent* or *good* and a majority (58%) of residents would recommend Honolulu as a place to live to someone who asks. Residents identified safety and the economy as priorities for the Honolulu community in the coming two years. The overall quality of services provided by the City and County of Honolulu was rated as *excellent* or *good* by 36% of respondents; this rating was much lower than ratings in comparison communities. The value of services for the taxes paid to the City and County of Honolulu was rated as *excellent* or *good* by 17% of residents, while the overall direction that Honolulu is taking was rated as *excellent* or *good* by 21% of residents.

The 2015 National Citizen Survey asked Honolulu residents a series of questions related to problems in the city, support for issues by raising taxes, and important issues to be addressed in the next two years.

Residents reported the following as major and moderate problems: rising costs of Honolulu’s rail project (94%); sewer main breaks and spills (96%); Red Hill fuel storage leaks contaminating drinking water (82%); road re-paving (85%); and TheBus’ reliability, crowding and customer service (77%).



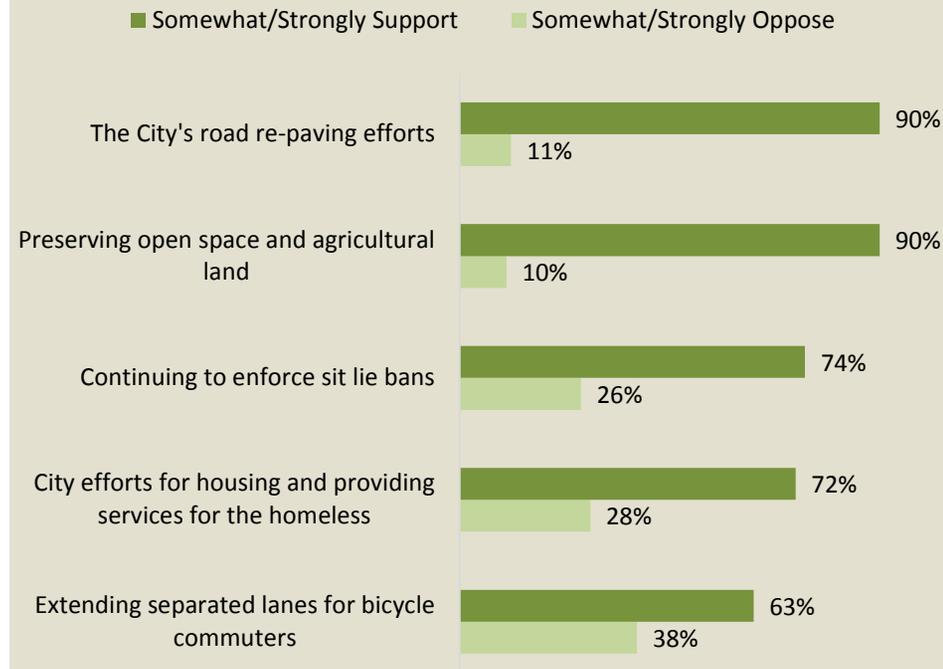
Source: FY 2015 National Citizen Survey (Honolulu)

Results of 2015 Public Policy Questions

Residents supported the possibility of raising taxes or fees for continued funding of the following: preserving open space and agricultural land; road re-paving; enforcement of sit lie bans; housing and providing services for the homeless; and extending separated lanes for bicycle commuters.

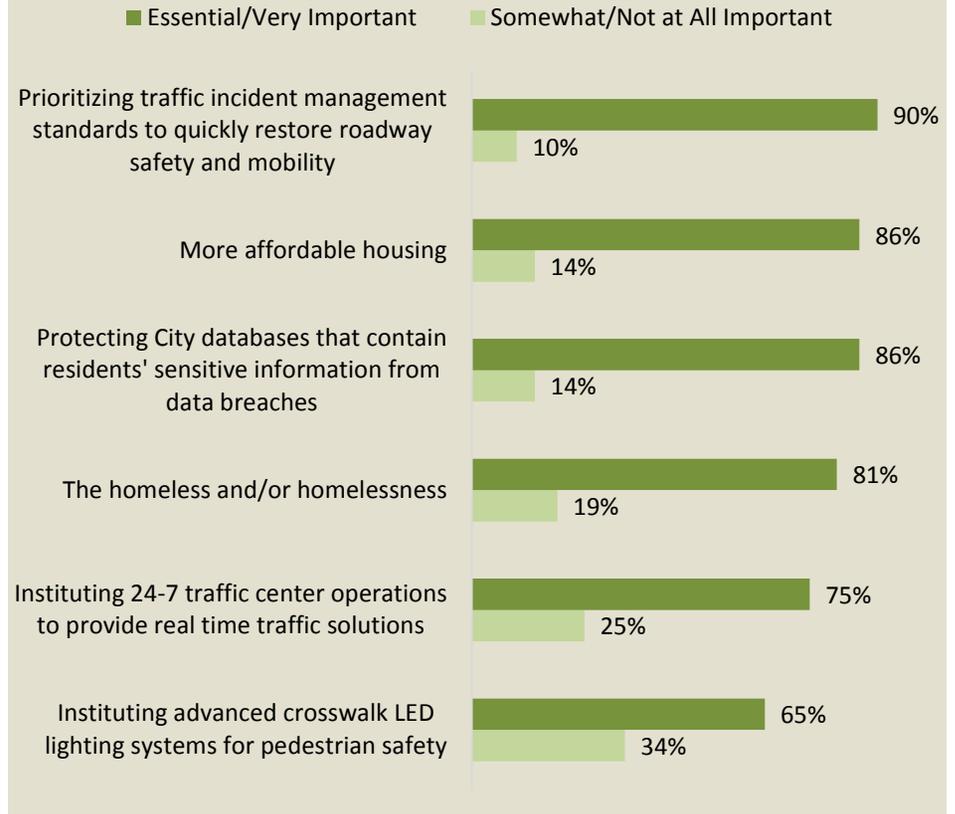
Residents also rated important issues for the city to address in the next two years. About 90% of residents rated prioritizing traffic incident management standards to quickly restore roadway safety and mobility as *essential* or *very important*. About 8 in 10 respondents rated more affordable housing, protecting city databases from data breaches, and the homeless and/or homelessness as *essential* or *very important* issues for the city to address.

To what degree would residents support the City and County continuing to fund each of the following items even if it involves raising taxes or fees?



Source: FY 2015 National Citizen Survey (Honolulu)

How important are the following issues for the City to address in the next two years?



Source: FY 2015 National Citizen Survey (Honolulu)

Chapter 16 - Mayor-Managing Director

The Mayor-Managing Director's Offices include:

Mayor – chief executive of the City and County of Honolulu, the mayor is responsible for the faithful execution of the provisions of the city charter and applicable ordinances and statutes.

Managing Director (MD) – principal management aide to the mayor, the managing director supervises and evaluates the management and performance of all line executive departments and agencies, and prescribes the standards of administrative practice to be followed.

Office of Housing – administers programs for affordable housing, senior and special needs housing, and homelessness.

Mayor's Office of Culture and the Arts (MOCA) – serves as the liaison of the Commission on Culture and the Arts and assists in its objectives, which include community-wide promotion and exposure of culture and the arts in all its forms.

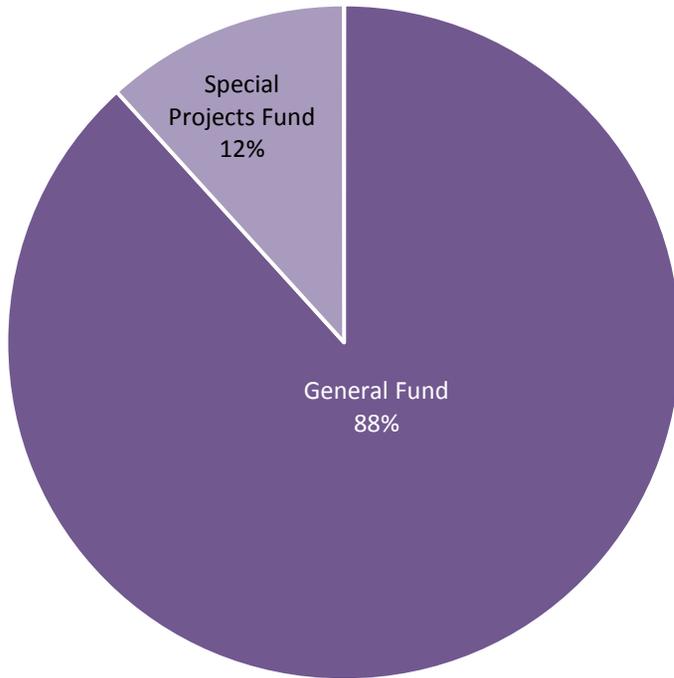
Office of Economic Development (OED) – supports economic growth and enhances the quality of life at the community level. The Honolulu Film Office and Agriculture Office are also part of OED.

Neighborhood Commission Office (NCO) – provides staff support to the 9-member Neighborhood Commission, 33 neighborhood boards and 439 neighborhood board members. Staff attends the monthly board meetings; takes and transcribes meeting minutes; and provides proper notice of all meetings of the commission and the neighborhood boards.

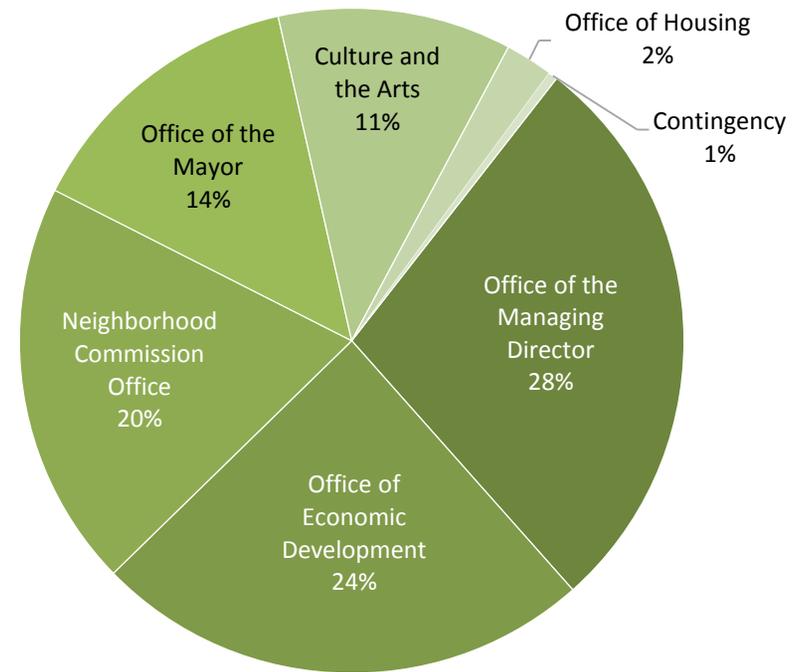
During FY 2015, the mayor's theme for FY 2015 was Spending to Make a Difference. Efforts were made to begin rightsizing government and prioritizing spending and initiatives to improve core services and plan for the future. During FY 2015, the mayor's priorities included: Restoring Bus Service, Repaving Roads, Improving Our Sewer System, Infrastructure Repair and Maintenance, Caring for Our Parks, Building Rail Better, Transit-Oriented Development, and Homelessness.

Spending and Staffing

Fund Sources



Fund Uses



| | Operating Expenditures | | | | Authorized Staffing (FTE) | | | |
|--------------------------|------------------------|-------------------|--|------------------------|---------------------------|--------------------|--------------------------|---------------------------------|
| | Mayor | Managing Director | Subtotal Combined Offices ¹ | Total Mayor-MD Offices | Total Mayor | Total Vacant Mayor | Total MD City Management | Total Vacant MD City Management |
| FY 2011 | \$516,108 | \$992,417 | \$2,339,937 | \$3,848,462 | 6 | 1 | 17 | 4 |
| FY 2012 | \$454,797 | \$1,059,470 | \$2,624,641 | \$4,138,908 | 6 | 1 | 18 | 1 |
| FY 2013 | \$466,132 | \$2,210,239 | \$1,708,502 | \$4,384,873 | 6 | 1 | 18 | 4 |
| FY 2014 | \$578,173 | \$1,084,777 | \$2,342,267 | \$4,005,217 | 6 | 0 | 18 | 2 |
| FY 2015 | \$641,020 | \$1,279,690 | \$2,666,840 | \$4,587,550 | 6 | 0 | 17 | 0 |
| Change from last year | 11% | 18% | 14% | 15% | 0% | -- | -6% | -- |
| Change over last 5 years | 24% | 29% | 14% | 19% | 0% | -- | 0% | -- |

Source: Department of Budget and Fiscal Services (BFS). FY 2015 totals are estimates (as of January 20, 2016) as provided by BFS. ¹Combined offices include Office of Culture and the Arts, Office of Economic Development, Office of Housing, Neighborhood Commission, and Contingency.

Mayor-Managing Director

The Mayor and Managing Director of the City and County of Honolulu oversee 10,073 FTE employees, over 20 departments in the 46th largest county in the nation. For the first time in the City’s history, the administration adopted a zero-based budget in departments primarily funded by General and Highway funds. To rightsize government, the administration deactivated positions based on vacancies, attrition and five-year hiring patterns.

In FY 2015, Mayor’s office expenditures were \$641,020, an increase of 11% over last year and 24% over the last 5 years. The office stated that FY 2015 expenditures exceeded FY 2014 due to filling vacant positions and increases in staff salaries in parity with collective bargaining and with the Salary Commission. The office’s participation in the Mayor’s Challenge to End Veterans’ Homelessness incurred costs for data collection and analysis.

In FY 2015 the Managing Director’s Office’s expenditures were \$1,279,690 an increase of 18% over last year and 29% from FY 2011. The office attributed the increase from FY 2014 to FY 2015 to filling vacant positions, staff salary increases in parity with collective bargaining, and community outreach costs in support of the mayor’s initiatives to End Veterans’ Homelessness and Housing First.



Honolulu Hale

Photo Courtesy of Mayor’s Office of Culture and the Arts

| | Citizen Survey (% Excellent or Good) | | | |
|--------------------------|--|--------------------------------------|---|--|
| | Overall Quality of Services Provided by the City | Overall Direction the City is Taking | Overall Confidence in the City Government | Generally Acting in the Best Interest of the Community |
| FY 2011 | 53% | 32% | -- | -- |
| FY 2012 | 53% | 30% | -- | -- |
| FY 2013 | 40% | 25% | 23% | 25% |
| FY 2014 | 46% | 35% | 30% | 29% |
| FY 2015 | 36% | 21% | 22% | 23% |
| Change from last year | -10% | -14% | -8% | -6% |
| Change over last 5 years | -17% | -11% | -- | -- |

Source: 2015 National Citizen Survey (Honolulu)

Office of Housing

The Office of Housing advocates for affordable housing, senior housing, special needs housing, and homelessness.

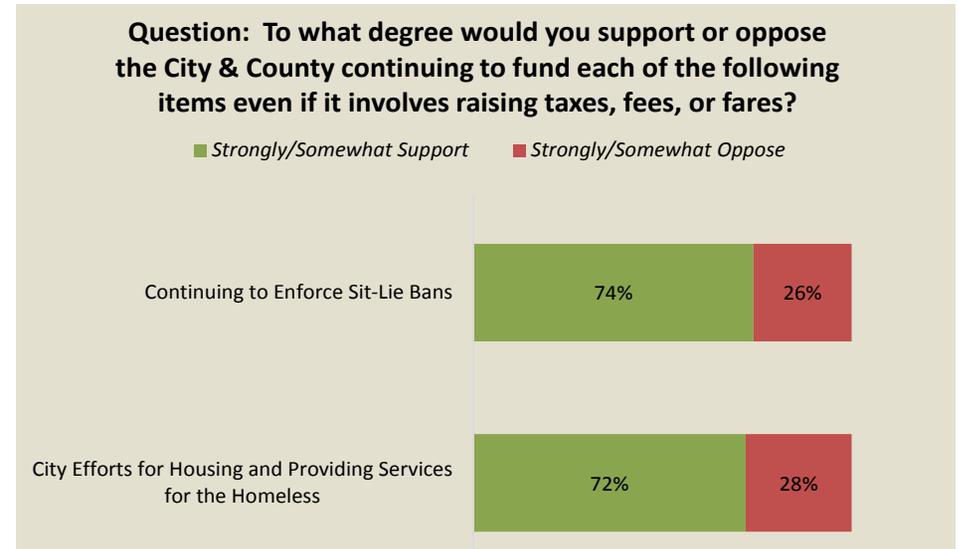
In FY 2015, the Housing Office's expenditures were \$106,428, about 2% less than the year before, but a 44% increase over FY 2013 when the office was established. The Office of Housing explained that the increase in expenditures was due to increasing from 1 filled FTE in FY 2013 to 2 filled FTE in FY 2014. The housing office also incurred outreach expenditures for Housing First.

Total authorized staffing remains stable at 2 FTE over the past three fiscal years.

In FY 2015, the City began its Housing First initiative in partnership with IHS on November 1, 2014 with the goal of providing permanent supportive housing to 115 households experiencing chronic homelessness in one year under a \$2.07 million contract.

In February 2015, the City opened Hawaii's first hygiene center at Pauahi Hale through a partnership with Mental Health Kokua. About 70 people use the facility each day. We have people who routinely stop by to shower and shave before heading to work.

In the 2015 National Citizen Survey, 74% of residents were strongly or somewhat support the City continuing to fund continuing to enforce Sit-Lie bans. About 72% strongly or somewhat support the City continuing to fund housing and providing



Source: 2015 National Citizen Survey (Honolulu)

services for the homeless even if it involves raising taxes. Honolulu residents' ratings for availability of affordable quality housing, variety of housing options are much lower compared to cities nationally. In FY 2015 62% of Honolulu households indicated that they spend 30% or more of household income on housing costs, which is much higher than the benchmarks.

| | Staffing | | | | Citizen Survey (% Excellent or Good) | | | |
|--------------------------|------------------------|----------------------|------------------|---------------------------|--|----------------------------|-------------------------------|---|
| | Operating Expenditures | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ¹ | Availability of Affordable Quality Housing | Variety of Housing Options | NOT Under Housing Cost Stress | Experiencing Housing Cost Stress ² |
| FY 2011 | -- | -- | -- | -- | 9% | 25% | 39% | 61% |
| FY 2012 | -- | -- | -- | -- | 9% | 24% | 41% | 59% |
| FY 2013 | \$74,032 | 2 | 1 | \$37,016 | 9% | 19% | 48% | 52% |
| FY 2014 | \$108,813 | 2 | 0 | \$54,407 | 8% | 20% | 40% | 60% |
| FY 2015 | \$106,428 | 2 | 0 | \$53,214 | 9% | 13% | 38% | 62% |
| Change from last year | -2% | 0% | -- | -2% | 1% | -7% | -2% | 2% |
| Change over last 2 years | 44% | 0% | -100% | 44% | 0% | -12% | -1% | 1% |

Source: Department of Budget and Fiscal Services, 2015 National Citizen Survey (Honolulu). ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²The National Research Center defines housing cost stress as paying 30% or more of monthly household income on housing costs.

Culture and the Arts

The Mayor’s Office of Culture and the Arts (MOCA) serves as the liaison of the Commission on Culture and the Arts and assists in its objectives. MOCA seeks to accomplish the objectives established by ordinance: assist the city in attaining national preeminence in culture and the arts; to assist the city in the preservation of the artistic and cultural heritages of all its people, promote a community environment which provides equal and abundant opportunity for exposure to culture and the arts in all its forms; and encourage and provide equal opportunity for the development of cultural and artistic talents of the people of Honolulu.

MOCA also manages the Art in City Buildings collection; whereby it assists the Commission in the acquisition of works of art.

In FY 2015, operating expenditures were \$521,484 an increase of 6% from \$491,224 in FY 2014. Total authorized staffing has remained at six FTE for the last five years and overtime expenditures totaled \$735 in FY 2015.

During FY 2015, the department accomplished the following:

- The Mayor’s Production Grant program issued \$142,850 in funds to 18 non-profit organizations;
- Art in City Buildings program acquired four works and completed 92 conservation maintenance treatments;

- Coordinated 17 city-sponsored events, attracting more than 232,150 attendees;
- Hosted 17 exhibits with more than 53,000 attendees;
- Managed 70 events with 11,870 attendees at the Mission Memorial Auditorium;
- Managed more than 312 meetings, public hearings, and workshops in the Mission Memorial Hearings Room.



“Ka Wailele O Honua” (1978.14), a wall hanging by Conrad Okamoto completed in 1978. The work of art was funded by the Comprehensive Employment Training Act and was created specifically for the Waianae Satellite City Hall (December 17, 2014).

Photo Courtesy of the Mayor’s Office of Culture and the Arts

| | Staffing | | | | | Citizen Survey (% Excellent or Good) | | | | |
|--------------------------|------------------------|----------------------|------------------|---------------------------|-----------------------------|---|--|---|---|--|
| | Operating Expenditures | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ¹ | Total Overtime Expenditures | Attendance at Culture and the Arts Activities | Works of Art in the City's Public Art Collection | Opportunities to Attend Cultural Activities | Openness and Acceptance of Community to Diverse Backgrounds | Attended a City and County-Sponsored Event |
| | | | | | | | | | | |
| FY 2011 | \$651,950 | 6 | 2 | \$108,658 | \$1,387 | 208,648 | 962 | 71% | 63% | -- |
| FY 2012 | \$648,331 | 6 | 2 | \$108,055 | \$141 | 447,000 | 977 | 69% | 67% | -- |
| FY 2013 | \$809,541 | 6 | 2 | \$134,924 | \$0 | 333,695 | 1,013 | 51% | 57% | 44% |
| FY 2014 | \$491,224 | 6 | 2 | \$81,871 | \$2,495 | 331,350 | 1,076 | 62% | 60% | 42% |
| FY 2015 | \$521,484 | 6 | 1 | \$86,914 | \$735 | 334,500 | 1,099 | 46% | 55% | 47% |
| Change from last year | 6% | 0% | -50% | 6% | -71% | 1% | 2% | -16% | -5% | 5% |
| Change over last 5 years | -20% | 0% | -50% | -20% | -47% | 60% | 14% | -25% | -8% | -- |

Source: Department of Budget and Fiscal Services, Mayor’s Office of Culture and the Arts and 2015 National Citizen Survey (Honolulu). ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE.

Economic Development

The Mayor’s Office of Economic Development (OED) cultivates tourism and hospitality, agriculture, film, and other industries; advances small businesses; strengthens relationships with state, military, federal, and international partners; and coordinates cultural and community festivals and special events.

Operating expenditures for OED were \$1,113,037 in FY 2015, an increase of 13% over FY 2014 and 27% over the past 5 years. The office attributes the increase rising costs for goods, services and events, and sister-city delegation trip costs. Over the past 5 years, authorized FTEs decreased 45% from 5.5 FTE in FY 2015, down from 10 FTE in FY 2011. The office noted the decline in staffing is due to the mayor’s emphasis on fiscal responsibility.

OED administers the Hawai’i Tourism Authority-County Product Enrichment Program (HTA-CPEP) providing grants annually to various Oahu non-profits to diversify Hawai’i tourism. In FY 2015, OED awarded 28 HTA-CPEP grants, a 30% reduction from FY 2011. OED noted that there were fewer grants, but grants were increased for more quality grantees.

The Honolulu Film Office (HonFO) provides leadership in the planning, marketing, development and physical film industry production on O`ahu. The office facilitates all film requests made to the City. The office assists approximately 500 projects annually. In FY 2015, major film projects included “HAWAII FIVE-0” (CBS Television Studios - Season 5), “MIKE & DAVE” (20th Century Fox), “PALI ROAD” (Chinese Feature Film), and “PACIFIC WARRIORS” (Discovery Networks), the Oliver Stone-directed feature film “SNOWDEN”.

Question: To what degree would you support or oppose the City & County continuing to fund the following items even if it involves raising taxes, fees, or fares?

■ Strongly/Somewhat Support ■ Strongly/Somewhat Oppose



The Agricultural Liaison is the City’s first point of contact regarding agricultural issues. Highlights from FY 2015, include: assisting a Paina Hawai’i project for 14 export ready commodities; and convening an internal City working group to meet with the state agriculture department to eradicate invasive fire ant and coconut rhinoceros beetles on O`ahu.

OED coordinates the City’s International Relations and Sister-City Program activities and communications. In FY 2015, OED organized the City’s sister-city signing with Candon, Philippines, 4 mayoral trips to Korea, Japan and Korea; and coordinated and staffed visits by 88 foreign delegations.

In FY 2015, OED collaborated with the Hawaii Strategic Development Corporation/ Creative Industries Hawaii and their fashion incubator, Cut Collective, to move into Chinatown Gateway Plaza. OED’s community revitalization activities included support for Art+Flea x OED Presents: Holiday Chinatown pop-up market supporting local businesses and the neighborhood’s brick and mortar businesses, and HNL Soup + OED Presents: Chinatown SOUP microfunding event.

| | Staffing | | | | Total Overtime Expenditures | Number of HTA-CPEP Grants Awarded ² | Citizen Survey (% Excellent or Good) | | | |
|--------------------------|------------------------|----------------|-----------------------|---------------------------|-----------------------------|--|--------------------------------------|--------------------------|------------------------------------|--|
| | Operating Expenditures | Authorized FTE | Vacant Authorized FTE | Cost per FTE ¹ | | | Economic Development | Employment Opportunities | Vibrant Downtown / Commercial Area | Overall Quality of Business and Service Establishments |
| FY 2011 | \$879,163 | 10 | 6 | \$87,916 | \$1,000 | 40 | 27% | 26% | - | 51% |
| FY 2012 | \$1,177,769 | 6 | 1 | \$196,295 | \$518 | 37 | 30% | 34% | - | 57% |
| FY 2013 | \$0 | 5 | 2 | \$0 | \$0 | 29 | 22% | 24% | 32% | 42% |
| FY 2014 | \$985,767 | 6 | 0 | \$164,295 | \$0 | 26 | 34% | 28% | 34% | 45% |
| FY 2015 | \$1,113,037 | 5.5 | 1.5 | \$202,370 | \$0 | 28 | 24% | 22% | 32% | 33% |
| Change from last year | 13% | -8% | -- | 23% | -- | 8% | -10% | -6% | -2% | -12% |
| Change over last 5 years | 27% | -45% | -75% | 130% | -100% | -30% | -3% | -4% | -- | -18% |

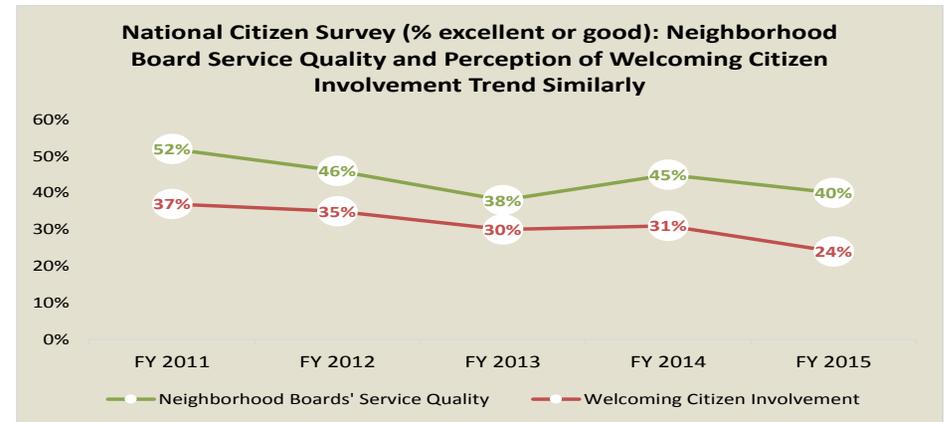
Source: Department of Budget and Fiscal Services, 2015 Department and Agency Reports, and 2015 National Citizen Survey (Honolulu). ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²The HTA-CPEP is based on the calendar year.

Neighborhood Commission Office

NCO expenditures increased 12% over the last five years from \$808,824 in FY 2011 to \$906,236 in FY 2015. According to the commission, the cost increase is due to the increase of more boards videotaping their meetings and increased salaries to keep pace with the collective bargaining. Overtime expenditures increased significantly in FY 2015 compared to FY 2014. The commission reports that there was no election related events used in FY 2014. The increase in FY 2015 was related to the outreach efforts in FY 2013 and in comparison to FY 2011.

Since FY 2013, the NCO has recommitted to increasing general awareness of the neighborhood board system. During FY 2015, the NCO hosted the NCO Tweetup 2: Empowering you through Neighborhood Boards, focusing on the Neighborhood Board Elections and candidate recruitment. Over 60 participants received information about how to apply as a candidate in the election, and engaged in interactive discussions on the role and value of boards in the community.

The National Citizen Survey asked residents to rate the service quality of neighborhood boards. From FY 2014 (45%) to FY 2015 (40%), residents' rating decreased 5%. About 18% of respondents attended a local public meeting in FY 2015. This is *similar* to national benchmarks and for cities with over 300,000 residents.



Source: 2015 National Citizen Survey (Honolulu)



2015 Board Member Installation Ceremony, 06/27/15.

Photo courtesy of Neighborhood Commission Office

| | Citizen Survey (% Excellent or Good) | | | | |
|--------------------------|--------------------------------------|---------------------------------|--|-------------------------------|---|
| | Neighborhood Boards' Service Quality | Attended a Local Public Meeting | Watched a Local Public Meeting Online or on Television | Welcoming Citizen Involvement | Opportunities to Participate in Community Matters |
| FY 2011 | 52% | 21% | 47% | 37% | 58% |
| FY 2012 | 46% | 24% | 56% | 35% | 58% |
| FY 2013 | 38% | 19% | 43% | 30% | 56% |
| FY 2014 | 45% | 18% | 44% | 31% | 59% |
| FY 2015 | 40% | 18% | 39% | 24% | 50% |
| Change from last year | -5% | 0% | -5% | -7% | -9% |
| Change over last 5 years | -12% | -3% | -8% | -13% | -8% |

Source: 2015 National Citizen Survey (Honolulu)

Chapter 17 - Department of the Medical Examiner

The Department of the Medical Examiner (MED) investigates sudden, unexpected, medically unattended, violent, and suspicious deaths. Accurate and timely medicolegal investigations and determination of causes and manners of death are essential to the community and public safety.

The department's goals are to:

- Provide accurate certification of the cause and manner of death and to identify, document and interpret relevant forensic scientific information, while maintaining a high level of competence.
- Protect the public health by diagnosing previously unsuspected contagious disease, and identifying trends affecting the lives of our citizens such as drug-related deaths, number of traffic fatalities, teen suicides, etc.
- Identify new types of illicit drugs appearing in our community.
- Identify hazardous environmental conditions in the workplace, home, and elsewhere.

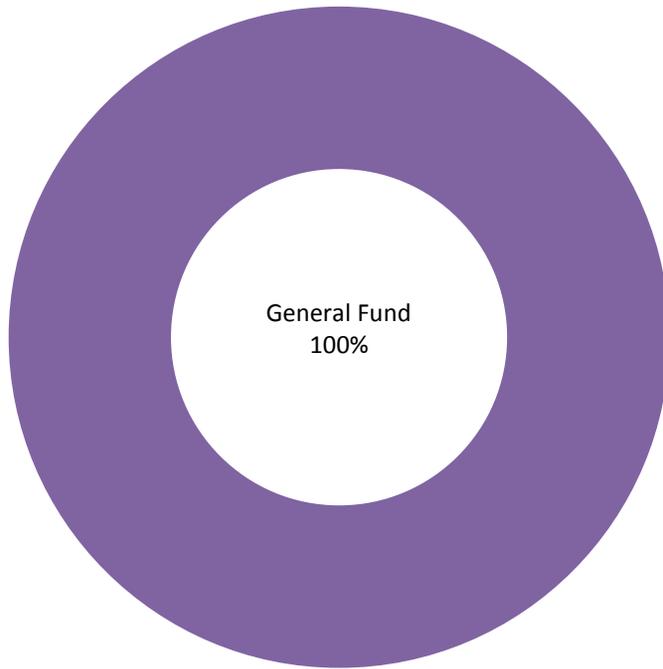


To provide accurate, dignified, compassionate, and professional death investigative services for the City and County of Honolulu's residents and visitors.

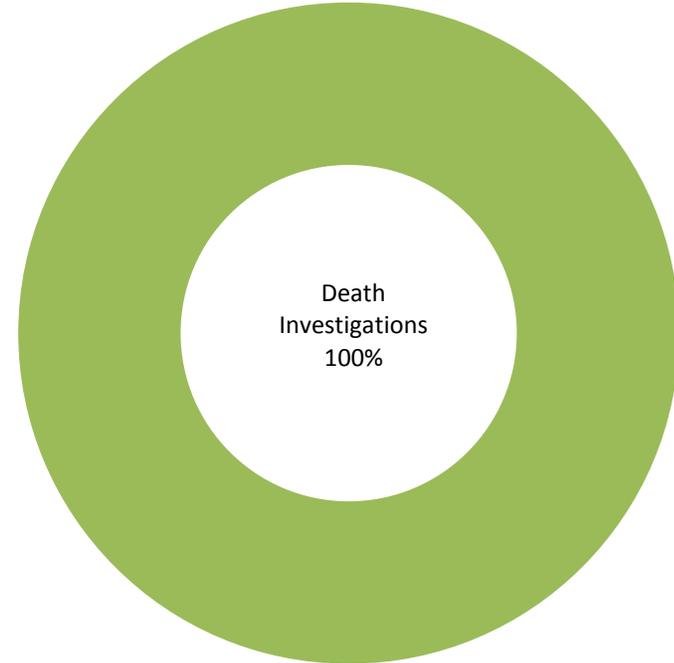
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Operating Expenditures (\$ millions) | Staffing | | Overtime Expenditures ² | | | | |
|--------------------------|--------------------------------------|----------------------|------------------|------------------------------------|----------|-------------|----------------|------------------------|
| | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ¹ | Total | Non-Holiday | Investigations | Autopsies ³ |
| FY 2011 | \$1.2 | 19.0 | 5.0 | \$65,079 | \$48,922 | \$31,180 | 2,149 | 558 |
| FY 2012 | \$1.4 | 19.0 | 2.0 | \$71,318 | \$44,852 | \$29,877 | 2,213 | 454 |
| FY 2013 | \$1.5 | 19.0 | 4.0 | \$78,646 | \$58,819 | \$40,965 | 2,228 | 623 |
| FY 2014 | \$1.6 | 19.0 | 1.0 | \$84,818 | \$51,665 | \$38,366 | 2,255 | 660 |
| FY 2015 | \$1.8 | 19.0 | 0.0 | \$93,573 | \$48,165 | \$31,258 | 2,376 | 748 |
| Change from last year | 10% | 0% | -100% | 10% | -7% | -19% | 5% | 13% |
| Change over last 5 years | 44% | 0% | -100% | 44% | -2% | <1% | 11% | 34% |

Source: Department of Budget Fiscal Services and Department of the Medical Examiner. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services. FY 2015 FTE staffing as of 7-15-2015. ¹Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable. ³Includes adjusted external examination (3:1) totals as recommended by National Association of Medical Examiners

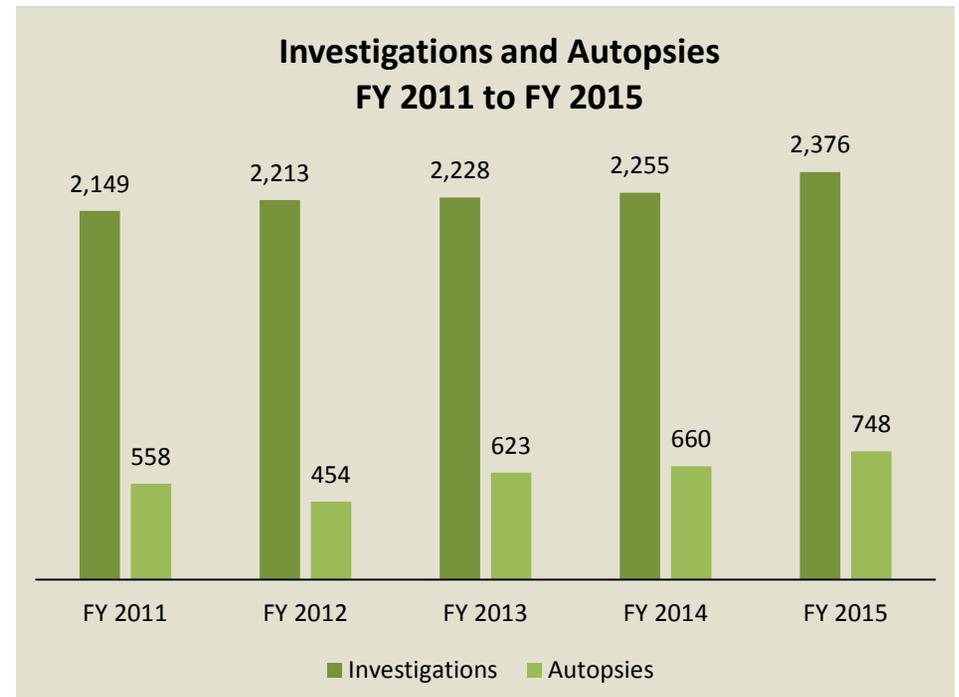
Spending and Staffing

MED is staffed by professionals including board-certified physicians specialized in the areas of anatomic and forensic pathology, medical examiner investigators, laboratory technologists, autopsy assistants, and administrative personnel. In FY 2015, the department updated laboratory equipment for the evaluation of drugs and alcohol.

Over the past five years, the department’s vacant FTEs decreased 100%. The department attributes the decrease to the filling of all vacant funded positions.

The number of investigations and autopsies increased respectively by 11% and 34% from FY 2011 to FY 2015.

Over the past five years, the cost per deaths MED investigated increased 30% from \$575 (FY 2011) to \$748 (FY 2015).



Source: Department of the Medical Examiner



Medical Examiner Facility in Iwilei

Source: Office of the City Auditor



Prosecutors Examine Digital X-Ray

Source: Department of the Medical Examiner

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Chapter 18 - Department of Parks and Recreation

The Department of Parks and Recreation (DPR) manages, maintains, and operates all city parks and recreational facilities; develops and implements programs for cultural and recreational activities; and beautifies the city's public streets. The city had 296 parks that encompassed more than 5,100 acres in FY 2015. DPR is divided into three divisions: Executive Services; Division of Urban Forestry; and Park Maintenance and Recreation Services.

The department's goals are to:

- Provide parks and recreational opportunities that are accessible, enjoyable, meaningful, safe, well-designed and well-maintained.
- Promote increased efficiency, effectiveness, and responsiveness in the delivery of parks and recreational programs and services.



Clockwise from top right: Waipahu District Park Gym; Waipahu District Park; Patsy T. Mink Central O`ahu Regional Park; and Department of Parks and Recreation logo

Sources: Honolulu Photo Bank, Department of Parks and Recreation, Office of the City Auditor

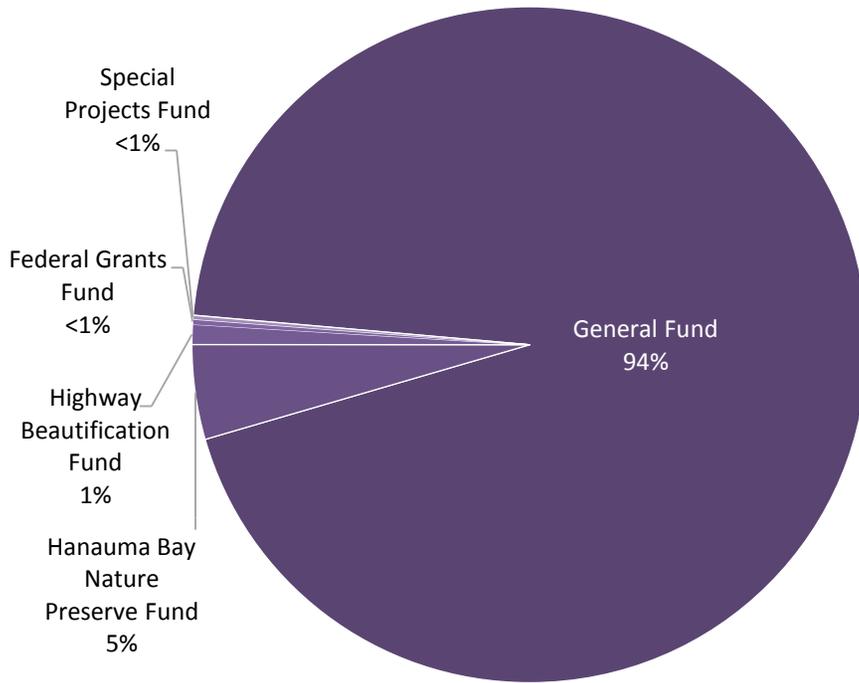


To provide parks and recreational services and programs that enhance the quality of life for the people of the City and County of Honolulu.

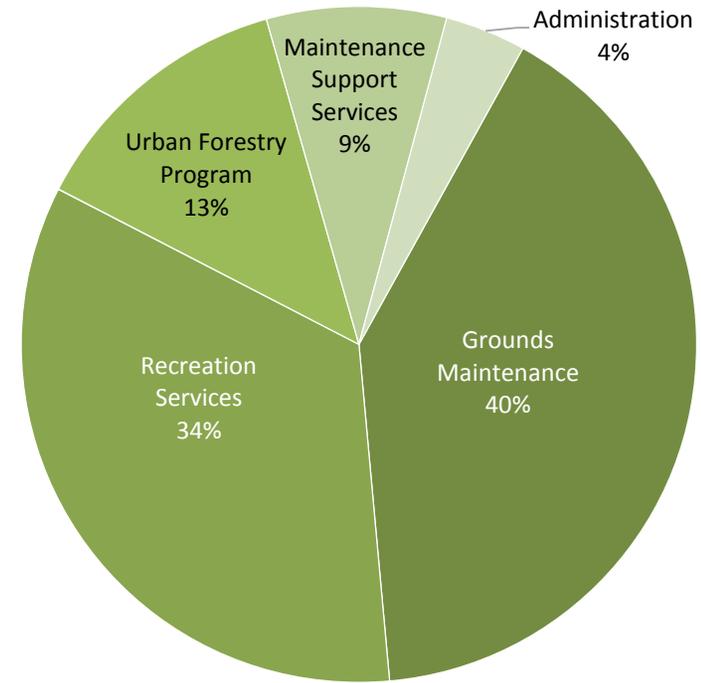
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses



| | Total Operating Expenditures (\$ millions) | Revenues (\$ millions) | Staffing | | | Overtime Expenditures ³ | | Citizen Survey (% Excellent or Good) |
|--------------------------|--|------------------------|----------------|-----------------------|---------------------------|------------------------------------|-------------|--------------------------------------|
| | | | Authorized FTE | Vacant Authorized FTE | Cost Per FTE ² | Total (\$ millions) | Non-Holiday | |
| | | | | | | | | |
| FY 2011 | \$55.0 | \$5.6 | 930.3 | 214.9 | \$59,173 | \$0.9 | \$578,122 | 60% |
| FY 2012 | \$59.1 | \$6.2 | 941.3 | 219.3 | \$62,802 | \$1.0 | \$711,115 | 52% |
| FY 2013 | \$62.0 | \$5.9 | 905.8 | 155.0 | \$68,420 | \$1.0 | \$716,929 | 49% |
| FY 2014 | \$63.3 | \$6.4 | 948.3 | 205.9 | \$66,749 | \$1.0 | \$744,183 | 54% |
| FY 2015 | \$64.6 | \$6.6 | 868.3 | 111.5 | \$74,414 | \$1.2 | \$854,049 | 44% |
| Change from last year | 2% | 3% | -8% | -46% | 11% | 16% | 15% | -10% |
| Change over last 5 years | 17% | 17% | -7% | -48% | 26% | 35% | 48% | -16% |

Sources: 2015 National Citizen Survey (Honolulu). The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.

¹Percentages do not total 100% due to rounding. ²Cost Per FTE= Total Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Spending and Staffing

The Department of Parks and Recreation is the host to thousands of events throughout O`ahu, e.g. soccer, baseball and softball tournaments, competitive and fun runs, picnics, tennis tournaments, swim meets, camping, Easter egg hunts, Halloween haunted houses, various festivals, and other activities.

In FY 2015, the department partnered with the Waikiki Business Improvement District to open a 24-hour comfort station at Kuhio Beach park. The department was also responsible for the annual Mayor's Memorial Day Ceremony at the National Cemetery of the Pacific by coordinating the event with federal, state, city agencies, and numerous business and community organizations.

The department's operating expenditures increased 17% over the last five years. The department attributes the increase to parks revitalization project initiatives, parks improvement for the Leeward Coast, preventive maintenance, and collective bargaining wage increases.

The department's revenue increased 17% from \$5.6 million to \$6.6 million over the last five years.

Authorized staffing decreased by 7% between FY 2011 and FY 2015 from 930.3 FTE to 868.3 FTE. Vacant FTE decreased 48% over the last five years.

There was a 10% decrease in *excellent* or *good* ratings for city and county parks in the 2015 National Citizen Survey (from 54% in FY 2014 to 44% in FY 2015). This rating is much lower than the benchmark comparison.



Kapi`olani Park Bandstand

Source: Honolulu Photo Bank



Kalakaua Boxing Gym

Source: Honolulu Photo Bank

Executive Services

Administration

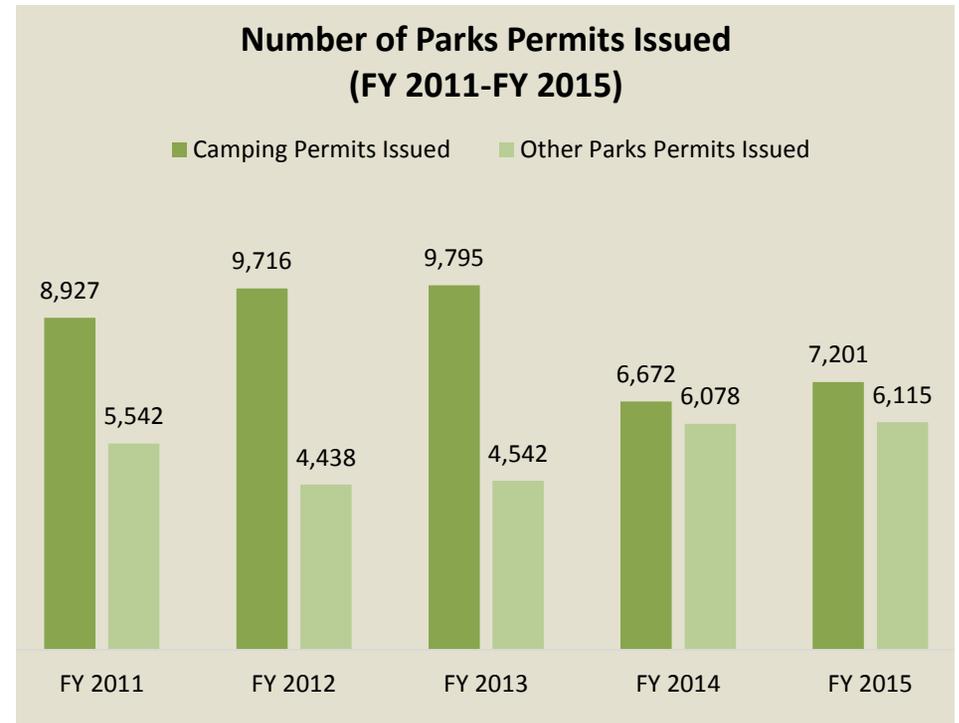
Department administration directs the overall management, maintenance and operations of the city’s park system and recreation services. It also coordinates with the Honolulu Police Department to enforce park rules and regulations in order to maintain public safety.

Over the past five years, Administration’s expenditures increased 19% from \$2.1 million in FY 2011 to \$2.5 million in FY 2015. The department attributes the increase to higher cost of administering drug testing, Hepatitis B vaccine shots, and fingerprinting for prospective employees.

The Executive Services Office oversees the issuance of park and recreational use permits. Activities that require park permits include camping, large picnic groups, sports activities, recreational activities, meetings held by organizations or groups, non-recreational public service activities, certain musical performances, and commercial activities.

The department provided its staff with 13,527 hours of training in FY 2015. Training hours increased by 50% over the last five years.

The department issued 7,201 camping permits in FY 2015, a decrease of 19% over the past five years. The department collected \$321,611 in camping fees for FY 2015.



Source: Department of Parks and Recreation

| | Administration Expenditures (\$ millions) | Camping Permits Issued | Other Parks Permits Issued | Total Park Permits Issued | Training Hours | Summer Hires |
|--------------------------|---|------------------------|----------------------------|---------------------------|----------------|--------------|
| FY 2011 | \$2.1 | 8,927 | 5,542 | 14,469 | 9,035 | 686 |
| FY 2012 | \$2.8 | 9,716 | 4,438 | 14,154 | 16,204 | 702 |
| FY 2013 | \$2.0 | 9,795 | 4,542 | 14,337 | 13,478 | 714 |
| FY 2014 | \$1.9 | 6,672 | 6,078 | 12,750 | 13,326 | 729 |
| FY 2015 | \$2.5 | 7,201 | 6,115 | 13,316 | 13,527 | 753 |
| Change from last year | 29% | 8% | 1% | 4% | 2% | 3% |
| Change over last 5 years | 19% | -19% | 10% | -8% | 50% | 10% |

Source: Department of Budget and Fiscal Services and Department of Parks and Recreation.

Park Maintenance and Recreation Services

Recreation Services

Park Maintenance and Recreation Services administers a comprehensive and diversified community recreation and park maintenance program for the city, coordinating the activities of the five geographical districts and includes Recreation Support Services, and Maintenance Support Services. Over the last five years, the division's expenditures increased 18% from \$18.6 million to \$22.0 million. The department attributes the increase to parks improvement for the Leeward Coast and collective bargaining wage increases.

In FY 2015, the division provided recreational activities for 55,010 participants in its tiny tots, children, teens, adults and seniors recreation programs.

Since 1973, the city's People's Open Market program has supported diversified local agriculture and aquaculture by providing 25 open market sites across O'ahu. The city's People's Open Market schedule is found online at: <http://www1.honolulu.gov/parks/programs/pom/schedules.htm>.

In the 2015 National Citizen Survey, residents rating recreation services *excellent* or *good* were: recreation programs (47%), and recreation centers (40%). Residents rating recreational opportunities (57%) *excellent* or *good* were similar to the national comparison and benchmarks for jurisdictions with populations over 300,000.



People's Open Market

Source: Honolulu Photo Bank

| | Recreation Services Expenditures (\$ millions) | Total Number of Recreation Centers | Registrants in Recreation Services/Activities | | | | | Citizen Survey Used City and County Recreation Centers |
|--------------------------|--|------------------------------------|---|----------|-------|--------|---------|--|
| | | | Tiny Tots | Children | Teens | Adults | Seniors | |
| FY 2011 | \$18.6 | 63 | 1,672 | 22,815 | 4,865 | 10,339 | 15,055 | 52% |
| FY 2012 | \$20.2 | 63 | 1,637 | 22,043 | 5,136 | 9,148 | 15,310 | 57% |
| FY 2013 | \$20.4 | 80 | 1,291 | 27,638 | 4,926 | 8,166 | 15,243 | 56% |
| FY 2014 | \$21.6 | 80 | 1,304 | 21,696 | 5,211 | 11,796 | 22,170 | 60% |
| FY 2015 | \$22.0 | 80 | 1,459 | 23,355 | 5,045 | 9,915 | 15,236 | 61% |
| Change from last year | 2% | 0% | 12% | 8% | -3% | -16% | -31% | 1% |
| Change over last 5 years | 18% | 27% | -13% | 2% | 4% | -4% | 1% | 9% |

Source: Department of Parks and Recreation, Department of Budget and Fiscal Services, and 2015 National Citizen Survey (Honolulu).

Park Maintenance and Recreation Services

Grounds Maintenance

Grounds Maintenance maintains all city parks and recreation facilities on O`ahu. It is responsible for grounds keeping, custodial and maintenance services. In FY 2015, the department supported the mayor's priority for re-establishing pride in city parks with various improvements:

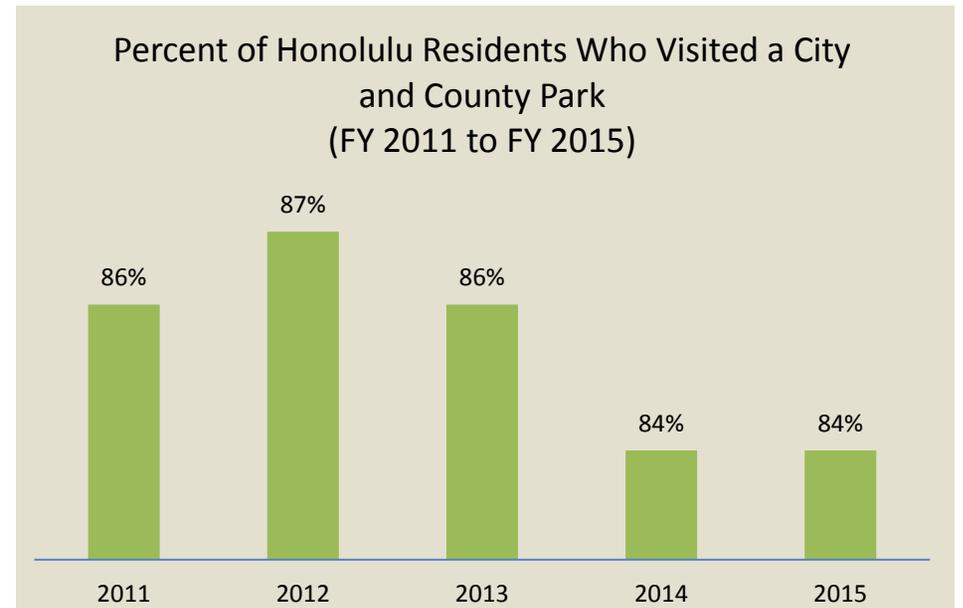
- Ala Wai Community Park— completed ballfield lighting reconstruction.
- Banzai Rock Beach Support (Skate) Park—completed Phase 2 of the parking lot reconstruction and expansion project.
- Kanewai Community Park-completed Phase 1 of construction improvements to include retaining wall, pedestrian walkways, and stairs.
- Lanakila District Park-completed field light project.
- Maili Beach Park-renovated recreation facility.
- Waipio Peninsula Soccer Park-finished two new comfort stations.

Approximately 84% of Honolulu residents reported visiting a city and county park in the 2015 National Citizen Survey. This percentage was similar to the national comparison and benchmarks for jurisdictions with populations over 300,000.



Mā'ili Beach Park

Source: Honolulu Photo Bank



Source: Office of the City Auditor (Photo) and 2015 National Citizen Survey (Honolulu)

Park Maintenance and Recreation Services

Maintenance Support

Maintenance Support Services provides expertise in repair and maintenance projects for city parks and facilities. In FY 2015, operating expenditures were \$5.5 million, an increase from \$4.7 million in FY 2011. The department attributes the increase to higher cost of building and construction materials, preventive maintenance, and collective bargaining wage increases.

Maintenance Support Services completed 2,492 services and repairs for carpentry, painting, plumbing, and heavy equipment. The number of carpentry repair and service and painting service work orders increased by 122% and 170% respectively over the last five years. The number of plumbing repair and heavy equipment service work orders increased by 29% and 94%, respectively, over the last five years.



Kapolei Regional Park

Source: Office of the City Auditor

| | Maintenance Support Services Expenditures (\$ millions) | Grounds Maintenance Expenditures (\$ millions) | Maintenance Support Services | | | | Grounds Maintenance | Citizen Survey |
|--------------------------|---|--|------------------------------|------------------|-----------------------------|-------------------------|---------------------|--|
| | | | Carpentry Repair and Service | Painting Service | Plumbing Repair and Service | Heavy Equipment Service | Park Acreage | Percent who visited a neighborhood or City and County Park |
| FY 2011 | \$4.7 | \$21.9 | 199 | 164 | 1,075 | 113 | 5,147 | 86% |
| FY 2012 | \$5.0 | \$23.0 | 395 | 207 | 1,437 | 211 | 5,132 | 87% |
| FY 2013 | \$6.2 | \$25.1 | 302 | 205 | 1,430 | 139 | 5,132 | 86% |
| FY 2014 | \$5.5 | \$25.9 | 188 | 148 | 1,399 | 245 | 5,132 | 84% |
| FY 2015 | \$5.5 | \$26.2 | 442 | 443 | 1,388 | 219 | 5,132 | 84% |
| Change from last year | 2% | 1% | 135% | 199% | -1% | -11% | 0% | 0% |
| Change over last 5 years | 19% | 19% | 122% | 170% | 29% | 94% | <-1% | -2% |

Source: Department of Parks and Recreation, Department of Budget and Fiscal Services, and 2015 National Citizen Survey (Honolulu).

Urban Forestry

The Urban Forestry division manages the horticulture and botanical garden programs. The Honolulu Botanical Gardens (HBG) includes five botanical gardens and the Community Recreational Gardening program. The horticulture program is responsible for maintaining plants along public roadways, parks and pedestrian malls.

In FY 2015, the division removed 533 hazardous and/or invasive trees. Thirteen major sites of invasive species were also cleared. The division monitored the health of 43,856 trees, performed early tree care and low pruning of 2,975 trees, and planted 742 park and street trees island-wide.

The division monitored membership of more than 2,000 gardeners who participated in recreational gardening at the department's 11 community garden sites. There are 11 community garden sites across O`ahu:

- Ala Wai
- Diamond Head
- Dole
- Foster
- Hawai`i Kai
- Kane`ohe
- Makiki
- Manoa
- Mo`ili`ili
- Mutual Lane
- Wahiawa

Honolulu Botanical Gardens



Source: Department of Parks and Recreation

| | Urban Forestry Program Expenditures (\$ millions) | Botanical Gardens Visitors | Foster Botanical Garden Revenue | Exceptional Tree Designations ¹ | Trees on Inventory | Trees Planted | Trees Removed |
|--------------------------|---|-------------------------------|------------------------------------|---|-----------------------|---------------|---------------|
| FY 2011 | \$7.8 | 221,686 | \$115,042 | 792 | 232,163 | 1,835 | 1,796 |
| FY 2012 | \$8.0 | 264,872 | 122,376 | 808 | 238,981 | 1,568 | 1,972 |
| FY 2013 | \$8.2 | 261,841 | \$116,812 | 780 | 237,886 | 562 | 1,657 |
| FY 2014 | \$8.4 | 252,985 | 134,815 | 780 | 238,802 | 1,703 | 803 |
| FY 2015 | \$8.4 | 303,241 | 114,648 | 780 | 239,945 | 1,646 | 533 |
| Change from last year | <1% | 20% | -15% | 0% | <1% | -3% | -34% |
| Change over last 5 years | 8% | 37% | <-1% | -2% | 3% | -10% | -70% |

Source: Department of Parks and Recreation, Department of Budget and Fiscal Services. ¹An exceptional tree is an individual tree, stand, or grove with historic or cultural value, or which by reason of its age, rarity, location, size, esthetic quality, or endemic status has been designated by the county committee as worthy of preservation. Exceptional trees may be designated generally by biotaxy or individually by location or class.

Chapter 19 - Department of Planning and Permitting

The Department of Planning and Permitting (DPP) is responsible for the city’s long-range and community planning efforts. It administers and enforces various permits required for development, land use and codes pertaining to building construction, and city standards and regulations related to infrastructure requirements. DPP is comprised of eight groups: Administration, Honolulu Land Information System, Building, Customer Service, Land Use Permits, Planning, Transit-Oriented Development¹, and Site Development.

The department also provides administrative support for the Planning Commission, the Zoning Board of Appeals, the Building Board of Appeals, and the Design Advisory Committee.

| | | | |
|---|--|--|--|
| <p style="text-align: center;">Administration</p> <ul style="list-style-type: none"> Plans, directs, and coordinates department activities including personnel management, budget preparation and fiscal management; and administers the Honolulu Land Information System (HoLIS) and the city’s Geographic Information System (GIS). | <p style="text-align: center;">Honolulu Land Information System</p> <ul style="list-style-type: none"> Manages the GIS and oversees the operations that maintain, protect, store, and utilize geospatial data related to citywide programs and projects; and maintains, edits, and updates the city’s multipurpose cadaster and land records base maps. | <p style="text-align: center;">Building</p> <ul style="list-style-type: none"> Administers and enforces building, electrical, plumbing, building energy efficiency, and housing codes; reviews permit applications, plans, and specifications for building, relocation, and sign permits; and inspects for compliance with approved plans and pertinent codes. | <p style="text-align: center;">Customer Service</p> <ul style="list-style-type: none"> Operates the consolidated permit counter; maintains the department’s various historical and current property and permit records; and processes complaints and inspects existing buildings, structures, vacant lots, and sidewalks to address unsafe and substandard conditions. |
| <p style="text-align: center;">Land Use Permits</p> <ul style="list-style-type: none"> Administers the Land Use Ordinances and all regulations and permits pertaining to land use within the city; and administers the special management area and shoreline setback ordinances and processes all required special management area permits. | <p style="text-align: center;">Planning</p> <ul style="list-style-type: none"> Prepares, evaluates, and revises the <i>O’ahu General Plan</i> and long-range regional development plans; processes applications for public infrastructure map amendments, zone changes and state special use permits; and monitors compliance with zone changes including affordable housing requirements. | <p style="text-align: center;">Transit-Oriented Development</p> <ul style="list-style-type: none"> Guides the development around the city’s proposed train stations and routes that are being built by the Honolulu Authority for Rapid Transportation (HART). | <p style="text-align: center;">Site Development</p> <ul style="list-style-type: none"> Administers and enforces subdivision and grading ordinances, and drainage regulations; and processes subdivision applications, review subdivision construction plans, and conducts site inspections to ensure compliance with city guidelines. |

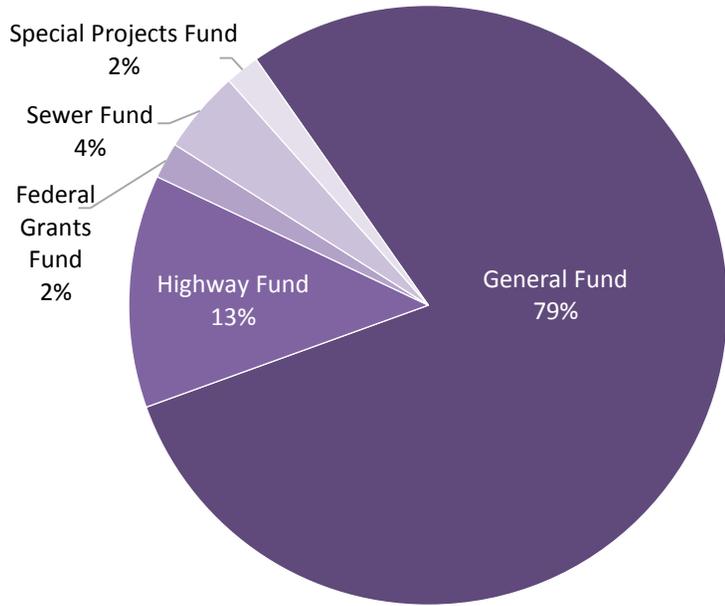
¹Transit-Oriented Development became a division in FY 2015.

To provide the public with efficient, timely service that is responsive and effective in guiding development to protect our unique resources and environment; provide livable neighborhoods that are compatible to their adjacent communities; provide a community that is responsive to the residents’ social, economic, cultural, and recreational needs; and ensure the health and safety of our residents.

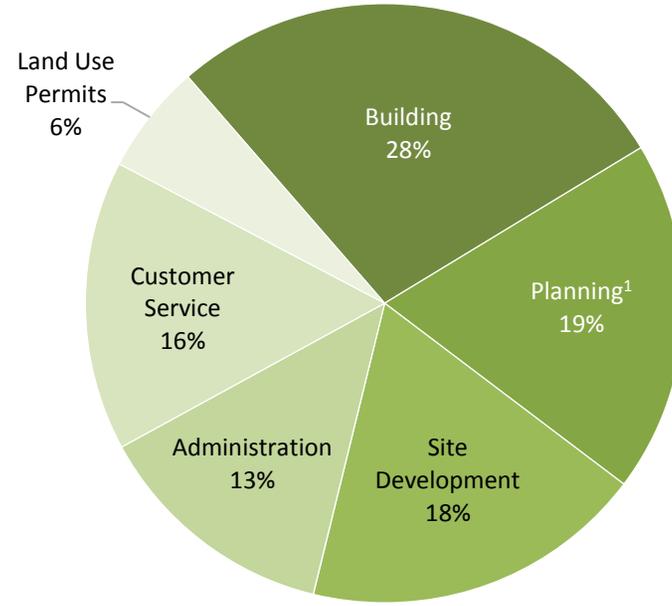
Mission Statement

Spending and Staffing

Fund Sources



Fund Uses



| | Staffing | | | | | |
|--------------------------|---------------------------|--|----------------------|---------------------|---------------------------|---------------------------------------|
| | Revenues (\$ millions) | Operating Expenditures (\$ millions) | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | Overtime Expenditures ³ |
| FY 2011 | \$12.9 | \$15.9 | 330.0 | 78.0 | \$48,140 | \$59,778 |
| FY 2012 | \$13.8 | \$16.6 | 333.0 | 91.0 | \$49,783 | \$97,815 |
| FY 2013 | \$15.8 | \$15.5 | 332.0 | 76.0 | \$46,744 | \$146,768 |
| FY 2014 | \$24.4 | \$19.4 | 337.0 | 78.0 | \$57,712 | \$85,230 |
| FY 2015 | \$23.9 | \$19.4 | 304.0 | 38.0 | \$63,789 | \$145,309 |
| Change from last year | -2% | <-1% | -10% | -51% | 11% | 70% |
| Change over last 5 years | 84% | 22% | -8% | -51% | 33% | 143% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Transit-Oriented Development became a division in FY 2015. Budget, expenditures and staffing for the Planning and TOD divisions are reported together in FY 2015. ²Cost Per FTE= Operating Expenditures/Total Authorized FTE. ³Overtime pay is established by bargaining unit agreement, as applicable.

Highlights

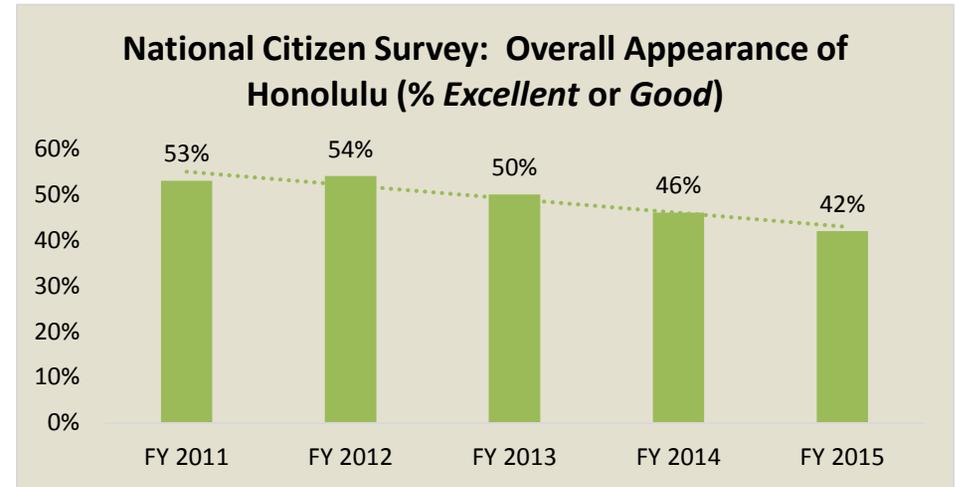
In FY 2015, the Department of Planning and Permitting’s operating expenditures totaled \$19.4 million, a decline of less than 1% from last year, but a 22% increase from FY 2011. The department attributed the five-year increase to collective bargaining, reallocations, and the creation and filling of Transit-Oriented Development (TOD) Division positions. Consultant contracts for TOD also increased.

Department revenues totaled \$23.9 million in FY 2015, a 2% decrease from last year, but an 84% increase from five years ago.

The department had 304 authorized FTE positions in FY 2015, a 10% decline from FY 2014 and 8% fewer compared to FY 2011. The 38 department vacancies in FY 2015 is 51% less than a year ago, and 51% less compared to five years ago. The department explained that in FY 2015, 33 positions were deactivated to reflect the positions that could be filled and critical to operations.

Overtime costs totaled \$145,309 in FY 2015, a 70% increase from FY 2014 and a 143% increase from FY 2011. The department commented that increased overtime was attributed to keeping up with workload while recruiting to fill vacant positions; and for conducting community outreach (e.g. workshops and seminars) for TOD-related programs. Many of the TOD activities are held during the evening or on weekends, resulting in increased overtime to staff these activities.

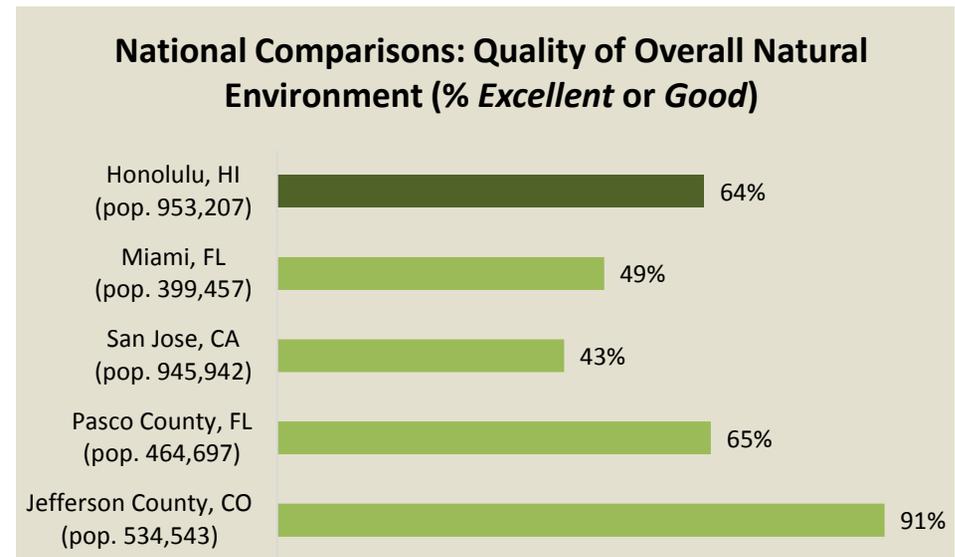
In the FY 2015 National Citizen Survey, 42% of Honolulu residents rated Honolulu’s overall appearance as *excellent* or *good*, a 4% decrease from last year and an 11% decline compared to five years ago. This rating is lower compared to benchmarks both nationally and for cities with populations of 300,000 or more.



Source: 2011-2015 National Citizen Survey

| | Citizen Survey (% <i>Excellent</i> or <i>Good</i>) | |
|--------------------------|---|---|
| | Overall Appearance of Honolulu | Overall "Built Environment" of Honolulu (Including Overall Design, Buildings, Parks and Transportation Systems) |
| FY 2011 | 53% | -- |
| FY 2012 | 54% | -- |
| FY 2013 | 50% | 34% |
| FY 2014 | 46% | 37% |
| FY 2015 | 42% | 27% |
| Change from last year | -4% | -10% |
| Change over last 5 years | -11% | -- |

Source: 2015 National Citizen Survey (Honolulu)



Source: 2015 National Citizen Survey (Honolulu) and various city websites.

Administration

Administration plans, directs, and coordinates department activities including personnel management, budget preparation and fiscal management. It is also responsible for administering the Honolulu Land Information System (HoLIS) and the city's Geographic Information System (GIS). These programs relate to DPP's goals to: provide a comprehensive and integrated information source of geographic information systems; and improve the city's operational services.

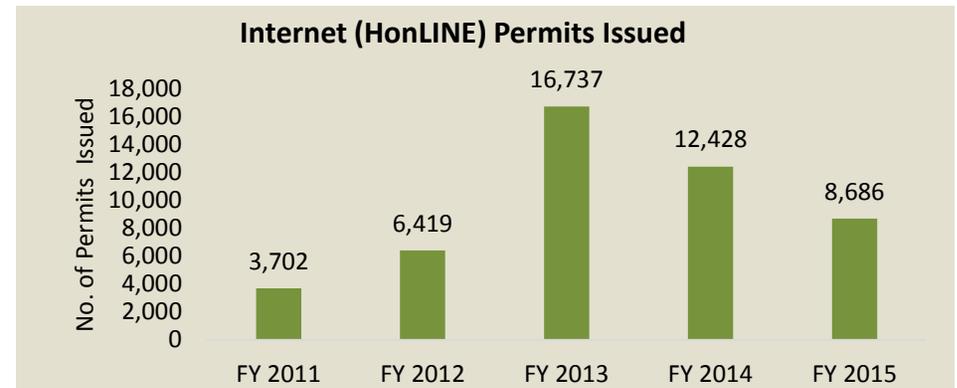
HoLIS manages the GIS and oversees the operations that maintain, protect, store, and utilize geospatial data related to citywide programs and projects. It also maintains, edits, and updates the city's multipurpose cadastre¹ and land records base maps.

Administration expenditures totaled \$2.6 million in FY 2015, a decrease of 7% from FY 2014, but a 19% increase from FY 2011. The department noted that the 19% increase over the last five years is due to collective bargaining and reallocation of staff. HoLIS operating expenditures of \$1.5 million in FY 2015 is a 4% decrease from a year ago, but a 16% increase from five years ago. The department attributed the 4% decline from last year to an unfilled position and consultant contracts not being executed.

During FY 2015, the division created transit-oriented development (TOD) zoning before/after web map, deployed open geospatial data portal with bike paths and TOD zoning changes, and beach access public web maps. Permitting system enhancements include establishing *ePlan* pre-screen qualifications, providing on-line payment capability for master tracts, and updating new building site plans and addressing standards.

HoLIS maintains HonLINE, the city's web-based permitting program that enables users to apply, pay, and print city building permits for single family, solar, electrical, plumbing, air conditioning, photovoltaic, and fence work entirely online. In FY 2015, the total number of GIS work orders completed increased 18% from FY 2014 and 62% from FY 2011. The department attributed the increase to general increased demand for HoLIS services to produce GIS-based informational reports and access to data. The number of HonLINE permits issued declined 30% compared to last year, but increased 135% from five years ago. The department explained that the variability in number of permits issued over the last five years is associated with the fluctuating demand for solar permits.

Over the last five years, the number of maps and exhibits prepared, and the number of total visits to the GIS website increased 52% and 22%, respectively.



Source: Department of Planning and Permitting

| | Operating Expenditures (\$ millions) | | Honolulu Land Information System (HoLIS) | | | | Internet (HonLINE) Permits Issued | Total Visits to GIS Website |
|--------------------------|--------------------------------------|--------|--|---------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-----------------------------|
| | Honolulu Land Information System | | Total GIS Work Orders Completed | Total GIS Data Maintenance Jobs | Total Maps and Exhibits Prepared | Total New POSSE Permit Jobs Created | | |
| | Administration | System | | | | | | |
| FY 2011 | \$2.2 | \$1.3 | 368 | 1,295 | 290 | 83,652 | 3,702 | 313,411 |
| FY 2012 | \$2.4 | \$1.0 | 365 | 1,667 | 394 | 102,815 | 6,419 | 362,500 |
| FY 2013 | \$2.3 | \$1.3 | 601 | 1,572 | 129 | 135,090 | 16,737 | 395,200 |
| FY 2014 | \$2.8 | \$1.6 | 507 | 1,300 | 380 | 121,040 | 12,428 | 671,344 |
| FY 2015 | \$2.6 | \$1.5 | 596 | 1,159 | 442 | 110,633 | 8,686 | 381,977 |
| Change from last year | -7% | -4% | 18% | -11% | 16% | -9% | -30% | -43% |
| Change over last 5 years | 19% | 16% | 62% | -11% | 52% | 32% | 135% | 22% |

Source: Department of Budget and Fiscal Services and Department of Planning and Permitting. ¹Cadastre is defined as an official register of the quantity, value and ownership of real estate used in apportioning taxes.

Building

The Building Division is responsible for administering and enforcing building, electrical, plumbing, building energy efficiency, and housing codes. The division also reviews permit applications, plans, and specifications for building, relocation, and sign permits. Additionally, it inspects buildings, structures, sidewalks, and driveways under construction for compliance with approved plans and pertinent codes.

In FY 2015, the department continued to enhance customer service to the public via its third-party review process. This private-public cooperation provides customers the option to use a certified third-party building code review in lieu of city staff for the building permit issuance. Approximately one-third of the commercial building permits issued, or 800 building permits, are issued annually via third-party review.

The division's operating expenditures of \$5.4 million in FY 2015 was a slight decline from FY 2014, but an increase of 12% from FY 2011. The department explained that the five-year increase was due to collective bargaining increases and reallocations that occurred.

The total number of building code complaints serviced declined 6% and 15% from FY 2014 and FY 2011, respectively. The total number of building inspections conducted also decreased 20% from last year and 26% from five years ago.

The division reviewed 3,688 building/sign permit applications in FY 2015, which was 18% fewer than a year ago and 31% less than five years ago.



Source: Department of Planning and Permitting

| | Operating Expenditures (\$ millions) | Total Building Code Complaints Serviced | Total Building Code Inspections Conducted | Total Building Code Violation Notices Issued | Total Electrical Code Inspections Conducted | Total City Photovoltaic Inspections | Total Third Party Photovoltaic Inspections ¹ | Mechanical Code Inspections Conducted | Building/Sign Permit Applications Reviewed |
|--------------------------|--------------------------------------|---|---|--|---|-------------------------------------|---|---------------------------------------|--|
| FY 2011 | \$4.8 | 3,821 | 66,788 | 582 | 28,535 | 2,544 | - | 30,209 | 5,343 |
| FY 2012 | \$5.0 | 3,620 | 65,400 | 480 | 33,355 | 6,312 | - | 27,955 | 6,286 |
| FY 2013 | \$4.9 | 3,054 | 63,090 | 429 | 38,232 | 14,790 | 394 | 23,629 | 8,831 |
| FY 2014 | \$5.4 | 3,458 | 61,686 | 536 | 36,676 | 12,013 | 2,272 | 23,399 | 4,523 |
| FY 2015 | \$5.4 | 3,245 | 49,506 | 498 | 33,367 | 6,139 | 1,479 | 21,696 | 3,688 |
| Change from last year | <1% | -6% | -20% | -7% | -9% | -49% | -35% | -7% | -18% |
| Change over last 5 years | 12% | -15% | -26% | -14% | 17% | 141% | -- | -28% | -31% |

Source: Department of Budget and Fiscal Services, Department of Planning and Permitting. ¹Third Party Photovoltaic inspections began with the adoption of Ordinance 12-38 on December 12, 2012.

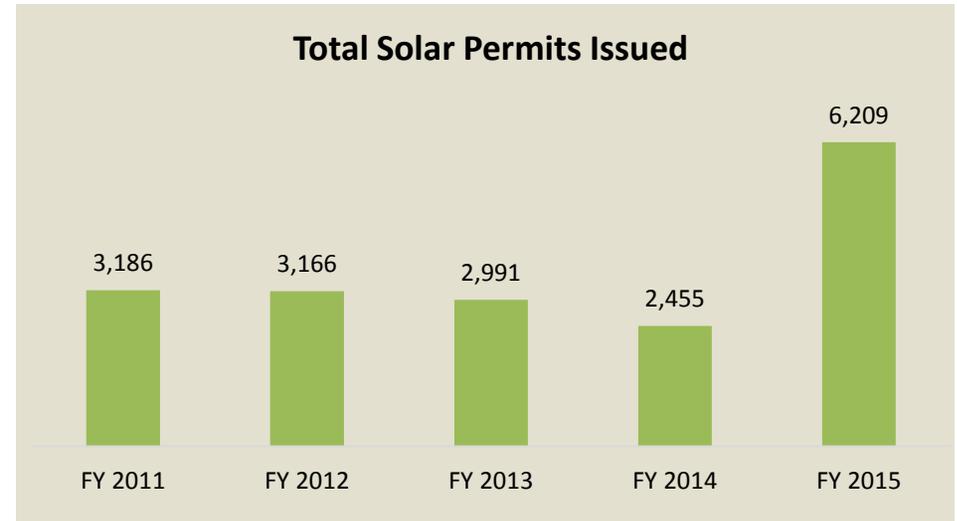
Customer Service

The Customer Service Division (CSD) operates the consolidated permit counter, which handles customer inquiries, processes minor permits, receives permit applications, and collects permit fees. CSD also maintains the department's various historical and current property and permit records. Additionally, it processes complaints and inspects existing buildings, structures, vacant lots, and sidewalks to address unsafe and substandard conditions.

In FY 2015, operating expenditures totaled \$3 million, which was 10% higher than FY 2014 and 16% higher than FY 2011. The department attributed the increases to collective bargaining, reallocations, overtime to keep up with workload and equipment purchases.

The division inspected 2,623 sidewalks in FY 2015. This was 22% fewer inspections than a year ago and 30% fewer than five years ago. The department noted that sidewalk inspections are complaint driven and that fewer complaints resulted in fewer inspections.

The total number of housing units with housing code deficiencies found totaled 338 in FY 2015, a decline of 16% from FY 2014, but an increase of 21% from FY 2011. The department explained that similar to sidewalk inspections, housing code deficiencies are complaint driven and, as the number of complaints increase/decrease, the number of housing code deficiencies are tallied accordingly.



Source: Department of Planning and Permitting

Solar permits issued totaled 6,209 in FY 2015. This represented a 153% increase from last year and a 49% increase from five years ago. According to the department, federal and state tax exemptions have caused the number of solar permits to increase dramatically. Furthermore, the department allows applications to be completed on-line, which further increases the number of applications processed.

| | Operating Expenditures (\$ millions) | Total Sidewalks Inspected | Total Vacant Lots Inspected | Total Housing Units with Housing Code Deficiencies Found | Total Building Permits Issued | Total Solar Permits Issued | Citizen Survey (% Excellent or Good) Overall Customer Service by Honolulu Employees (police, receptionists, planners, etc.) |
|--------------------------|--------------------------------------|---------------------------|-----------------------------|--|-------------------------------|----------------------------|--|
| FY 2011 | \$2.6 | 3,747 | 170 | 280 | 15,631 | 3,186 | 60% |
| FY 2012 | \$2.6 | 3,140 | 151 | 239 | 21,947 | 3,166 | 63% |
| FY 2013 | \$2.5 | 3,747 | 170 | 369 | 30,882 | 2,991 | 37% |
| FY 2014 | \$2.8 | 3,380 | 252 | 400 | 23,391 | 2,455 | 43% |
| FY 2015 | \$3.0 | 2,623 | 174 | 338 | 18,824 | 6,209 | 35% |
| Change from last year | 10% | -22% | -31% | -16% | -20% | 153% | -8% |
| Change over last 5 years | 16% | -30% | 2% | 21% | 20% | 49% | -25% |

Source: Department of Budget and Fiscal Services, Department of Planning and Permitting, and 2015 National Citizen Survey (Honolulu).

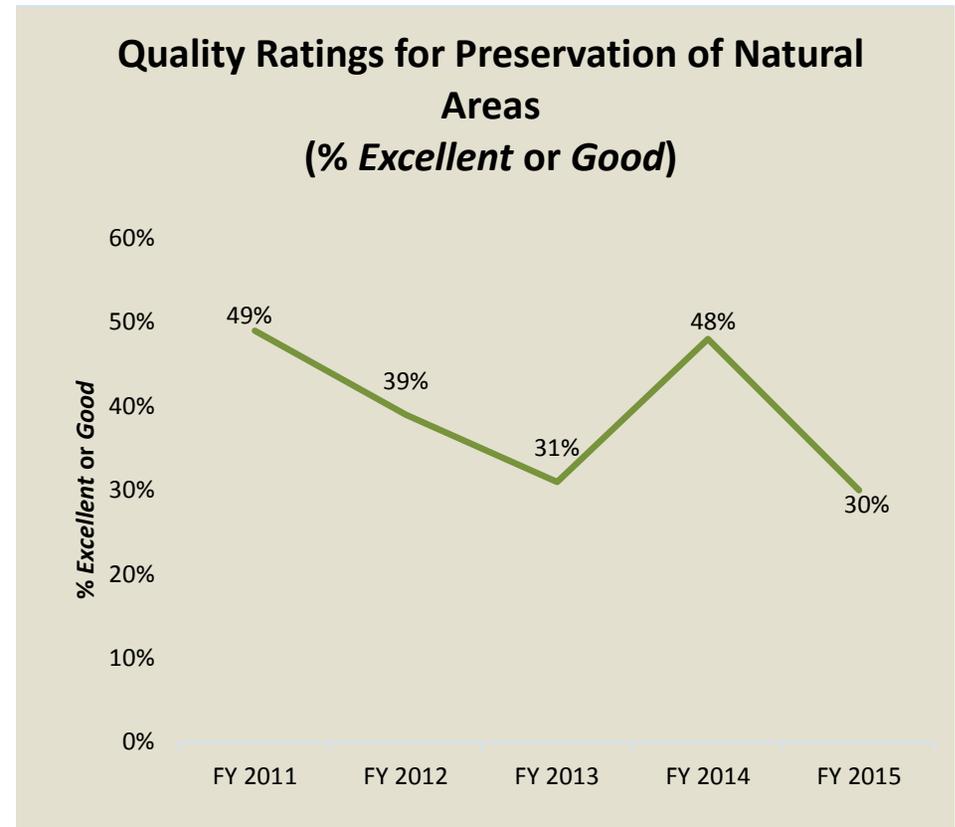
Land Use Permits

Land Use Permits Division (LUPD) administers the Land Use Ordinances (LUO) and all regulations pertaining to land use within the City and County of Honolulu. The division reviews and prepares amendments to the LUO and processes all LUO regulated land use permits. It also administers the special management area and shoreline setback ordinances and processes all required special management area permits, including setback variances and permits for minor shoreline structures.

In FY 2015, the LUPD successfully supported land-use ordinances amendments to establish a special district and other zoning regulations for the implementation of TOD in general, and for the Waipahu and West Loch TOD neighborhood plan areas in particular. The division also participated in the Mayor’s Advisory Arborist Committee, the TOD Sub-cabinet, and the HART Historic Preservation Committee.

The division’s operating expenditures totaled \$1.1 million in FY 2015. This was a 13% increase from FY 2014 and an increase of 8% from FY 2011. The department commented that increased were due to collective bargaining and reallocations that occurred.

The 12 revised environmental assessments/impact statements in FY 2015 was 40% fewer than last year and 43% fewer than five years ago. The 82 conditional use permits (minor/major) issued in FY 2015 was 32% fewer than FY 2014 and 15% fewer than FY 2011. In both cases, the department explained that the declines were the result of normal annual fluctuations related to these kinds of regulatory procedures.



Source: 2015 National Citizen Survey (Honolulu)

| | Operating Expenditures (\$ millions) | Total Special Design District Applications Reviewed | Total Zoning Variances Reviewed | Total Environmental Assessments/Impact Statements Revised | Number of Waivers Granted | Number of Conditional Use Permits (Minor/Major) | Citizen Survey (% Excellent or Good) | |
|--------------------------|--------------------------------------|---|---------------------------------|---|---------------------------|---|--|-------------------------------|
| | | | | | | | Quality of Overall Natural Environment in Honolulu | Preservation of Natural Areas |
| FY 2011 | \$1.1 | 86 | 31 | 21 | 65 | 96 | 67% | 49% |
| FY 2012 | \$1.1 | 85 | 35 | 20 | 55 | 102 | 71% | 39% |
| FY 2013 | \$1.0 | 106 | 30 | 8 | 77 | 121 | 65% | 31% |
| FY 2014 | \$1.0 | 110 | 35 | 20 | 80 | 120 | 67% | 48% |
| FY 2015 | \$1.1 | 64 | 32 | 12 | 78 | 82 | 64% | 30% |
| Change from last year | 13% | -42% | -9% | -40% | -3% | -32% | -3% | -18% |
| Change over last 5 years | 8% | -26% | 3% | -43% | 20% | -15% | -3% | -19% |

Planning

The Planning Division is responsible for preparing, evaluating, and revising the *O`ahu General Plan* and nine long-range regional development plans. The division is responsible for developing transit-oriented development plans, which support the DPP and the mayor’s transportation priorities. It also processes applications for public infrastructure map amendments, zone changes and state special use permits; and monitors compliance with unilateral agreement conditions associated with zone changes, including affordable housing requirements.

In FY 2015, the Transit Oriented Development (TOD) program became a permanent division of DPP, which resulted in staff promotions and hiring increases.¹ The TOD division hosted a Chinatown Action Summit to identify near-term priority projects, including increased public safety and walkability. In response to state law, the Planning division held public information meetings to identify Important Agricultural Land (IAL) and launched interactive maps to help define and review criteria related to IAL.

The division’s operating expenditures totaled \$3.7 million in FY 2015, a decline of 10% from FY 2014, but an increase of 63% from FY 2011. The department attributed the five year increase to collective bargaining, reallocations, and in increase in consultant contracts and staffing for transit oriented development. In FY 2015, the division reviewed 10 zone change applications. This represented a 29% decrease from FY 2014, and a 67% increase from FY 2011. The department commented that the number of zone change applications are a result of real estate investment decisions and cyclical market conditions.



DPP staff discussing transit-oriented development at a community event.

Source: Department of Planning and Permitting

Honolulu residents have generally unfavorable perceptions on development and land use on O`ahu. The 2015 Citizens Survey found that 38% of Honolulu residents rated the quality of new development in Honolulu as *excellent* or *good*. This rating is lower than benchmarks both nationally and for cities with populations of 300,000 or more. A total of 19% of Honolulu residents rated land use, planning, and zoning as *excellent* or *good*. This rating is much lower than the national benchmark and lower than the benchmark for cities with a population exceeding 300,000.

| | Operating Expenditures (\$ millions) | Total Zone Change Applications Reviewed | Total Environmental Assessments/ Impact Statements Reviewed | Total Unilateral Agreement Permit Reviewed | Citizen Survey (% <i>Excellent</i> or <i>Good</i>) | |
|--------------------------|---|--|---|--|---|-----------------------------------|
| | | | | | Quality of New Development in Honolulu | Land Use, Planning, and Zoning |
| FY 2011 | \$2.3 | 6 | 21 | 268 | 39% | 29% |
| FY 2012 | \$2.3 | 4 | 25 | 278 | 40% | 24% |
| FY 2013 | \$1.7 | 11 | 31 | 306 | 29% | 16% |
| FY 2014 | \$4.1 | 14 | 35 | 246 | 37% | 16% |
| FY 2015 | \$3.7 | 10 | 28 | 285 | 38% | 19% |
| Change from last year | -10% | -29% | -20% | 16% | 1% | 3% |
| Change over last 5 years | 63% | 67% | 33% | 6% | -1% | -10% |

Source: Department of Budget and Fiscal Services, Department of Planning and Permitting, and 2015 National Citizen Survey (Honolulu). ¹Transit-Oriented Development became a division in FY 2015. Budget, expenditures and staffing for the Planning and TOD divisions are reported together in FY 2015.

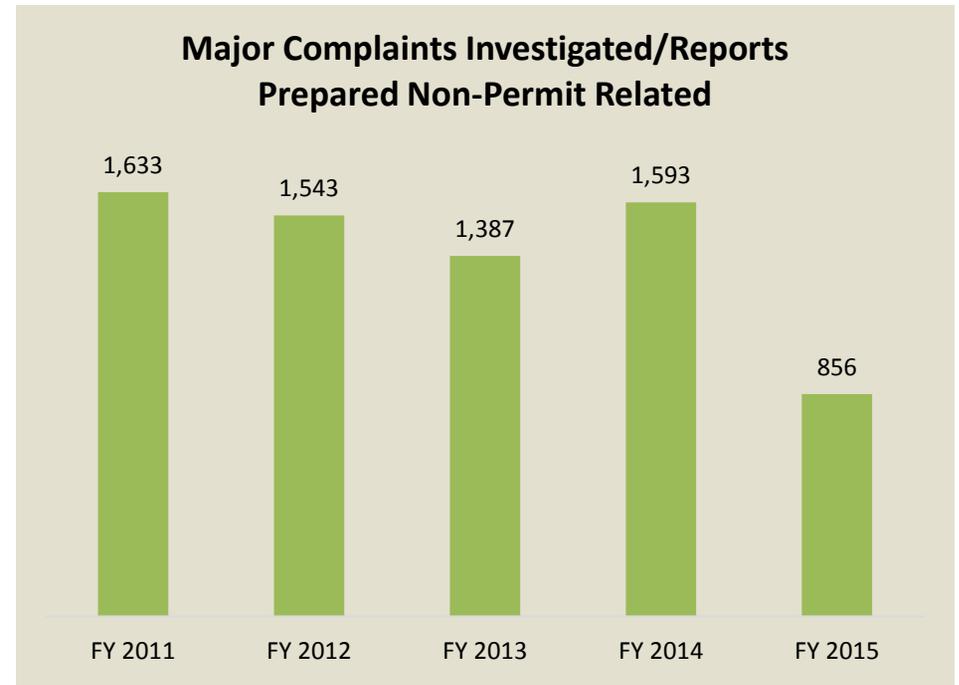
Site Development

Site Development administers and enforces subdivision and grading ordinances, and drainage regulations. It sets standards and regulates the infrastructure required for site development; and processes subdivision applications, reviews subdivision construction plans, and conducts site inspections to ensure compliance with city guidelines.

The division's FY 2015 operating expenditures were \$3.6 million. This was 3% higher than FY 2014 and 20% higher than FY 2011. The department attributed the increases to collective bargaining and reallocations that occurred.

Total construction plans reviewed totaled 1,073 in FY 2015. This was 24% fewer than FY 2014 and 22% fewer than FY 2011. The department explained that the construction industry, including major projects and site development work, is cyclical (dependent on economy, availability of zoned land, and market conditions). The number of construction plans reviewed with vary accordingly. Also, the recent construction trend is for vertical, rather than horizontal, construction plans. Vertical plans are typically designed and built with a single set of plans, thus fewer to review.

A total of 390 sewer connection permits were issued in FY 2015. This was an 18% decrease from a year ago and a 12% decrease from five years ago. The department attributed the decrease to a shift from horizontal to vertical construction. High-rise projects such as those in Kaka'ako and Waikiki, require only a single sewer permit for each building constructed, compared with a 20-lot housing subdivision that would require 20 separate sewer permits.



Source: Department of Planning and Permitting

| | Operating Expenditures (\$ millions) | Total Construction Plans Reviewed | Total Grading Permits Issued | Total Grading Permit Inspections Conducted | Major Complaints Investigated/ Reports Prepared Non-Permit Related ¹ | Total Sewer Adequacy Studies Conducted | Total Sewer Connection Permits Issued |
|--------------------------|--------------------------------------|-----------------------------------|------------------------------|--|---|--|---------------------------------------|
| FY 2011 | \$3.0 | 1,381 | 687 | 19,468 | 1,633 | 741 | 443 |
| FY 2012 | \$3.2 | 1,452 | 664 | 21,234 | 1,543 | 780 | 544 |
| FY 2013 | \$3.1 | 1,347 | 628 | 24,516 | 1,387 | 934 | 523 |
| FY 2014 | \$3.5 | 1,403 | 587 | 25,036 | 1,593 | 959 | 474 |
| FY 2015 | \$3.6 | 1,073 | 592 | 23,184 | 856 | 914 | 390 |
| Change from last year | 3% | -24% | 1% | -7% | -46% | -5% | -18% |
| Change over last 5 years | 20% | -22% | -14% | 19% | -48% | 23% | -12% |

Source: Department of Budget and Fiscal Services, Department of Planning and Permitting. ¹Non-Permit related major complaints investigated commonly include technical matters relating to issues between private parties.

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Chapter 20 - Honolulu Police Department

The Honolulu Police Department (HPD) is the primary law enforcement agency for the City and County of Honolulu. The HPD is responsible for preserving public peace, preventing crime, and detecting and apprehending law offenders. It protects the rights of persons and property and enforces and prevents violations of federal and state laws and city ordinances and regulations.

The department's mission is to provide excellent service through partnerships that build trust, reduce crime, create a safe environment, and enhance the quality of life. Officers and staff are committed to the principles of integrity, respect, and fairness.

The Honolulu Police Commission appoints the Chief of Police, provides oversight of the HPD's policies, goals, and objectives and ensures public trust through its investigations of police conduct. The Chief of Police directs the operation and administration of the department. The department has several bureaus and divisions including Central and Regional Patrol, Special Field Operations, Investigative, and Support Services. Other divisions are Community Affairs, Narcotics/ Vice, Communications, and Major Events. The department is accredited by the Commission on Accreditation for Law Enforcement Agencies, Inc. The HPD's Scientific Investigation Section's Trace Evidence Analysis and Questioned Document Examination Units are also accredited in conformance with International Organization for Standardization standards.

In FY 2015, the HPD was a semifinalist for the prestigious 2014 Webber Seavey Award for Quality in Law Enforcement. The Criminal Investigation Division's Crime Analysis Unit implemented the Alakai Akamai Makai (Intelligence Led Policing) program, which uses analytical methods to track criminal activity and, ultimately, solve crimes. This demonstration of innovation in the law enforcement field has led to an 18 percent decrease in robberies and a 12 percent decrease in residential burglaries.

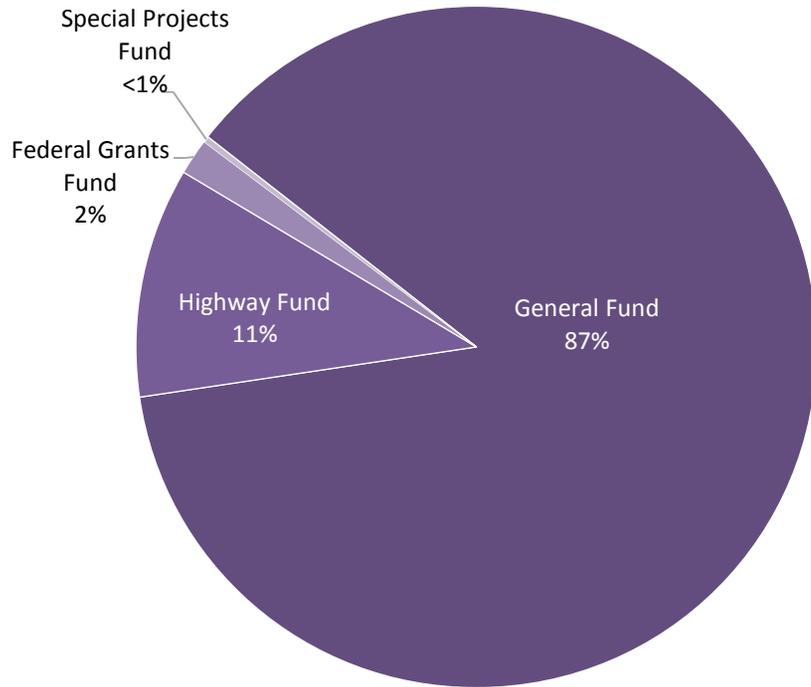


To provide excellent service through partnerships that build trust, reduce crime, create a safe environment, and enhance the quality of life.

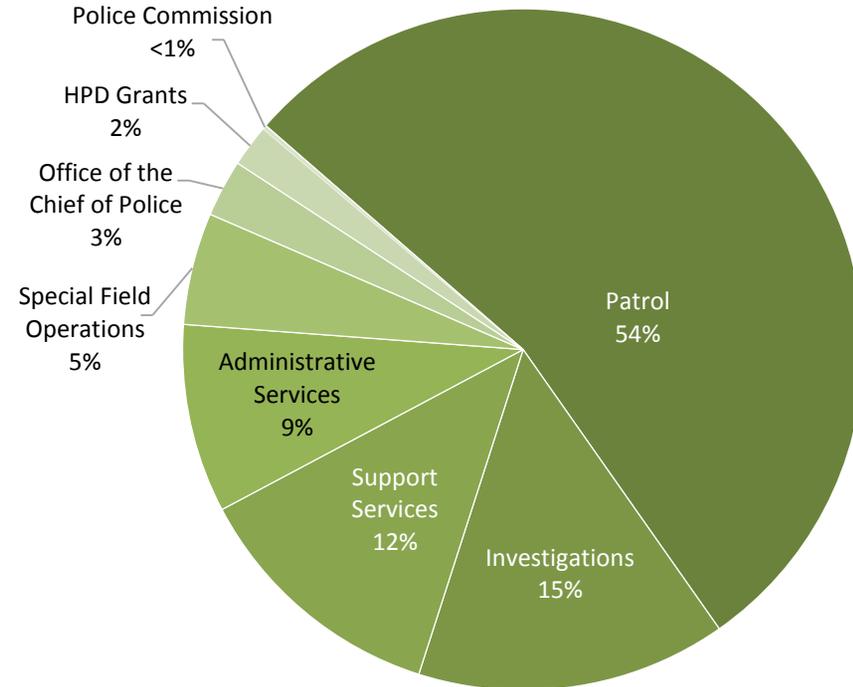
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses¹



Operating Expenditures (\$ million)

| | Total Expenditures | Police Commission | Office of Chief of Police | Administrative Bureau | Central and Regional Patrol | Investigative Bureau | Special Field Operations | Support Services Bureau |
|--------------------------|--------------------|-------------------|---------------------------|-----------------------|-----------------------------|----------------------|--------------------------|-------------------------|
| FY 2011 | \$227.3 | \$0.5 | \$6.8 | \$21.2 | \$117.5 | \$27.8 | \$23.8 | \$25.0 |
| FY 2012 | \$231.2 | \$0.4 | \$6.9 | \$28.9 | \$111.4 | \$27.9 | \$24.2 | \$24.8 |
| FY 2013 | \$226.2 | \$0.4 | \$7.6 | \$27.9 | \$121.3 | \$32.0 | \$10.6 | \$26.4 |
| FY 2014 | \$241.3 | \$0.5 | \$7.6 | \$31.2 | \$125.9 | \$34.3 | \$11.0 | \$30.9 |
| FY 2015 | \$249.4 | \$0.5 | \$6.7 | \$27.3 | \$134.3 | \$36.7 | \$13.2 | \$30.6 |
| Change from last year | 3% | -1% | -11% | -12% | 7% | 7% | 21% | -1% |
| Change over last 5 years | 10% | -2% | -1% | 29% | 14% | 32% | -44% | 23% |

Source: The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015. ¹Percentages do not total 100% due to rounding.

Spending and Staffing

In FY 2015, the department’s total expenditures were \$249.4 million, an increase of 10% compared to \$227.3 million in FY 2011. Over the past five years, revenues, comprised of intergovernmental revenue, service charges, licenses, permits, fines and forfeitures, have decreased 6%, from \$11.5 million in FY 2011 to \$10.8 million in FY 2015. Over the last year, revenues have decreased 22%, from \$13.9 million in FY 2014 to \$10.8 million in FY 2015. According to the department, intergovernmental revenues decreased due to a reduction in FY 2015 grant award funding and miscellaneous revenues decreased due to reclassification of FY 2014 grant expenditures.

Overtime expenditures in FY 2015 of \$19.4 million increased 1% over the past five years and also increased 1% from last year’s total of \$19.1 million.

Authorized departmental staffing consists of uniformed and civilian personnel. In FY 2015, HPD had an authorized 2,630 FTE. Vacant FTEs decreased 42% from 299 FTE in FY 2011 to 172 FTE in FY 2015. According to the department, the HPD began to expedite the recruiting and the selection of applicants to fill vacant positions.

When programs are built together by the police and community, they enable residents and law enforcement to communicate, collaborate, and work together to build safer, more caring communities. As a result, there is a better exchange of information, and the public gains a better understanding of law enforcement.

HPD participates in several social media platforms in an effort to support these community-building efforts.



Honolulu Police Department

Source: Honolulu Photobank

| | Revenues (\$ million) | Staffing (FTE) ¹ | | | | Overtime Expenditures ² | | |
|--------------------------|--------------------------|--------------------------------------|---------------------|----------------|---------------|------------------------------------|-----------------------|-----------------------------|
| | | Total Authorized FTE ³ | Total Filled FTE | Staffing Level | Vacant FTE | Cost Per FTE | Total (\$ million) | Non-Holiday (\$ million) |
| FY 2011 | \$11.5 | 2,730 | 2,431 | 89% | 299 | \$83,265 | \$19.2 | \$13.5 |
| FY 2012 | \$15.4 | 2,730 | 2,413 | 88% | 317 | \$84,690 | \$18.6 | \$13.6 |
| FY 2013 | \$14.7 | 2,717 | 2,399 | 88% | 318 | \$83,269 | \$20.3 | \$15.0 |
| FY 2014 | \$13.9 | 2,730 | 2,486 | 91% | 244 | \$88,371 | \$19.1 | \$14.4 |
| FY 2015 | \$10.8 | 2,630 | 2,458 | 93% | 172 | \$94,829 | \$19.4 | \$14.1 |
| Change from last year | -22% | -4% | -1% | 3% | -30% | 7% | 1% | -2% |
| Change over last 5 years | -6% | -4% | 1% | 4% | -42% | 14% | 1% | 4% |

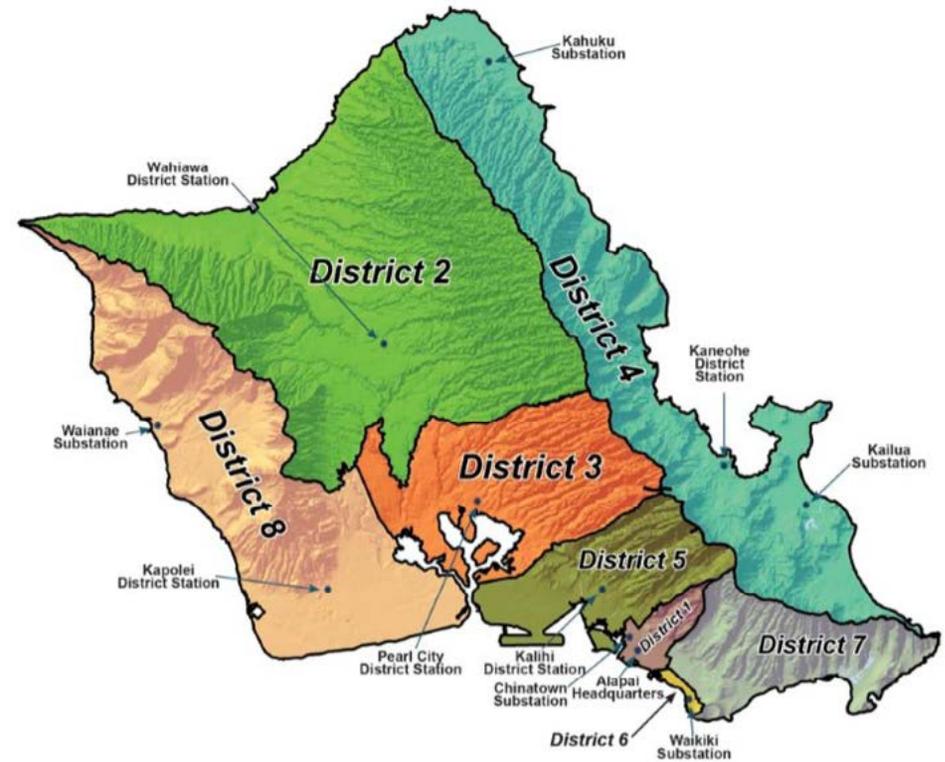
Source: Honolulu Police Department. ¹Does not include reserve officers in the total authorized staffing, as one reserve officer is equivalent to one-eighth of a FTE. ²Overtime pay is established by bargaining unit agreement, as applicable. ³Authorized staffing is determined by budget while actual staffing varies based on service separations and hiring.

Calls for Service

The Communications Division is Honolulu’s primary public safety answering point (PSAP), receiving all 911 calls for police, fire, and emergency medical services, as well as poison control and the suicide crisis center. The Emergency Response Operators route these calls to appropriate agencies. In FY 2015, there were a total of 996,949 calls for service. Of the total calls, 864,121 were for the police and of those, 588,979 resulted in dispatch. Officers are dispatched to a wide range of service calls. These include, but are not limited to:

- Burglaries
- Traffic hazards
- Parking violations
- Medical emergencies
- Fires
- Arguments
- Alarms
- Protective orders
- Motor vehicle accidents

The division also serves as both the O`ahu Warning Point and the Alternate Hawai`i State Warning Point for civil defense emergencies, which include natural and man-made disasters, such as tsunamis, tropical cyclones, flash floods, and enemy or terrorist attacks.



Source: Honolulu Police Department

| Calls for Service | | | | | |
|--------------------------|--|-----------------------------|------------------|------------------|--------------|
| | HPD Calls for 911 Service ¹ | Calls Resulting in Dispatch | Priority 1 Calls | Priority 2 Calls | False Alarms |
| FY 2011 | 682,696 | 543,018 | 188,205 | 354,813 | 27,338 |
| FY 2012 | 753,520 | 537,882 | 192,198 | 345,684 | 29,126 |
| FY 2013 | 701,604 | 539,515 | 192,197 | 347,318 | 30,517 |
| FY 2014 | 799,074 | 544,762 | 187,227 | 357,535 | 30,984 |
| FY 2015 | 864,121 | 588,979 | 211,495 | 377,484 | 30,650 |
| Change from last year | 8% | 8% | 13% | 6% | -1% |
| Change over last 5 years | 27% | 8% | 12% | 6% | 12% |

Source: Honolulu Police Department. ¹Calls for service include emergency and non-emergency calls.

Calls for Service

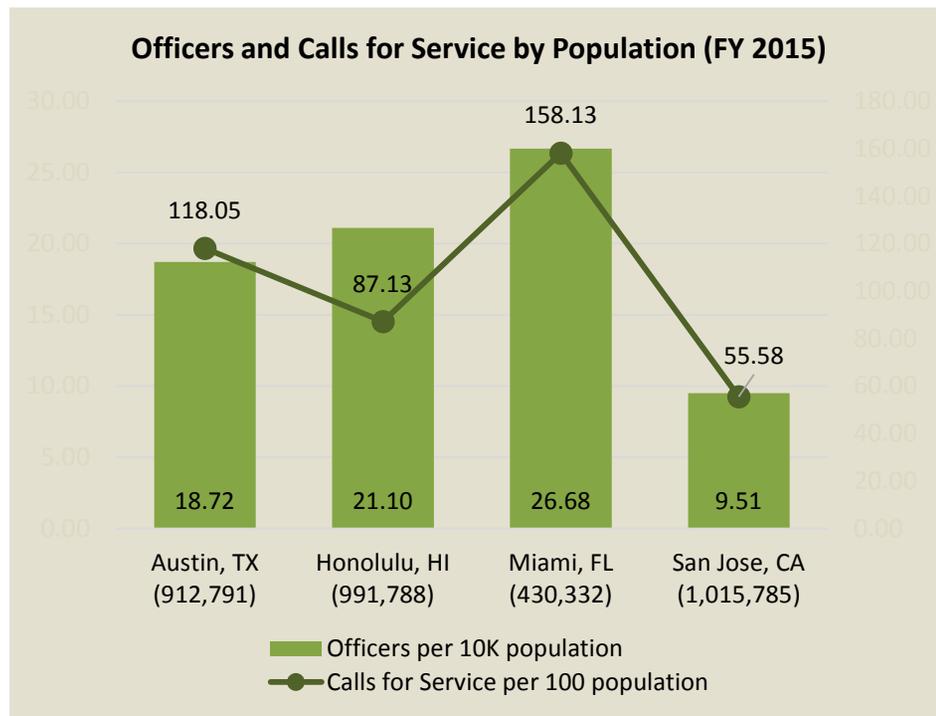
Over the past five years, the average response time for Priority 1 calls has steadily increased a total of 0.13 minutes from 7.14 minutes in FY 2011 to 7.27 minutes in FY 2015. Priority 1 calls include emergencies and in-progress cases. The average response time for Priority 2 calls decreased 0.46 minutes from 12.05 in FY 2011 to 11.59 minutes in FY 2015. Priority 2 calls include forgery, fraud, vandalism, weapons, prostitution, drugs, gambling, driving while intoxicated, etc.

Hawai'i's Enhanced 911 Board allocated \$2.7 million for the project to update location and mapping data for the HPD and the civilian Public Safety Answering Points on O'ahu. The federal mandated updates include better geographic and mapping data to aid in reducing response times. This project is ongoing and is anticipated to be completed in 2016.



HPD Call Center

Source: Honolulu Police Department website



Source: City and County of Honolulu Police Department, City of Austin Police Department, City of Miami Police Department, City of San Jose Police Department, U.S. Census Bureau Quickfacts, and FBI 2014 Uniform Crime Report

| | Priority 1 Average Response (minutes) ¹ | Priority 2 Average Response (minutes) ¹ |
|--------------------------|--|--|
| FY 2011 | 7.14 | 12.05 |
| FY 2012 | 7.14 | 11.96 |
| FY 2013 | 7.24 | 12.24 |
| FY 2014 | 7.33 | 12.03 |
| FY 2015 | 7.27 | 11.59 |
| Change from last year | -1% | -4% |
| Change over last 5 years | 2% | -4% |

Source: Honolulu Police Department. ¹Response time is measured from receipt of the 911 call to arrival at the scene

Crime

Police data for reporting Part 1 and Part 2 offenses are in accordance with the FBI Uniform Crime Reporting (FBI-UCR) guidelines.¹ Over the last five years, HPD's digital forensics examiners have seen their workloads increase. The department attributes this to the increase in computer use in general and, more specifically, the increase in the use of social media by the public.

By engaging the public, CrimeStoppers Honolulu assists the HPD's efforts to identify offenders, locate wanted persons, and recover stolen or illegal items. This networking has been expanded to social media, which posts information relating to unsolved crimes, missing persons, bank crimes, sex offenders, school programs, and other topics of interest.

In FY 2015, there were 2,579 domestic violence reports. Over the last five years, the number of domestic violence reports increased 11% from FY 2011 (2,316 reports) to FY 2015 (2,579 reports).

In FY 2015, 85% of Honolulu residents reported that they are *very* or *somewhat safe* in their neighborhoods during the day, while 65% reported feeling *very* or *somewhat safe* in downtown Honolulu during the day. The ratings for neighborhood safety and downtown safety are similar to the benchmark for jurisdictions with populations over 300,000, but both are lower than FY 2014 (88% and 66% respectively).



Source: 2015 National Citizen Survey (Honolulu)

| | Actual Offenses | | | Arrests | | | Clearance Rates for Part 1 Offenses | | | |
|--------------------------|-----------------|------------------------------|----------------|---------------|------------------|---------------|-------------------------------------|-------|---------|---------------|
| | Part 1 Offenses | Part 2 Offenses ³ | Total Offenses | Adult Arrests | Juvenile Arrests | Total Arrests | Homicide | Rape | Robbery | Larceny Theft |
| FY 2011 | 33,233 | 58,723 | 91,956 | 29,861 | 6,820 | 36,681 | 88.2% | 48.2% | 26.6% | 15.6% |
| FY 2012 | 32,744 | 58,139 | 90,883 | 30,536 | 6,084 | 36,620 | 72.7% | 54.6% | 29.5% | 16.2% |
| FY 2013 | 33,400 | 56,648 | 90,048 | 29,522 | 5,698 | 35,220 | 73.3% | 51.0% | 30.7% | 15.2% |
| FY 2014 ² | 34,175 | 56,772 | 90,947 | 30,804 | 5,654 | 36,458 | 91.0% | 40.0% | 28.0% | 16.0% |
| FY 2015 ² | 30,960 | 57,700 | 88,660 | 31,671 | 4,754 | 36,425 | 31.0% | 29.0% | 24.0% | 15.0% |
| Change from last year | -9% | 2% | -3% | 3% | -16% | <-1% | -60% | -11% | -4% | -1% |
| Change over last 5 years | -7% | -2% | -4% | 6% | -30% | -1% | -57% | -19% | -3% | -1% |

Source: Honolulu Police Department.¹The department complies with FBI Uniform Crime Reporting guidelines in reporting Part 1 and Part 2 offenses. Part 1 includes murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft, and arson. Part 2 includes all other offenses, such as other assaults, forgery, fraud, vandalism, weapons, prostitutions, other sex offenses, drug crimes, gambling, family offenses, liquor laws, driving while intoxicated, and disorderly conduct. ²Estimated. Data reported for the period between March 2014 and June 30, 2014; July 2014 to November 2014 is unavailable.³Data provided are the actual numbers.

Traffic Services

The Traffic Division is responsible for promoting the safe and efficient movement of traffic on the public roadways through educational programs, traffic management, enforcement of traffic laws, and investigating death and critical injury collisions and felony traffic crimes.



Source: Honolulu Police Department website



Source: Honolulu Police Department website

The HPD continued its Safer Roads Campaign, which is an ongoing effort by the department and community groups to reduce the rate and severity of traffic collisions. Efforts to deter hazardous driving ranged from speed enforcement in affected corridors to monitoring places where racers congregate. In FY 2015, the total fatalities decreased 4% from a total of 54 in FY 2014 to 52 in FY 2015, and those with critical injuries increased 107% from 27 in FY 2014 to 56 in FY 2015.

| | Death and Serious Injury | | | Motor Vehicle Collisions | | | | Enforcement | | | Citizen Survey |
|--------------------------|--------------------------|-----------------|------------------------------------|--------------------------|--------|-------------|--------|----------------------------|------------------|---------------------------|---|
| | Fatalities | Critical Injury | Failure to Render Aid ¹ | Major ² | Minor | Non-Traffic | Total | OVUII Arrests ³ | Moving Citations | Hands-Free Law Violations | Traffic Enforcement (% Excellent or Good) |
| FY 2011 | 58 | 33 | 25 | 5,320 | 16,576 | 7,663 | 29,559 | 4,193 | 121,976 | 11,198 | 42% |
| FY 2012 | 55 | 45 | 9 | 5,152 | 16,842 | 7,979 | 29,973 | 4,407 | 116,251 | 15,165 | 35% |
| FY 2013 | 63 | 43 | 8 | 5,108 | 17,360 | 7,597 | 30,065 | 4,277 | 119,672 | 13,586 | 33% |
| FY 2014 | 54 | 27 | 10 | 6,560 | 18,627 | 6,195 | 31,382 | 4,742 | 110,721 | 6,786 | 34% |
| FY 2015 | 52 | 56 | 3 | 4,719 | 16,733 | 7,291 | 28,743 | 4,665 | 136,022 | 10,813 | 34% |
| Change from last year | -4% | 107% | -70% | -28% | -10% | 18% | -8% | -2% | 23% | 59% | 0% |
| Change over last 5 years | -10% | 70% | -88% | -11% | 1% | -5% | -3% | 11% | 12% | -3% | -8% |

Source: Honolulu Police Department. ¹Failure to Render Aid is a felony involving serious injury to the victim. ²A major motor vehicle collision involves injury or damage of \$3,000 or more. ³“OVUII” refers to the offense of Operating a Vehicle Under the Influence of Intoxicants.

Public Perceptions of Public Safety

The 2015 National Citizen Survey revealed that safety is one of the three most important facets of community to the residents of Honolulu. A majority of residents (63%) rated their overall feeling of safety in Honolulu as *excellent or good*. Honolulu's ratings were *lower* than national benchmarks but *similar* to cities with over 300,000 residents.

In FY 2015, 56% of the respondents rated police services as *excellent or good*, which was a decrease of 7% over the last five years. Ratings for crime prevention services as *excellent or good* decreased 7% from 42% in FY 2014 to 35% in FY 2015.

About 83% of residents reported that no one in their household was a victim of a crime in the past year, compared to 87% in FY 2014, and 70% of respondents did not report a crime to the police. Both ratings were *similar* to jurisdictions with populations over 300,000.



Photo Courtesy of the Honolulu Police Department

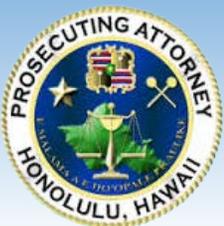
| | Citizen Survey | | | | |
|--------------------------|--|--|---|-----------------------|------------------|
| | Overall feeling of safety in Honolulu | (% Very or Somewhat Safe) | | (% Excellent or Good) | |
| | | Safety in your neighborhood during the day | Safety in Honolulu's downtown area during the day | Police Services | Crime Prevention |
| FY 2011 | - | 87% | 66% | 63% | 42% |
| FY 2012 | - | 92% | 68% | 64% | 42% |
| FY 2013 | 64% | 93% | 71% | 53% | 37% |
| FY 2014 | 66% | 88% | 66% | 52% | 42% |
| FY 2015 | 63% | 85% | 65% | 56% | 35% |
| Change from last year | -3% | -3% | -1% | 4% | -7% |
| Change over last 5 years | -- | -2% | -1% | -7% | -7% |

Source: The 2015 National Citizen Survey (Honolulu)

Chapter 21- Department of the Prosecuting Attorney

The Department of the Prosecuting Attorney (PAT) investigates and prosecutes violations of statutes, ordinances and regulations for which there are criminal sanctions occurring within the City and County of Honolulu. The department also represents the people and the State of Hawai'i in criminal proceedings in District Court, Circuit Court and Family Court, as well as appeals heard by the Hawai'i Intermediate Court of Appeals and Hawai'i Supreme Court.

To accomplish the charter's mandate to serve and advance the general welfare and safety of city and county residents, PAT's administration has established the following mission: promote and ensure public safety and order through effective, efficient and just prosecution. PAT consists of eleven divisions:

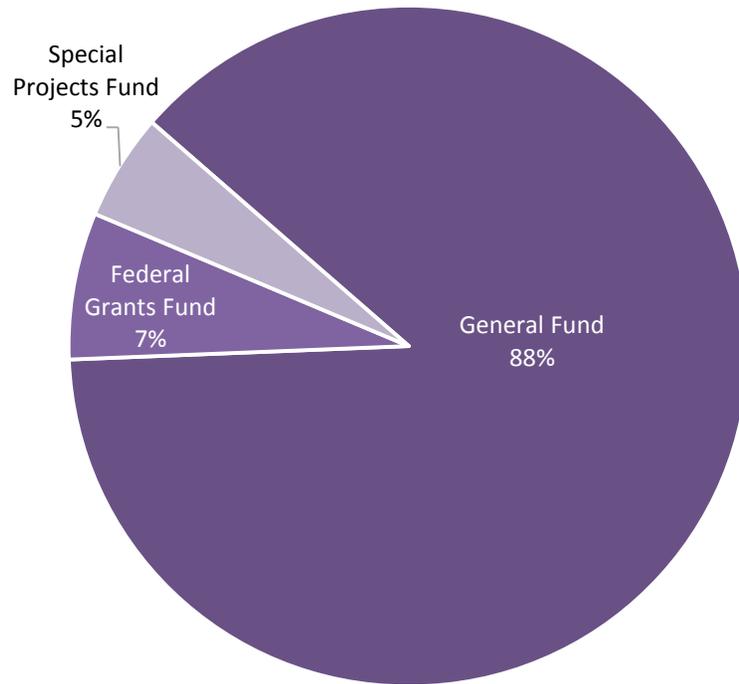


To promote and ensure public safety and order through effective, efficient and just prosecution.

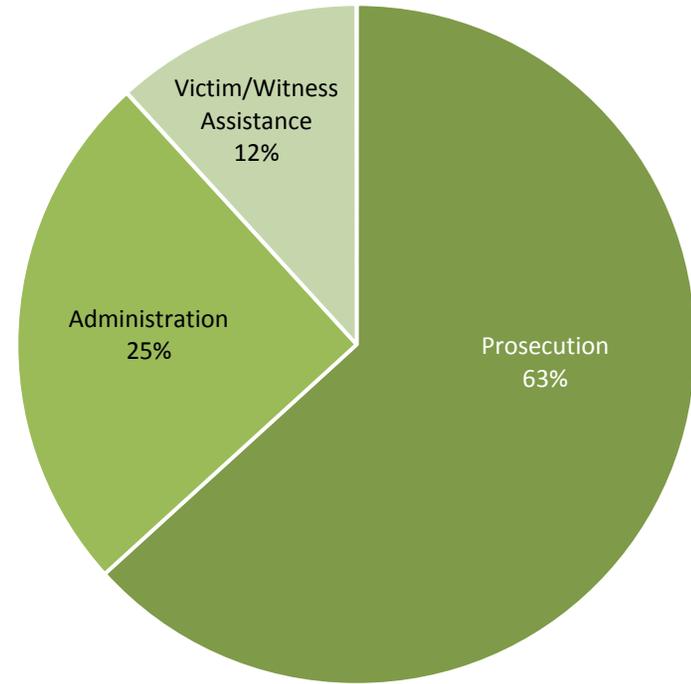
Mission Statement

Spending and Staffing

Funding Sources



Funding Uses



| | Revenue (\$ millions) | Total Operating Expenditures (\$ millions) | Staffing | | Cost Per FTE ¹ | Overtime Expenditures ² | |
|--------------------------|--------------------------|--|-------------------------|---------------------|---------------------------|------------------------------------|-------------|
| | | | Total Authorized FTE | Total Vacant FTE | | Total | Non-Holiday |
| FY 2011 | \$2.4 | \$17.8 | 287.5 | 57.0 | \$61,978 | \$10,620 | \$10,360 |
| FY 2012 | \$1.6 | \$17.0 | 287.5 | 57.5 | \$59,136 | \$11,053 | \$11,053 |
| FY 2013 | \$3.8 | \$20.0 | 288.0 | 49.0 | \$69,522 | \$17,074 | \$16,776 |
| FY 2014 | \$2.6 | \$19.9 | 289.0 | 46.0 | \$68,901 | \$14,476 | \$14,061 |
| FY 2015 | \$2.3 | \$20.4 | 289.0 | 54.0 | \$70,601 | \$12,700 | \$12,022 |
| Change from last year | -10% | 2% | 0% | 17% | 2% | -12% | -15% |
| Change over last 5 years | -3% | 15% | 1% | -5% | 14% | 20% | 16% |

Source: Department of Budget and Fiscal Services, Full-Time Equivalent (FTE) Department of Budget and Fiscal Services; Advantage Budget System (ABS) data (FY 2011-FY 2015). The FY 2015 totals are estimates (as of January 20, 2016) as provided by BFS. FY 2015 FTE staffing as of 7-15-2015. ¹Cost per FTE = Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable.

Highlights

Total revenue decreased 10% to \$2.3 million in FY 2015 from \$2.6 million in FY 2014. According to PAT, this decrease was due to the office receiving less state and federal funding.

Total vacant FTE increased 17% to 54 FTE in FY 2015 from 46 FTE in FY 2014. The department explained that this increase was the result of seasonal hiring by PAT. The department added that at the end of the fiscal year, PAT was in the process of interviewing and conducting background checks on potential new hires. The department noted that immediately at the start of FY 2016, PAT hired for seven staff positions and four deputy prosecuting attorney positions in the months of July and August.

Total overtime expenditures decreased 12% to \$12,700 in FY 2015 from \$14,476 in FY 2014. PAT said that this decrease was due to the policy enacted within the office that overtime be pre-approved by supervisors. The department added that supervisors also monitored the workload of their staff to ensure that overtime would not be necessary unless absolutely needed.

PAT's case resolution rate significantly increased 48% to a 76% resolution rate in FY 2015 from 28% in FY 2011. According to the department, this increase was due to a new case management system installed within the department. PAT explained that prior to 2014, the case management system used by the department was only managing felony case files. PAT added that all other types of cases, such as petty misdemeanor and infraction cases, were not being entered



Top Photo: PAT employees participated in the Men's March Against Violence at the State Capital. Bottom Photo: PAT finalized the purchase of a 24-unit apartment building to provide long-term transitional housing for victims of domestic violence, sex assault and human trafficking.

Photos Courtesy of the Department of the Prosecuting Attorney

into the system. The department noted that only felony and misdemeanor cases were being reported in previous years. PAT said that under the new case management system, the figures reported to the City Auditor represent a more accurate picture of the number of total cases that are accepted and resolved by the department each year.

| | Total Cases ¹ | | | Jury Trials ¹ | | | Elder Abuse Cases | White Collar Crime | Copper/Metal Theft | |
|--------------------------|--------------------------|----------|------------------------------|--------------------------|------------------------------------|-------------|-------------------|--------------------|--------------------|--|
| | Accepted | Resolved | Resolution Rate ² | Total Convictions | Total Non-Convictions ³ | Total Cases | | Total Cases | Total Convictions | |
| FY 2011 | 7,727 | 2,187 | 28% | 66 | 122 | 127 | 34 | 6 | 6 | |
| FY 2012 | 7,465 | 1,968 | 26% | 57 | 109 | 179 | 16 | 7 | 7 | |
| FY 2013 | 5,914 | 1,897 | 32% | 49 | 317 | 172 | 18 | 9 | 9 | |
| FY 2014 | 14,709 | 10,790 | 73% | 43 | 93 | 132 | 34 | 7 | 6 | |
| FY 2015 | 16,348 | 12,394 | 76% | 23 | 64 | 199 | 16 | 4 | 3 | |
| Change from last year | 11% | 15% | 2% | -47% | -31% | 51% | -53% | -43% | -50% | |
| Change over last 5 years | 112% | 467% | 48% | -65% | -48% | 57% | -53% | -33% | -50% | |

Source: The Department of the Prosecuting Attorney. ¹Figures above include felony cases only, no misdemeanors and traffic cases. ²Case Resolution Rate = Cases Resolved/Total Cases Accepted. ³Total jury trial non-convictions include dismissed cases, acquittals, and trials where the defendant was found not guilty.

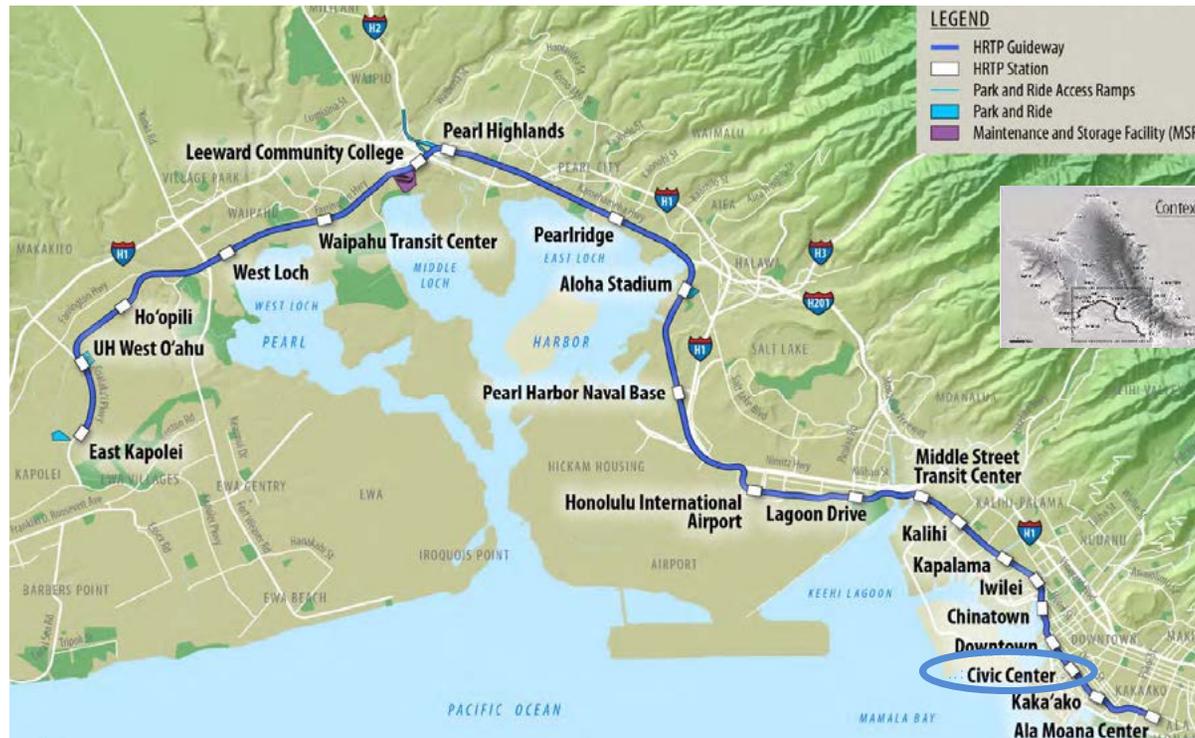
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Chapter 22 - Honolulu Authority for Rapid Transportation

The Revised Charter of the City and County of Honolulu authorizes the Honolulu Authority for Rapid Transportation (HART) to develop, operate, maintain, and expand the city's fixed guideway system. HART is a semi-autonomous government unit of the city. The HART Board of Directors is the policymaking body for the agency and appoints the Executive Director/CEO. HART's CEO provides leadership, direction and supervision of the day-to-day business activities of the agency.

The Honolulu Rail Transit Project (HRT) is a 20.1 mile rail transit system on O`ahu extending from East Kapolei to Ala Moana Center via the Honolulu International Airport and the downtown business district. The project includes 21 transit stations; a maintenance and storage facility; 80 light metro fully automated (driverless) rail vehicles; and 4 park-and-ride facilities at East Kapolei, UH West O`ahu, Pearl Highlands, and Aloha Stadium. The HRT is expected to be fully integrated with fixed bus route services (TheBus). Full revenue service is projected to begin in December 2019 (FY 2020).

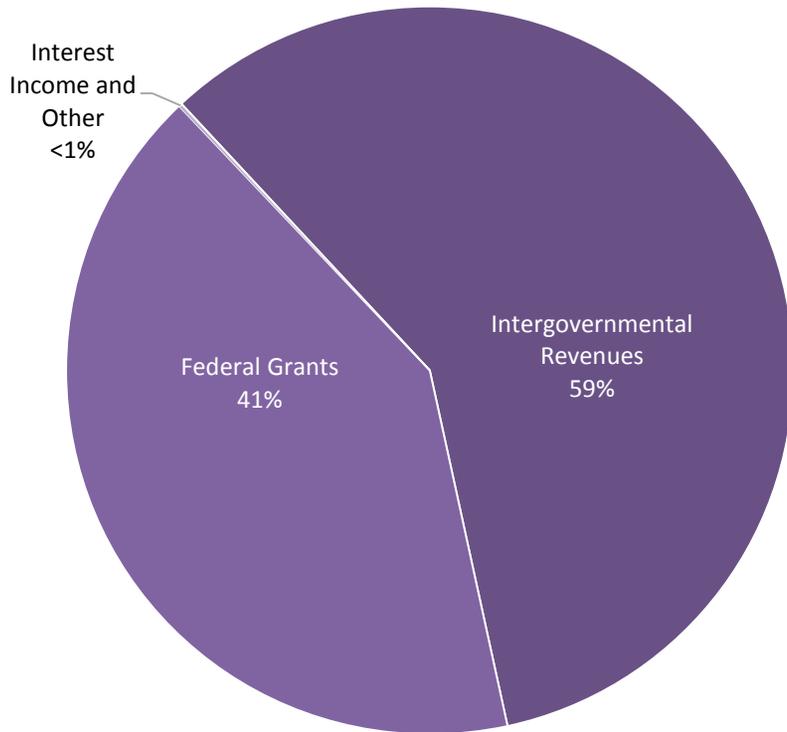
HART's activities to construct Honolulu's rail transit project on time and on budget are aligned with the mayor's priority to build rail better.



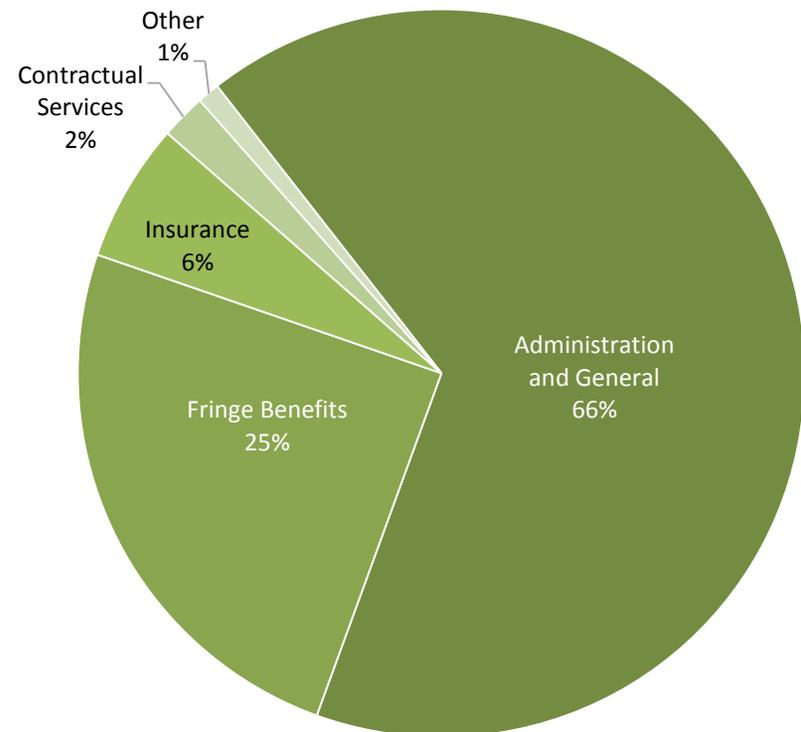
Source: Honolulu Authority for Rapid Transportation

Spending and Staffing

Fund Sources¹



Fund Uses



| | Operating Expenditures (\$ millions) | Staffing | | | Total Overtime Expenditures ⁴ |
|--------------------------|---|-------------------------|------------------|---------------------------|---|
| | | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ³ | |
| FY 2011 ² | - | - | - | - | - |
| FY 2012 | \$15.9 | 136 | 49 | \$116,944 | \$40,617 |
| FY 2013 | \$15.4 | 139 | 21 | \$110,966 | \$53,978 |
| FY 2014 | \$19.4 | 139 | 13 | \$139,689 | \$118,204 |
| FY 2015 | \$17.7 | 139 | 33 | \$127,560 | \$149,855 |
| Change from last year | -9% | 0% | 154% | -9% | 27% |
| Change over last 4 years | 11% | 2% | -33% | 9% | 269% |

Source: Honolulu Authority for Rapid Transportation. ¹Percentages do not total 100% due to rounding. ²HART was established on July 1, 2011. There is no data prior to this date. ³Cost Per FTE = Total Operating Expenditures/ Total Authorized FTE. ⁴HART reports Total Overtime Expenditures only.

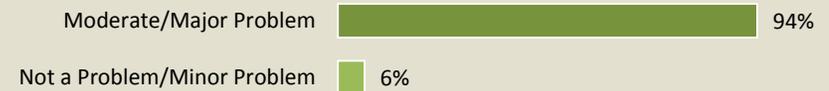
Revenues, Spending and Staffing

FY 2015 was HART’s fourth year in existence. HART’s primary non-operating revenue sources are the 0.5% county surcharge on the State of Hawai`i’s General Excise Tax (GET) and grant assistance from the U.S. Department of Transportation’s Federal Transit Administration (FTA). In FY 2015, HART recognized \$223,666,342 from the GET county surcharge. This amount was 2% higher than revenues generated in FY 2014 and 65% less than the agency realized in its FY 2011 inaugural year. Capital assets increased 44% from FY 2014 and 211% since FY 2011. HART explained that the majority of the increase is attributed to capitalized construction in progress and land acquisitions. In FY 2015, HART received \$158,034,519 from the FTA in grant assistance. This amount was 48% more than it received in FY 2014 and 270% more than FY 2011. HART commented that as capital expenditures increase, a corresponding increase in federal grant reimbursements will occur.

Interest and other income declined to \$573,117 in FY 2015, a 47% decrease from FY 2014. HART attributed the revenue decrease to declining cash balances as construction activities increase and monthly contractor invoice payments increase.

In FY 2015, HART had 139 authorized FTE positions. Vacancies increased 154% from 13 vacancies in FY 2014 to 33 in FY 2015. HART attributed the increased vacancy rate to management and staff leaving the project to take other positions. Operating expenditures in FY 2015 totaled \$17.7 million. This amount was 9% less than the agency spent in FY 2014 and 11% more than it spent in FY 2011. HART overtime expenditures increased 27% from FY 2014 and 269% from FY 2011. The agency explained that the increase in overtime expenditures is

Honolulu National Citizen Survey: To what degree, if at all, is the rising costs for Honolulu's rail project (reported at \$1.2 billion over-budget), a problem for the City and County of Honolulu?



Source: 2015 National Citizen Survey (Honolulu)

related to the higher vacancy rate. Overtime was necessary for existing workers to make up for the loss of personnel.

GET Surcharge Extension Achieved

In May 2015, the Hawaii State Legislature passed House Bill 134 that extended the 0.5% GET surcharge until 2027. Prior to enactment of this legislation, the surcharge would have ended in 2022. HART officials explained that the extension was necessary to meet an estimated \$1 billion shortfall. From January 2007 through April 2014, the GET surcharge totaled \$1.469 billion for the rail project.

| | Non-Operating Revenues | | | | Total Non-Operating Revenues (\$ million) ² |
|--------------------------|-----------------------------|---|-----------------------------|---------------------------|--|
| | Capital Assets (\$ million) | Intergovernmental Revenues (\$ million) | Federal Grants (\$ million) | Interest Income and Other | |
| FY 2011 ¹ | - | - | - | - | - |
| FY 2012 | \$548.6 | \$631.8 | \$42.7 | \$487,724 | \$674.9 |
| FY 2013 | \$858.0 | \$173.8 | \$164.1 | \$359,875 | \$338.2 |
| FY 2014 | \$1,184.6 | \$218.4 | \$107.1 | \$1,074,954 | \$326.6 |
| FY 2015 | \$1,704.4 | \$223.7 | \$158.0 | \$573,117 | \$382.3 |
| Change from last year | 44% | 2% | 48% | -47% | 17% |
| Change over last 4 years | 211% | -65% | 270% | 18% | -43% |

Source: Honolulu Authority for Rapid Transportation. ¹HART was established on July 1, 2011. There is no data prior to this date. ²Operating revenues of HART will be realized when rail system operations commence.

Highlights

HART constructed 176 columns, erected more than 1,500 concrete guideway segments, and placed 130 guideway spans between columns.

In FY 2015, HART completed its first embossed column as part of a series of special column designs connected with the project's station development program. The column is one of 8 that will support the guideway for the Ho'opili station in East Kapolei and will feature the same pattern. All of the project's 21 stations will have patterns unique to the area's ahupua`a. The patterns are designed to tell the historic and cultural stories of each community where the stations are located.

The rail project achieved a milestone in FY 2015 when it reached the 3-mile construction mark for the elevated guideway. The rail line now reaches from east Kapolei into Waipahu town.

The number of direct jobs related to the Honolulu rail transit project continues to increase. The number of rail jobs in the first quarter of this year grew to 1,238. The quarterly job count includes current contractors Kiewit, Ansaldo Honolulu JV, various architectural firms working for the project, along with HART staff. Sixty-one percent of those jobs are local hires. The rail project is projected to reach a peak of 4,000 direct jobs.

As part of HART's Business Assistance Program, the agency launched the Shop & Dine on the Line initiative in FY 2015. The program encourages residents to support local businesses affected by construction for the rail project. Businesses offer customers special discounts and deals which the public can access online or in brochures produced by HART.

HART Executive Director and CEO Dan Grabauskas was elected to serve on the policy board of the International Association of Public Transport (UITP). He is serving as the American Public Transportation Association's representative for the 2015-2017 term. The UITP is an international organization for public transportation authorities and operators, policy and decision-makers, scientific institutes, businesses and suppliers.

To boost transparency, HART began providing live cable broadcasts of its meetings on `Olelo Public Media.



Rail column art design in Kapolei

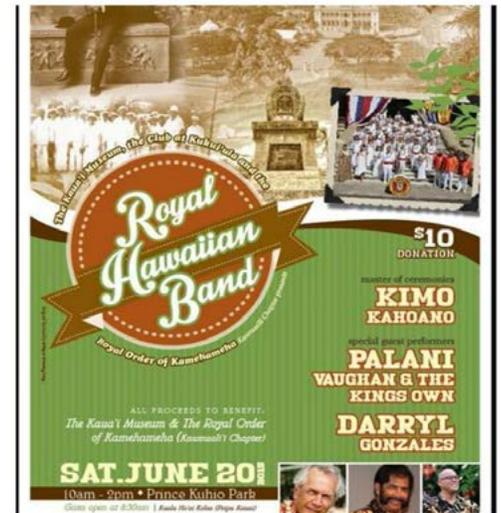
Source: HART Facebook Page

Chapter 23 - Royal Hawaiian Band

The Royal Hawaiian band (RHB) performs at community and educational concerts, official ceremonies, cultural events, special programs, and parades. This historic organization is the only full-time municipal band in the United States, and the only band in the country established by a royal kingdom, founded by King Kamehameha III in 1836.

To accomplish the charter’s mandate to serve and advance the general happiness and aspirations of city and county residents, the band’s administration has established four goals and objectives:

- Maintain a high level of musical performance excellence and efficiently manage the resources of the band;
- Provide musical services to various segments of the community through a variety of programs and performances;
- Promote the City and County of Honolulu through the production of recordings, concerts, parades and tours that feature the music of Hawai‘i; and
- Promote and perpetuate the history and culture of Hawai‘i through the performance of traditional and contemporary Hawaiian music and dance.



RHB Hawai‘i Theatre Performance & Prince Kuhio Park Performance Flyers

Photos Courtesy of the Royal Hawaiian Band

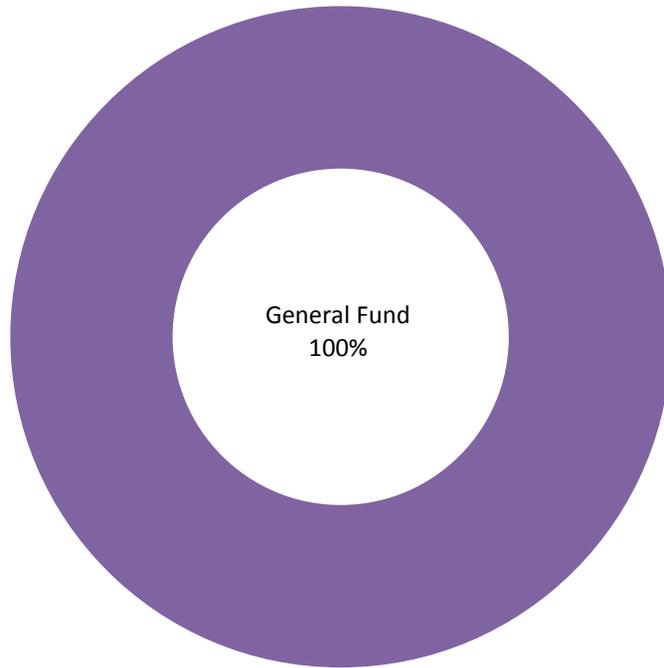


To serve as the official band representing the mayor and the City and County of Honolulu at private functions and public events to create goodwill and promote Honolulu and the State of Hawai‘i through its music.

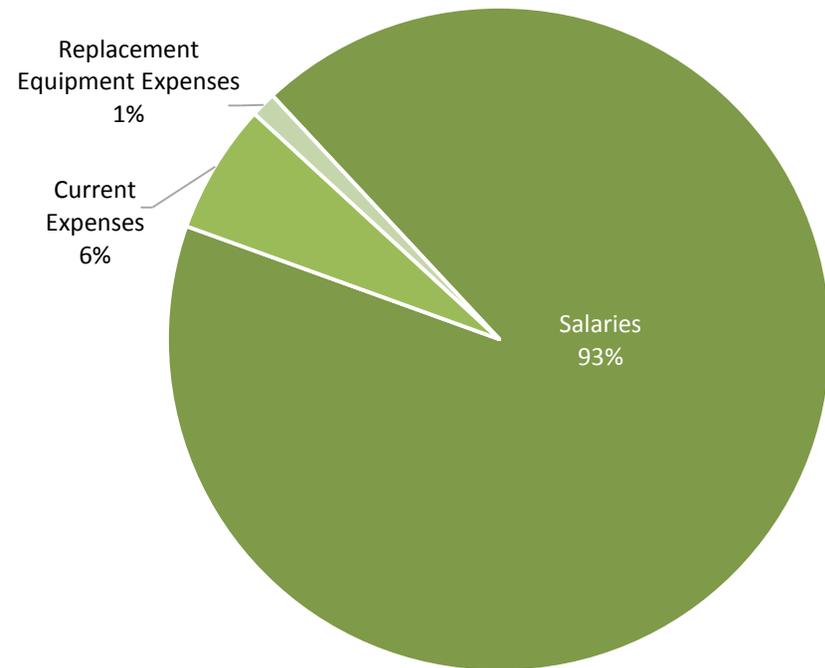
Mission Statement

Spending and Staffing

Funding Sources



Funding Uses



| | | | Authorized Staffing | | | | Citizen Survey (% Excellent or Good) | | |
|--------------------------|------------------------|----------|----------------------|-----------------------|---------------------------|--|--------------------------------------|--|--|
| | Operating Expenditures | Revenue | Total Authorized FTE | Vacant Authorized FTE | Cost Per FTE ¹ | Total Overtime Expenditures ² | Total Number of Performances | Opportunities to Attend Cultural/Arts/Music Activities | |
| FY 2011 | \$1,845,606 | \$2,350 | 40 | 7 | \$46,140 | \$44,258 | 312 | 71% | |
| FY 2012 | \$1,794,592 | \$2,676 | 40 | 10 | \$44,865 | \$42,957 | 354 | 69% | |
| FY 2013 | \$1,772,406 | \$10,875 | 40 | 7 | \$44,310 | \$29,140 | 332 | 51% | |
| FY 2014 | \$1,967,457 | \$0 | 40 | 4 | \$49,186 | \$30,888 | 357 | 62% | |
| FY 2015 | \$2,045,185 | \$1,800 | 41 | 4 | \$49,883 | \$34,401 | 373 | 46% | |
| Change from last year | 4% | -- | 3% | 0% | 1% | 11% | 4% | -16% | |
| Change over last 5 years | 11% | -23% | 3% | -43% | 8% | -22% | 20% | -25% | |

Source: Executive Operating Program and Budget (FY 2013-FY 2016), Department of Budget and Fiscal Services, Royal Hawaiian Band, Full-Time Equivalent (FTE) Department of Budget and Fiscal Services; Advantage Budget System (ABS) data (FY 2011-FY 2015), and 2011-2015 National Citizen Survey (Honolulu). The FY 2015 totals are estimates (as of January 20, 2016) as provided by BFS. FY 2015 FTE staffing as of 7-15-2015. ¹Cost per FTE = Operating Expenditures/Total Authorized FTE. ²Overtime pay is established by bargaining unit agreement, as applicable, and total overtime consists of non-holiday overtime only.

Highlights

Operating expenditures increased 4% and 11% in FY 2015 from the prior year and FY 2011, respectively. The band attributes the increase in operating expenditures mainly to salary increases dictated by the current collective bargaining agreement.

Revenue increased from no revenue in FY 2014 to \$1,800 in FY 2015. According to the band, revenue is entirely dependent on the number and length of fee¹ performances requested by private entities. The band said RHB, by law, is not allowed to solicit any fee performance, as it would be in direct competition with the private sector. The band noted that in FY 2015, there was one extended fee performance, and in FY 2014, there were six scheduled fee performances that were canceled for various reasons.

Total authorized FTE had been consistent from FY 2011, until it increased by one FTE to 41 FTE in FY 2015. The band explained that RHB has a total of 40 FTE for permanent musician positions, which include the bandmaster and office clerk. The band explained that the funding for one additional FTE was used for replacement musicians due to sick leave and vacation, or for large venue concerts where additional personnel were required. The band noted that funds appropriated for 1.0 FTE is not adequate to cover the normal costs of replacement personnel.

Although total overtime expenditures have increased 11% in FY 2015 to \$34,401 from \$30,888 in FY 2014, overtime expenditures have decreased 22% from \$44,258 in FY 2011. According to the band, total overtime expenditures increased in FY 2015 due to additional performances. The band noted that overtime expenditures consist of equipment truck drivers, passenger and equipment van drivers, and sound system technicians. The band explained that in prior years, due to the size and design inadequacies of the equipment truck, two vehicles were needed to transport all necessary equipment for RHB performances. The band said in FY 2011, RHB put into service a larger, better designed equipment truck with a hydraulic lift, thereby eliminating the need for two vehicles to transport equipment to every performance. According to the band, this single change was the major cause for the decrease in overtime expenditures.

¹ Revised Ordinances of Honolulu (ROH) Section 2-15.2(a)(1) – Private function - \$1,200.00 for the first hour, and thereafter, \$150.00 for each 15 minutes or fraction thereof; Section 2-15.2(a)(4) – Public or semi-public function – no fee. According to Section 2-15.2(c), all the fees above are collected and paid into the General Fund.

The band fulfills the charter's mandate and its goal of providing musical services to various segments of O`ahu's community through a variety of programs and performances to diverse audiences throughout O`ahu each year. RHB performed with other local performers at the Hawai'i Theatre entitled Ma O Ke Kai E Pili Ai Kakou (The Ocean Connects Us All). In FY 2015, the band helped to celebrate the rededication of the Prince Kuhio monument in Koloa, Kauai. RHB also performed at the unveiling of the monument in 1927.



RHB members at Prince Kuhio Park on Kauai

Photo Courtesy of the Royal Hawaiian Band

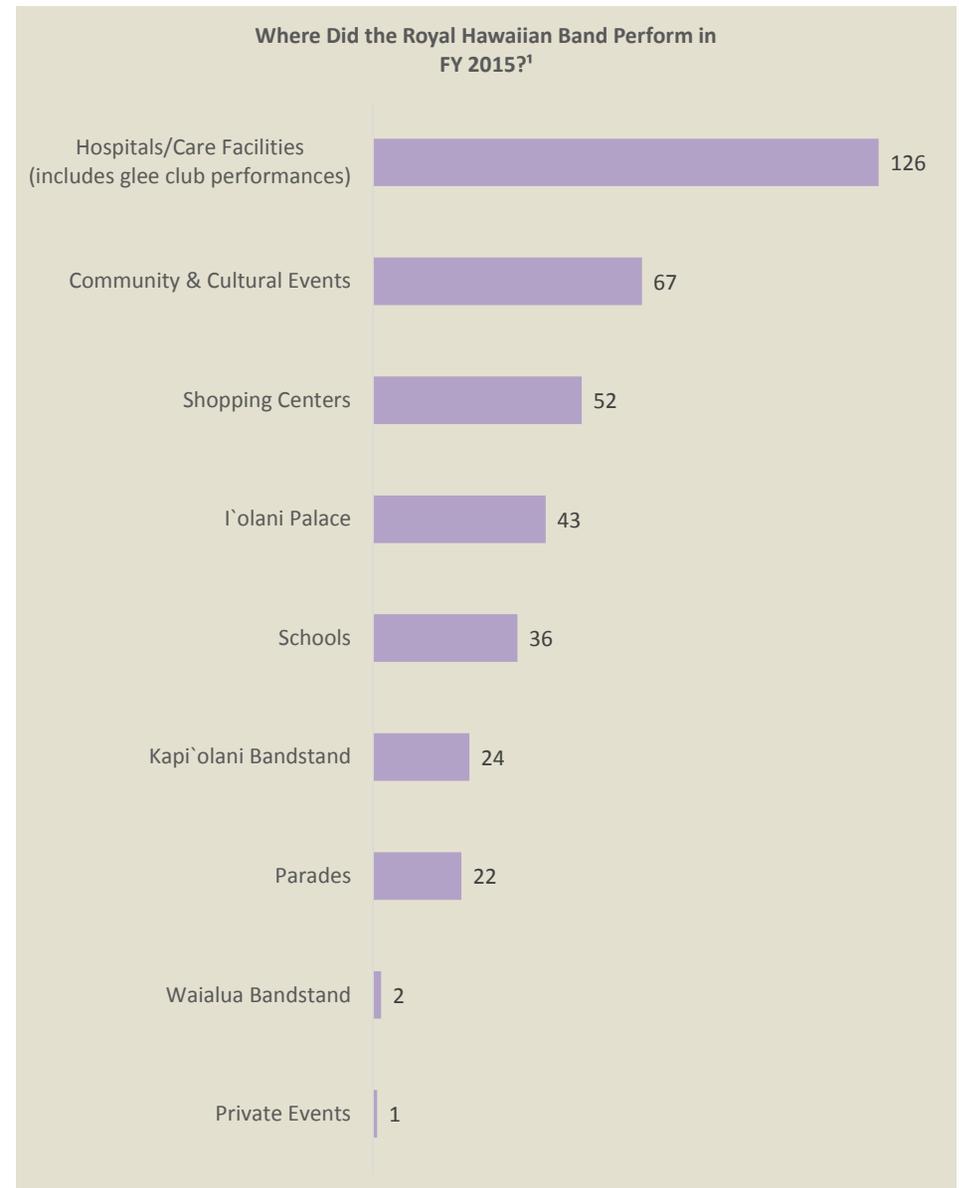
Performances

The band had 373 performances in FY 2015, a 4% and 20% increase from 357 performances in FY 2014 and 312 performances in FY 2011, respectively. The band noted that in an effort to serve smaller venues, RHB provided additional performances through the use of the band’s Glee Club. The band added that this allowed them to bring music to locations where RHB normally would not be able to service due to size constraints, like hospitals and care facilities, in an effort to entertain residents who may no longer be able to travel to RHB performances.

More than half of the band’s 373 performances in FY 2015 were at hospitals and care facilities, and community and cultural events, which included the Night in Chinatown parade, I Love Liliha Festival, and Windward Community College Arts Festival.

In FY 2015, the band had 52 performances at shopping centers, a decrease from the 68 performances in FY 2014. The band explained that the decrease in shopping center performances was mainly due to the elimination of regularly scheduled concerts at the Royal Hawaiian Shopping Center. According to the band, this decision was made by the shopping center’s new owner and management.

The 2015 National Citizen Survey asked Honolulu residents to rate the opportunities to attend cultural, arts, and music activities. About 46% rated opportunities as *excellent* or *good*, which is a 16% decrease from the prior year and a 25% decrease from FY 2011. The 46% rating is similar to percentages reported nationwide and among communities with populations over 300,000. Honolulu ranked 152nd out of 252 communities nationwide, equivalent to the 40th percentile, and among large communities, Honolulu ranked 11th out of 16 communities, equivalent to the 33rd percentile for opportunities to attend cultural, arts, and music activities. RHB sees a decrease in the amount of opportunities for Honolulu residents to attend cultural, arts, and music activities. RHB noted that although Waikiki provides many venues for arts and music, and is where the overall opportunities have remained stable, the total number of live music acts has diminished over the years. RHB added that with less discretionary funds available, it seems the public is definitely more selective about the type of entertainment they pursue for their dollars.



Source: Royal Hawaiian Band. ¹Other than regularly scheduled performances at Iʻolani Palace and Kapiʻolani Bandstand, all performances require the mayor’s approval. Anyone may request the services of the band through the mayor’s office. Once approved, the band coordinates the schedule and logistics with the event’s sponsor.

Chapter 24 - Department of Transportation Services

The Department of Transportation Services' (DTS) mission is to provide a safe and efficient transportation system for the City and County of Honolulu. It accomplishes this mission through effective management of resources to plan, design, implement, operate, and maintain city streets, highways, transit systems and city transportation facilities. DTS also has jurisdiction over the efficient movement of vehicles, pedestrians, bicycles, and other modes of transportation through the city's transportation infrastructure.

Over the past 5 years, operating expenditures increased 11% from FY 2011 (\$217 million) to FY 2015 (\$240.8 million).

The department consists of the following divisions:

- Administration plans, directs and coordinates the operational activities of the divisions, and serves as the liaison with the Transportation Commission.
- Transportation Planning coordinates the department's transportation planning concepts and initiatives.
- Public Transit is responsible for the city's fixed-route bus transit system (TheBus) and the paratransit system (TheHandi-Van). It oversees O`ahu Transit Services (OTS), the contractor that manages and operates the public transit system for the city.
- Traffic Engineering conducts studies and analysis to promote the safe, efficient, and effective operation of the city's streets, roadways and related facilities.
- Traffic Signals and Technology designs, implements, operates and maintains over 797 state and city traffic signals on O`ahu. It also operates the Traffic Management Center.

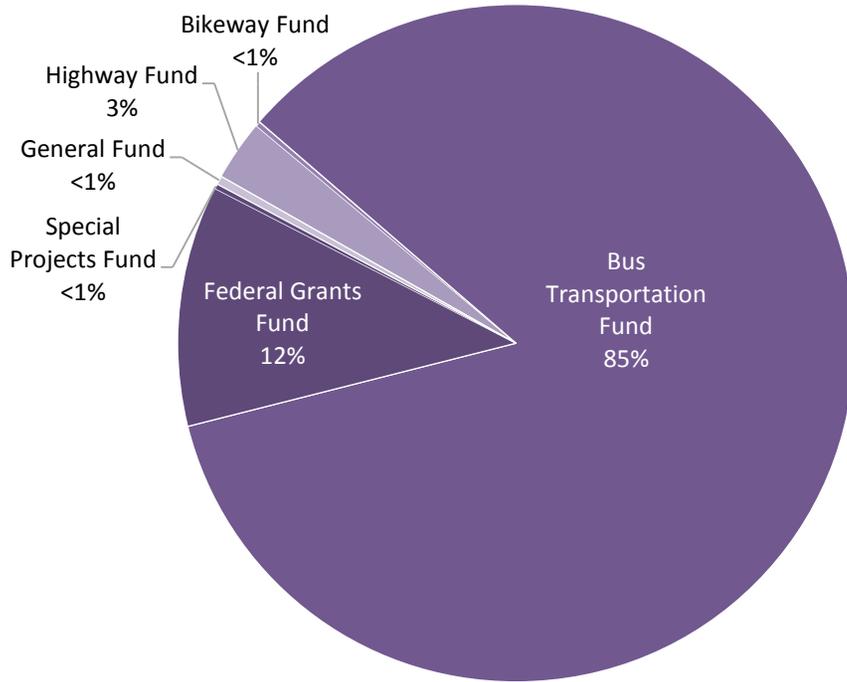


The Department of Transportation Services plans, designs, engineers and implements a safe and efficient multi-modal transportation system for the City and County of Honolulu.

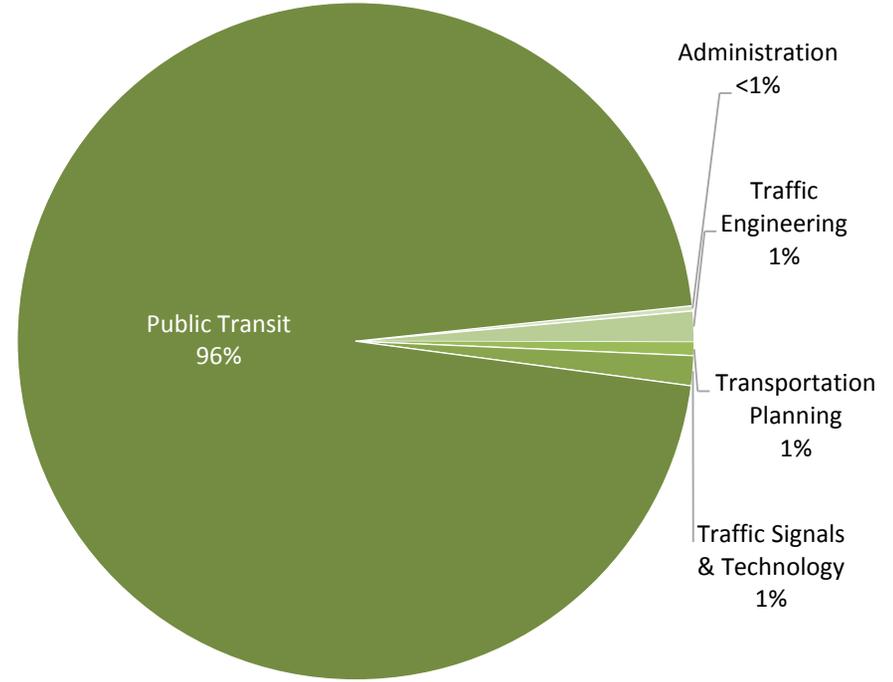
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses¹



| | Operating Expenditures (\$ million) | Revenues (\$ million) | Staffing | | Cost Per FTE ² (\$ million) | Total Overtime Expenditures ³ |
|------------------------------------|-------------------------------------|-----------------------|----------------------|------------------|--|--|
| | | | Total Authorized FTE | Total Vacant FTE | | |
| FY 2011 | \$217.0 | \$89.4 | 274 | 187 | \$0.8 | \$257,997 |
| FY 2012 | \$223.9 | \$79.3 | 115 | 38 | \$1.9 | \$243,840 |
| FY 2013 | \$230.9 | \$88.0 | 115 | 40 | \$2.0 | \$334,148 |
| FY 2014 | \$235.2 | \$91.6 | 115 | 31 | \$2.0 | \$290,151 |
| FY 2015 | \$240.8 | \$87.3 | 105 | 16 | \$2.3 | \$268,254 |
| Change from last year ⁴ | 2% | -5% | -9% | -48% | 12% | -8% |
| Change over last 5 years | 11% | -2% | -62% | -91% | 190% | 4% |

Source: Department of Budget and Fiscal Services. The FY 2015 totals are estimates (as of January 20, 2016) as provided by the Department of Budget and Fiscal Services (BFS). FY 2015 FTE staffing as of 7-15-2015.
¹Percentages do not total 100% due to rounding. ²Cost Per FTE = Operating Expenditures (DTS+Oahu Transit Services)/Total Authorized FTE (DTS only). ³DTS total overtime expenditures are comprised of non-holiday overtime only and overtime pay is established by bargaining unit agreement, as applicable. ⁴Percentages are based on whole dollar amounts.

Administration and Transportation Planning

Administration plans, directs, and coordinates the department’s activities in accordance with the city charter and direction from the mayor and managing director. It provides personnel management, budget preparation, and fiscal management. Over the last five years, administration’s expenditures increased 4% from FY 2011 (\$538,112) to FY 2015 (\$558,922).

The department’s goals are to provide greater and improved safety for all modes of transportation and increased quality of life for residents, incorporating *Complete Streets* principles that balance multiple modes of travel, including but not limited to transit (TheBus/TheHandiVan), motor vehicles, bicycles, pedestrians and rail (under construction) into the planning, design, and construction of city transportation facilities and projects, including the city’s Transit-Oriented Development (TOD) plans and projects.

Transportation Planning

Transportation Planning (TPD) provides citywide transportation planning and project programming for capital improvement and project budgets. TPD also performs environmental, traffic impact, and future travel demand studies. It applies for and administers highway and transit programs and projects that are funded by the Federal Highway Administration and Federal Transit Administration. TPD’s expenditures increased 83% over the last five years.

The division’s highlights include:

- Coordinated multimodal concepts and connectivity within TOD areas and rail stations.
- Programmed several capital improvement projects which included intersection and roadway improvements, traffic signals, bus acquisition, bus stop improvements, bicycle projects, and Joint Traffic Management Center.
- Initiated more than 75 traffic data and speed study reports, resulting in safer roadways and intersections.
- Incorporated new pedestrian, bicycle, and vehicular transportation projects into the Transportation Improvement Program, resulting in approximately \$17 million in new federal highway funds and \$35 million in transit funds, to maintain and purchase new buses and Handi-Vans.

| | Operating Expenditures | | Complaints Referred to DTS Administration | | Transportation Planning | | |
|--------------------------|------------------------|-------------------------|---|---------------------------------------|-------------------------|-----------------------|---|
| | Administration | Transportation Planning | Mayor's/MD's DART ¹ and RISRs ² | Customer Service Department Referrals | Federal Grants | Active Grants Managed | Transportation Improvement Program Projects |
| | | (\$ million) | | | Programmed (\$ million) | | |
| FY 2011 | \$538,112 | \$0.8 | 469 | 830 | \$23.0 | 25 | 25 |
| FY 2012 | \$463,964 | \$1.1 | 601 | 960 | \$83.0 | 27 | 27 |
| FY 2013 | \$560,111 | \$1.1 | 819 | 1,142 | \$60.0 | 30 | 20 |
| FY 2014 | \$576,376 | \$1.2 | 881 | 924 | \$79.0 | 19 | 21 |
| FY 2015 | \$558,922 | \$1.5 | 1050 | 1,104 | \$71.0 | 21 | 18 |
| Change from last year | -3% | 28% | 19% | 19% | -10% | 11% | -14% |
| Change over last 5 years | 4% | 83% | 124% | 33% | 209% | -16% | -28% |

Source: Department of Transportation Services, Department of Budget and Fiscal Services. ¹DART- Mayor's Document and Record Tracking System. ²RISR- Managing Director's Request for Investigation and Service Report.

Public Transit

The Public Transit Division (PTD) plans and directs the city’s public transit system, including both TheBus and TheHandi-Van. PTD oversees the city’s contract with O`ahu Transit Services, Inc. (OTS), which is responsible for managing and operating both TheBus and TheHandi-Van.

Public Transit comprises 96% of the department’s operating budget. Over the last five years, public transit’s expenditures increased 13% from \$205.1 million in FY 2011 to \$231.7 million in FY 2015.

In FY 2015, bus fare revenues were \$55.1 million which is a 6% increase from \$51.7 million in FY 2011.

Service improvements to public transit were made as a part of the mayor’s priority to restore bus service. The extension of Route E to serve Waikiki provided more workers in the visitor industry with a one-seat ride from Ewa Beach and Waipahu. Route 40 service to the University of Hawaii and West Oahu was extended to serve the campus all day long, seven days a week. In addition, a Pearl City shuttle bus route along Kamehameha Highway was initiated to mitigate rail construction delays.

In anticipation of the addition of rail as a public transit option, the division made many efforts to commence bus-rail integration. PTD completed the development of specifications for an electronic fare media (*smart card*) fare collection system for the bus-rail integration. The division also continued short and long-range planning for bus improvements in Waikiki, including but not limited to, planned bus-rail intermodal operations via a “circulator” bus route between the Ala Moana Transit Station and Waikiki.

In the 2015 National Citizen Survey, about 39% of respondents reported using TheBus, TheHandi-Van or other public transportation instead of driving. This was higher than the national benchmarks. Residents rating ease of travel by public transportation in Honolulu *excellent* or *good* were 33% which is a 5% decrease from 38% in FY 2014.

| | Public Transit | | | | Bus Subsidy (\$ million) | | | Citizen Survey |
|--------------------------|-------------------------------------|-----------------------|---------------------------------|----------------------------------|--------------------------|--------------|---------------|---|
| | Operating Expenditures (\$ million) | Bus Fare (\$ million) | Bus Operating Cost (\$ million) | Fare Box Recovery % ¹ | General Fund | Highway Fund | Total Subsidy | (% Excellent or Good) Bus or transit services |
| FY 2011 | \$205.1 | \$51.7 | \$171.3 | 30% | \$70.5 | \$64.3 | \$134.8 | 68% |
| FY 2012 | \$217.0 | \$54.8 | \$178.0 | 31% | \$63.8 | \$63.3 | \$127.1 | 58% |
| FY 2013 | \$223.7 | \$55.0 | \$182.9 | 30% | \$68.6 | \$76.6 | \$145.2 | 62% |
| FY 2014 | \$227.4 | \$55.0 | \$183.8 | 30% | \$99.4 | \$50.8 | \$150.2 | 61% |
| FY 2015 | \$231.7 | \$55.1 | \$187.4 | 29% | \$109.6 | \$39.1 | \$148.7 | 61% |
| Change from last year | 2% | <1% | 2% | -1% | 10% | -23% | -1% | 0% |
| Change over last 5 years | 13% | 6% | 9% | -1% | 55% | -39% | 10% | -7% |

Source: Department of Transportation Services, Department of Budget and Fiscal Services. ¹Farebox recovery set by Resolution 00-29, CD1 at 27-33% bus fare revenues to operating costs.

Public Transit – TheBus and TheHandi-Van

TheBus (Fixed Route)

During FY 2015, the division procured 29 40-foot, low-floor, clean diesel buses, and 40 60-foot, articulated low-floor clean diesel buses.

Over the past five years, the number of passengers boarding decreased 4% from 73.8 million in FY 2011 to 71.1 million in FY 2015. The total boarding TheBus at UH Manoa increased 2% from 2.3 million in FY 2011 to 2.4 million in FY 2015.

TheHandi-Van (Demand Response)

TheHandi-Van provides transportation service for persons with disabilities who are functionally unable to independently use TheBus. A total of 4,516 functional assessments for paratransit eligibility were conducted in FY 2015. Of these, 237 applicants were deemed conditionally eligible, 1,528 were deemed temporarily eligible, 2,678 were deemed unconditionally eligible, and 73 were deemed ineligible.

Human Services Transportation Coordination Program

In FY 2015, DTS provided 160,324 paratransit trips to approximately 251 riders through an existing transportation service operated by Goodwill Industries of Hawai'i, Inc. (Goodwill), The Arc in Hawai'i, and the Special Education Center of Hawai'i. Goodwill provides transport for clients to/from Goodwill programs, and midday and late night trips between Kalaeloa transitional shelters and the Kapolei Transit Center, which provides a vital link to jobs and services for area residents.



Source: Department of Transportation Services

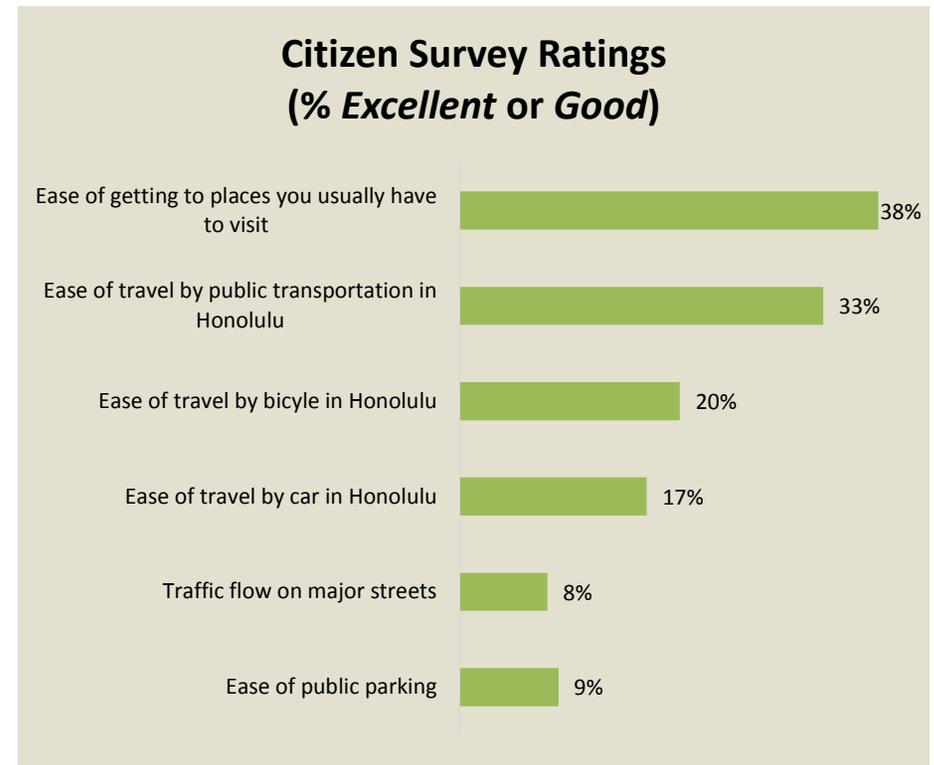
| | Fixed Route (TheBus) | | | | | Demand Response (TheHandi-Van) | | | | |
|--------------------------|---------------------------|-------------------------------|---------------------------|---|---|--------------------------------|-------------------------------------|---------------------------|---|--|
| | Total Bus Hours (million) | Passenger Boardings (million) | Average Weekday Ridership | Total TheBus Boardings at UH Manoa ¹ | Operating Expense per Passenger Boarding ² | Total Service Hours | Total Handi-Van Passenger Boardings | Average Weekday Ridership | Operating Expense per Passenger Boarding ² | |
| FY 2011 | 1.5 | 73.8 | 228,158 | 2,323,035 | \$2.32 | 400,424 | 825,680 | - | \$38.60 | |
| FY 2012 | 1.5 | 76.3 | 229,515 | 2,579,421 | \$2.34 | 415,727 | 845,903 | 625 | \$39.22 | |
| FY 2013 | 1.4 | 69.2 | 222,241 | 2,593,994 | \$2.64 | 424,993 | 841,447 | 901 | \$43.71 | |
| FY 2014 | 1.4 | 66.3 | 208,430 | 2,582,482 | \$2.77 | 432,965 | 882,084 | 1,087 | \$41.55 | |
| FY 2015 | 1.5 | 71.1 | 222,873 | 2,377,866 | \$2.64 | 437,533 | 843,402 | 1,435 | \$47.70 | |
| Change from last year | 4% | 7% | 7% | -8% | -5% | 1% | -4% | 32% | 15% | |
| Change over last 5 years | <1% | -4% | -2% | 2% | 14% | 9% | 2% | -- | 24% | |

Source: Department of Transportation Services. ¹UH-Manoa boardings are for 26 bus stops in and adjacent to UH-Manoa and are based on weekly ridership data. ²American Public Transportation Association: data for Unlinked Passenger Trips, also called boardings, is the number of times passengers board public transportation vehicles, FY 2011 to FY 2015.

Traffic Engineering

Traffic Engineering’s mission is the safe and efficient operations for all city roads and streets for the vehicular, pedestrian and bicycle movement of people and goods. The division administers and implements various capital improvements for traffic, safety, and bikeway programs. This includes new signage and striping, and updating the city’s traffic code and pedestrian safety programs. The division’s operating expenses increased 52% over the last five years from \$2.3 million in FY 2011 to \$3.6 million in FY 2015.

During FY 2015, Traffic Engineering continued working with communities to promote pedestrian safety, including the *Be Safe, Be Seen* Halloween Pedestrian Safety Campaign; hosting pedestrian safety booths at various fairs and community events; conducting safety presentations for various senior living facilities and senior groups; promoted the city’s *Ped Man* safety campaign to 1,763 elementary school students; and initiated “On the Spot” pedestrian safety and sign waving campaign in the Kalihi area.



Source: 2015 National Citizen Survey (Honolulu)

| | Operating Expenditures (\$ million) | Traffic Engineering | | Minor Traffic & Bikeway Projects | | | Traffic Fatalities | |
|--------------------------|-------------------------------------|---------------------|-----------------|----------------------------------|------------|---------|--------------------|--|
| | | Studies | Special Studies | Safety Campaigns | Pedestrian | Bicycle | | |
| FY 2011 | \$2.3 | 1,283 | 3 | 15 | 5 | 16 | 1 | |
| FY 2012 | \$1.7 | 1,462 | 7 | 21 | 6 | 17 | 1 | |
| FY 2013 | \$2.1 | 1,548 | 10 | 22 | 9 | 19 | 0 | |
| FY 2014 | \$2.2 | 1,444 | 10 | 18 | 10 | 24 | 2 | |
| FY 2015 | \$3.6 | 1,642 | 12 | 16 | 11 | 21 | 1 | |
| Change from last year | 60% | 14% | 20% | -11% | 10% | -13% | -50% | |
| Change over last 5 years | 52% | 28% | 300% | 7% | 120% | 31% | 0% | |

Source: Department of Transportation Services, Department of Budget and Fiscal Services.

Traffic Signals and Technology

Traffic Signals and Technology (TST) is responsible for the Honolulu Traffic Management Center and implementation of the city’s Intelligent Transportation System program to improve existing highway traffic efficiency through technology. It designs, implements, operates and maintains nearly 800 city and state traffic signals and 86 emergency vehicle pre-emption systems on O`ahu. Management of these transportation systems is essential to meeting the department’s goal of providing safe and efficient transportation. TST’s operating expenditures increased 2% over the last five years.

Construction groundbreaking of the Joint Traffic Management Center was held in April 2015. The division installed two new traffic signals, upgraded two signalized intersections, and installed thirteen bicycle signals along King Street for the protected two-way bicycle lane. TST also reviewed and issued 8,825 permits of various nature to include usage, special events, oversize/overweight, bike/run, and First Amendment permits.

In the 2015 National Citizen Survey, residents rating traffic flow on major streets *excellent* or *good* was 8%. These ratings were much *lower* than the national comparison and benchmarks for jurisdictions with populations over 300,000. About 31% of residents rated traffic signal timing as *excellent* or *good*, which was *lower* than the national benchmark.



Source: Department of Transportation Services

| | Operating Expenditures (\$ million) | Total Traffic Cameras | Traffic Signals Inspected | Adjusted Signal Timing for Efficient Traffic Flow ¹ | Responses to Complaints | Responses to Legal Issues | Street Use Permits | Special Events |
|--------------------------|-------------------------------------|-----------------------|---------------------------|--|-------------------------|---------------------------|--------------------|----------------|
| FY 2011 | \$3.4 | 200 | 421 | 160 | 623 | 72 | 7,185 | 179 |
| FY 2012 | \$3.3 | 209 | 592 | 47 | 592 | 42 | 6,903 | 176 |
| FY 2013 | \$3.4 | 209 | 592 | - | 548 | 39 | 7,715 | 82 |
| FY 2014 | \$3.7 | 229 | 649 | - | 500 | 31 | 9,062 | 106 |
| FY 2015 | \$3.5 | 254 | 622 | - | 513 | 27 | 8,825 | 100 |
| Change from last year | -7% | 11% | -4% | -- | 3% | -13% | -3% | -6% |
| Change over last 5 years | 2% | 27% | 48% | -- | -18% | -63% | 23% | -44% |

Source: Department of Transportation Services, Department of Budget and Fiscal Services. ¹FY 2011 Optimize Timings of Traffic Signals. FY 2012 Adjusted Signal Timing for Efficient Traffic Flow.

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Chapter 25 - Honolulu Board of Water Supply

By city charter, the Honolulu Board of Water Supply (BWS) has full and complete authority to manage, control, and operate all city water systems on O`ahu. Its mission, *Water for Life*, is to provide a safe and dependable water supply that is affordable to its customers, now and into the future. BWS focuses its efforts on the following strategic objectives: Resource Sustainability, Economic Sustainability and Organizational Sustainability.

As a semi-autonomous agency of the City and County of Honolulu, BWS is governed by a seven-member board. Five of the members are appointed by the mayor and confirmed by the City Council. The remaining two directors are ex-officio, and include the State of Hawai`i Director of the Department of Transportation and the Chief Engineer for the city's Department of Facility Maintenance. The board is a policy-making body that appoints the BWS manager and chief engineer to administer the department. BWS consists of the following 11 divisions:

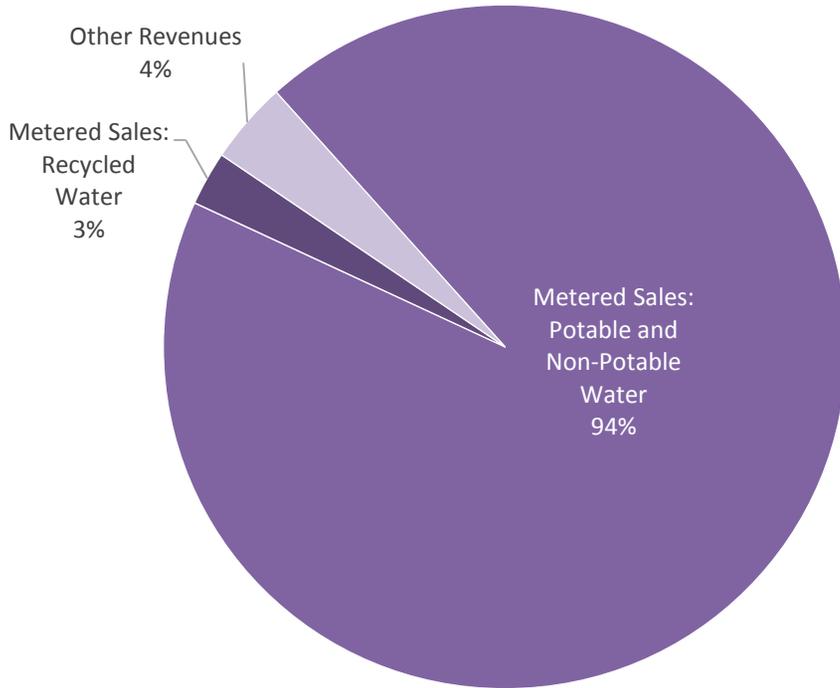


To provide a safe and dependable water supply that is affordable to its customers, now and into the future.

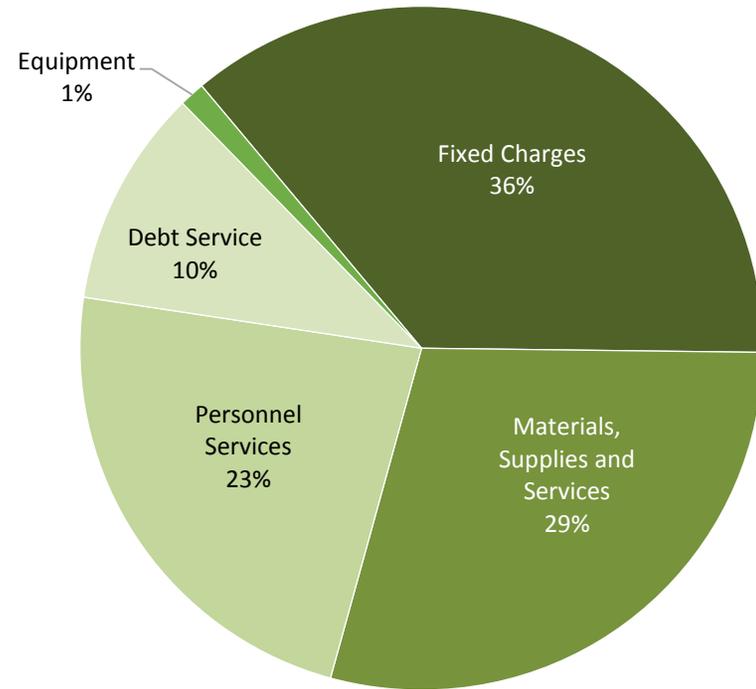
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses¹



| | Total Operating Expenditures (\$ millions) | Revenues (\$ millions) | Debt Service (\$ millions) | Total Authorized FTE | Total Vacant FTE | Cost Per FTE ² | Total Overtime Expenditures (\$ millions) |
|--------------------------|--|------------------------|----------------------------|----------------------|------------------|---------------------------|---|
| FY 2011 | \$124.6 | \$155.1 | \$20.9 | 714 | 253 | \$174,454 | \$1.8 |
| FY 2012 | \$131.0 | \$158.6 | \$20.7 | 714 | 251 | \$183,455 | \$2.0 |
| FY 2013 | \$145.2 | \$186.8 | \$22.2 | 714 | 228 | \$203,291 | \$2.3 |
| FY 2014 | \$141.5 | \$197.5 | \$20.5 | 714 | 232 | \$198,182 | \$2.3 |
| FY 2015 | \$149.5 | \$217.8 | \$15.4 | 714 | 233 | \$209,317 | \$2.2 |
| Change from last year | 6% | 10% | -25% | 0% | 0.4% | 6% | -5% |
| Change over last 5 years | 20% | 40% | -26% | 0% | -8% | 20% | 19% |

Source: Honolulu Board of Water Supply. ¹Percentages do not total 100% due to rounding. ²Cost per FTE= Total Operating Expenditures / Total Authorized FTE.

Highlights

Total operating expenditures increased 6% to \$149.5 million in FY 2015 from \$141.5 million in FY 2014. According to BWS, this increase was due to higher costs for salaries, retirement health fund benefits, pensions and supplies.

Total revenue steadily increased 40% to \$217.8 million in FY 2015 from \$155.1 million in FY 2011. The department noted that this increasing trend was the result of the implementation of 4 out of 5 scheduled annual rate increases.

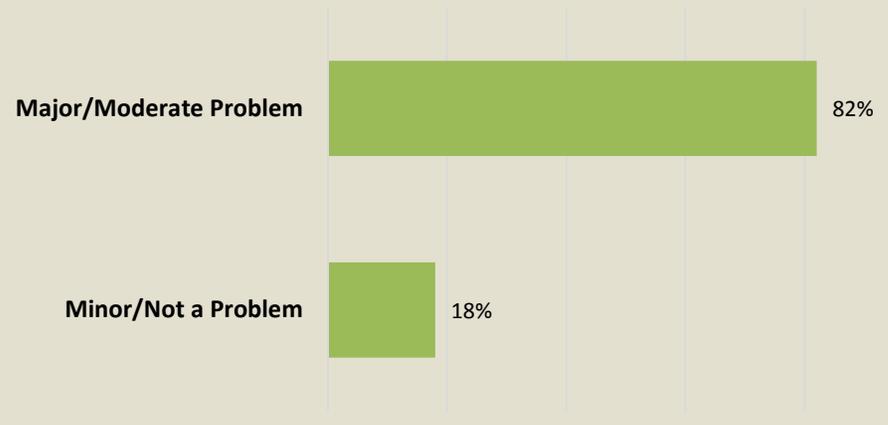
Debt service decreased 25% to \$15.4 million in FY 2015 from \$20.5 million in FY 2014. BWS explained that this decrease was due to the issuance of revenue bonds, Series 2014 A and B, and the partial refunding of revenue bonds, Series 2006A and B.

Total overtime expenditures decreased 5% to \$2.2 million in FY 2015 from \$2.3 million in FY 2014. The department said that this decrease was the result of reduced overtime in the Application Systems Development, and Revenue and Customer Accounting sections. BWS added that in FY 2014, overtime in the Application Systems Development section was needed for software upgrades, and the reduced overtime in the Revenue and Customer Accounting section was due to the lower number of estimated bills.

Chemical tests performed in FY 2015 included monitoring BWS wells near the Navy Red Hill Bulk Fuel Facility in response to a fuel leak reported by the Navy in January 2014. Since this date, BWS has been working with the U.S. Environmental Protection Agency and the Hawai'i Department of Health, and conducting its own studies to assess the impact the leak may have on the groundwater aquifer.

The 2015 National Citizen Survey asked Honolulu residents to rate the service quality for drinking water. About 68% rated services as *excellent* or *good*, which is a 7% decrease from the prior year and a 6% decrease from FY 2011. BWS believes that the decrease from prior year's rating was attributed to water and sewer rate increases. About 91% of residents made an effort to conserve water, which is a 3% increase from the prior year. The 91% rating is *similar* to percentages reported nationwide and among communities with populations over 300,000. Among large communities, Honolulu ranked 4th out of 11 communities, equivalent to the 70th percentile for efforts made to conserve water.

Residents were asked to rate the Navy's proposal to prevent Red Hill fuel storage leaks from contaminating urban Honolulu's drinking water aquifers.



Source: 2015 National Citizen Survey

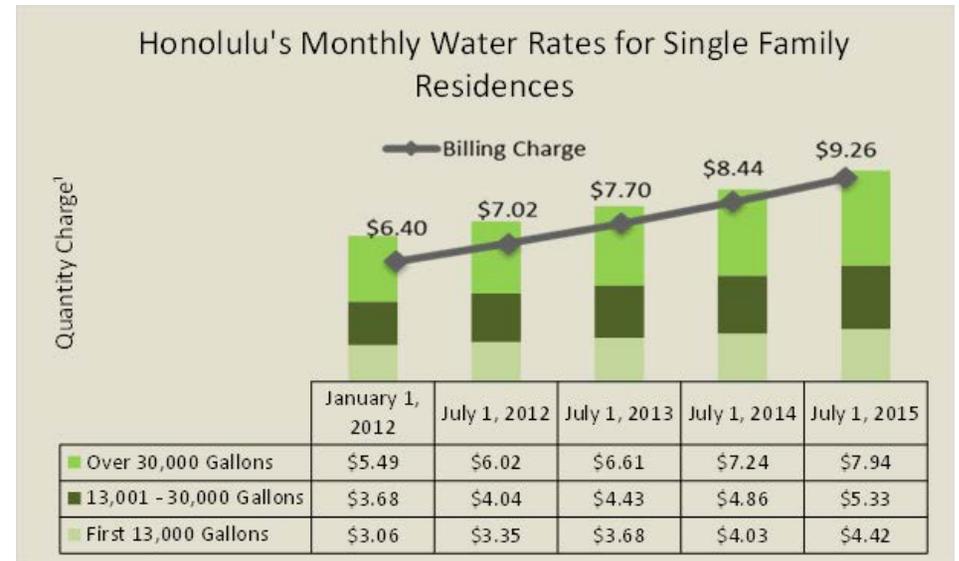
| | Citizen Survey | |
|--------------------------|---|--------------------|
| | Drinking Water Service (% Good or Excellent) | Conserved Water |
| FY 2011 | 74% | - |
| FY 2012 | 72% | - |
| FY 2013 | 74% | 87% |
| FY 2014 | 75% | 88% |
| FY 2015 | 68% | 91% |
| Change from last year | -7% | 3% |
| Change over last 5 years | -6% | - |

Source: Honolulu Board of Water Supply, 2011-2015 National Citizen Survey (Honolulu)

Water Rates

A typical monthly water bill increased 19% to \$60.83 in FY 2015 from \$51.25 in FY 2014. The billing and quantity charges increased about 10% in FY 2015 from the prior year.

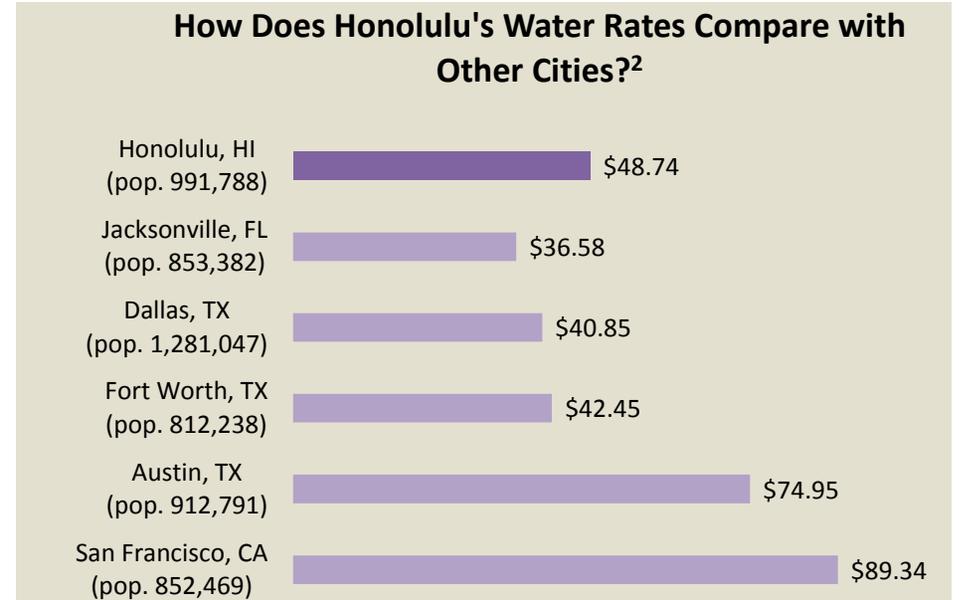
In FY 2015, the monthly residential charge for 10,000 gallons of water in Honolulu was \$48.74. In Jacksonville, residents were charged \$36.58, and San Francisco residents were billed \$89.34 for the same amount of water.



Source: Honolulu Board of Water Supply. ¹Quantity charge rates-per 1,000 gallons of water drawn.

| | Typical Monthly Water Bill ¹ |
|--------------------------|---|
| FY 2011 | \$39.55 |
| FY 2012 | \$46.18 |
| FY 2013 | \$50.57 |
| FY 2014 | \$51.25 |
| FY 2015 | \$60.83 |
| Change from last year | 19% |
| Change over last 5 years | 54% |

Source: Board of Water Supply. ¹Typical monthly residential water bill: Billing Charge (\$8.44) + Quantity Charge (\$52.39) = \$60.83.



Source: Honolulu Board of Water Supply; JEA; City of Dallas Water Utilities; City of Fort Worth; Austin Water; San Francisco Public Utilities Commission; and U.S. Census Bureau. ²Estimated monthly charges based on most current residential water rates for 10,000 gallons of water consumed. Honolulu's monthly charges were based on FY 2015 water rates.

Water Consumption

Both residential and commercial total water consumption decreased in FY 2015 from the prior year. Total residential water consumption decreased 6% to 26.7 billion gallons from 28.5 billion gallons, and total commercial water consumption decreased 7% to 20.5 billion gallons from 22 billion gallons. BWS attributed this decrease to advanced water conservation efforts, economic incentives from sewer and water rate increases, recycled water, public education, and leak detection and repair programs in the BWS's water system.

Average day metered consumption for Ko'olau Poko, the North Shore, and the primary urban core decreased in FY 2015 from the prior year and FY 2011. Consumption for Ko'olau Poko totaled 13.576 mgd² in FY 2015, which was a 14% decrease from 15.861 mgd in FY 2014. The North Shore's consumption totaled 2.347 mgd in FY 2015, which was a 9% decrease from 2.586 mgd in the prior year. Consumption for the primary urban core totaled 56.969 mgd in FY 2015, which was a 12% decrease from 64.904 mgd in FY 2014. BWS said that a decrease in a development plan area's consumption could possibly be due to continued water conservation efforts, economic incentives from sewer and water rate increases, recycled water, public education, and leak detection and repair programs in the BWS's water system.

New connections totaled 522 in FY 2015, which was a 46% decrease from 962 in FY 2011 and a 3% decrease from 540 in FY 2014. The department attributed these decreases to a reduction of new single family residential subdivisions, which have a lot of small meters versus several high rise developments in Kaka'ako that have a single large water meter.

| | Total Water Consumption | |
|--------------------------|----------------------------------|---------------------------------|
| | Residential (billion-gallons) | Commercial (billion-gallons) |
| FY 2011 | 29.0 | 20.8 |
| FY 2012 | 28.0 | 21.0 |
| FY 2013 | 28.8 | 21.3 |
| FY 2014 | 28.5 | 22.0 |
| FY 2015 | 26.7 | 20.5 |
| Change from last year | -6% | -7% |
| Change over last 5 years | -8% | -1% |

Source: Honolulu Board of Water Supply, 2011-2015 National Citizen Survey (Honolulu)

| | Average Day Metered Consumption (mgd) ¹ by Development Plan Area | | | | | | | Primary Urban Core | New Connections |
|--------------------------|---|--------|----------|---------------|--------------|-------------|-------------|-----------------------|--------------------|
| | East Honolulu | 'Ewa | Wai'anae | Central O'ahu | Ko'olau Poko | Ko'olau Loa | North Shore | | |
| FY 2011 | 7.429 | 14.276 | 7.850 | 14.216 | 14.480 | 1.262 | 2.954 | 60.413 | 962 |
| FY 2012 | 8.268 | 15.561 | 8.457 | 15.95 | 14.429 | 1.309 | 2.997 | 62.002 | 1,069 |
| FY 2013 | 8.003 | 16.353 | 8.001 | 15.743 | 14.272 | 1.398 | 2.580 | 60.625 | 1,035 |
| FY 2014 | 7.073 | 16.309 | 7.805 | 15.487 | 15.861 | 1.262 | 2.586 | 64.904 | 540 |
| FY 2015 | 7.198 | 16.227 | 8.026 | 14.784 | 13.576 | 1.224 | 2.347 | 56.969 | 522 |
| Change from last year | 2% | -1% | 3% | -5% | -14% | -3% | -9% | -12% | -3% |
| Change over last 5 years | -3% | 14% | 2% | 4% | -6% | -3% | -21% | -6% | -46% |

Source: Honolulu Board of Water Supply. ²(mgd) = million gallons per day.

Water Infrastructure

According to BWS, there are a total of 2,123 miles of water mains on O`ahu. BWS replaced 21 miles of pipeline in FY 2015 compared to 1 mile in FY 2011, an increase of 610%. The department explained that this increase was the result of the 6-Year Capital Improvement Program (CIP), which forecasts when pipeline and other projects will be scheduled for construction. BWS added that the number of pipeline projects will vary from year to year based on priority, anticipated completion of design, and the availability of funds. The department noted that at this point there is no target as far as the number of miles to be replaced annually, however this might change in the future based on the recommendations from the Water Master Plan.

Construction contract expenditures decreased 10% to \$41.6 million in FY 2015 from \$46.3 million in FY 2014. According to BWS, this decrease was due to decreases in the overall CIP budget. The FY 2014 CIP budget was \$82.2 million and the FY 2015 CIP budget was \$75.5 million. BWS noted that with the decreases in the budgeted amount, less construction projects were executed for FY 2015.

Professional services contract expenditures increased 19% to \$15.8 million in FY 2015 from \$13.3 million in FY 2014. The department explained that this increase was the result of an increase in the FY 2015 budget for water system improvements and slope stabilization at various facilities.

There were 293 water main breaks in FY 2015, which was a 12% decrease from 333 in FY 2011 and a 2% decrease from 298 in FY 2014. BWS said that this decrease was due in part to improvements to their water system monitoring,

| | Construction Contracts (\$ millions) | Professional Services Contracts (\$ millions) |
|--------------------------|---|---|
| FY 2011 | \$26.3 | \$4.3 |
| FY 2012 | \$21.5 | \$3.0 |
| FY 2013 | \$29.8 | \$14.6 |
| FY 2014 | \$46.3 | \$13.3 |
| FY 2015 | \$41.6 | \$15.8 |
| Change from last year | -10% | 19% |
| Change over last 5 years | 58% | 267% |

Source: Board of Water Supply

which has enabled better pressure management of pumping operations in the distribution system.

Total leaks recovered totaled 354 in FY 2015, which was a 103% increase from 174 in FY 2011 and a 15% increase from 308 in FY 2014. According to the department, this increase was due to an increase in coupling leaks found during leak detection fieldwork.

Annual water savings leak recovery significantly increased 248% in FY 2015 to 932 mg/yr¹ from 268 mg/yr in FY 2014. BWS explained that an increase in leaks typically corresponds to an increase in leak recovery. BWS noted that there also was a significant number of larger leaks that the crew found compared to smaller leaks that were found in the past.

The number of water accounts increased 1% in FY 2015 to 168,665 from

| | Potable Water | | | | | Non-Potable Water | | |
|--------------------------|------------------------|------------------------------|----------------------------|--|--------------------------|--|---|--|
| | Water Mains (Miles) | Pipeline Replaced (Miles) | Total Water Main Breaks | Total Breaks Per 100 Miles of Pipeline | | Annual Water Savings Leak Recovery (mg/yr) ¹ | Total Recycled Water Pipeline (Miles) | Total Recycled Water Pipeline Added (Miles) |
| | | | | Total Leaks Recovered | Total Leaks Recovered | | | |
| FY 2011 | 2,095 | 1.0 | 333 | 16 | 174 | 1,086 | 36 | 0.9 |
| FY 2012 | 2,101 | 5.0 | 312 | 15 | 209 | 1,206 | 38 | 1.5 |
| FY 2013 | 2,106 | 5.9 | 331 | 16 | 532 | 471 | 38 | 0 |
| FY 2014 | 2,114 | 5.1 | 298 | 14 | 308 | 268 | 38 | 0 |
| FY 2015 | 2,123 | 7.1 | 293 | 14 | 354 | 932 | 38 | 0 |
| Change from last year | 0.4% | 39% | -2% | 0% | 15% | 248% | 0% | - |
| Change over last 5 years | 1% | 610% | -12% | -13% | 103% | -14% | 6% | -100% |

Source: Honolulu Board of Water Supply. ¹mg/yr-millions of gallons per year; the water flow from each leak is estimated and totaled with the assumption that the leak duration is over a one year period.

Customer Service

166,839 in FY 2014. According to the department, this increase was due to the establishment of new connections for new developments that included single family homes and subdivisions. Although water account totals increased from the prior year, account totals decreased 3% from 174,269 in FY 2011. BWS explained that the Customer Care and Billing (CC&B) system allows for multiple service points to be on one account, whereas in the Customer Account System (CAS), which is the department’s former system, each one has separate service (AFS, Domestic).

Delinquent account totals increased 19% in FY 2015 to 4,094 from 3,438 in FY 2014. The department attributed this increase to the fact that the automated collections module in CC&B is not turned on. BWS said that delinquent accounts are currently tracked and pursued manually. The department added that the Collection section is proceeding with plans to implement automated collection by September 2016.

Estimated bill totals significantly decreased 81% in FY 2015 to 6,561 from 34,620 in FY 2014. According to BWS, this decrease was due to increased staffing in both the Meter Reading and Pre-Audit sections. The department noted that they were able to get more readings and process more bills, thereby decreasing the need to estimate bills.

Customer care center calls received decreased 36% in FY 2015 to 146,679 from 228,384 in FY 2014. BWS explained that the calls received by the Customer Care Center in FY 2015 was reflective of the department’s usual call volume, which averages 12,000-13,000 calls per month. The department added that the

volume in FY 2014 was 41% higher because of an influx of calls after the CC&B system conversion.

Although the number of water accounts and estimated bills decreased over the past 5 years, customer care center call totals increased 98% over the same period. BWS said as a result of converting from bi-monthly to monthly billing, they are fielding more billing inquiries. The department added that customers also have the ability to pay by phone.

The average AMR¹ read rate increased in FY 2015 to 88.52% from 85.70% in FY 2014. According to BWS, this increase was due to the continued maintenance efforts by Field Operations in replacing worn out AMR equipment and data correction efforts by the IT and Pre-Audit staff.



Source: City and County of Honolulu Office of the City Auditor

| | Total Number | | | | |
|--------------------------|---------------------------------|---------------------|-----------------|--|------------------------------------|
| | Water Accounts (At Year End) | Delinquent Accounts | Estimated Bills | Customer Care Center Calls Received | Average AMR Read Rate ¹ |
| FY 2011 | 174,269 | 2,952 | 30,979 | 74,103 | - |
| FY 2012 | 175,360 | 3,222 | 31,230 | 104,647 | 87.14% |
| FY 2013 | 165,787 | 4,466 | 283,912 | 241,634 | 86.30% |
| FY 2014 | 166,839 | 3,438 | 34,620 | 228,384 | 85.70% |
| FY 2015 | 168,665 | 4,094 | 6,561 | 146,679 | 88.52% |
| Change from last year | 1% | 19% | -81% | -36% | 2.82% |
| Change over last 5 years | -3% | 39% | -79% | 98% | - |

Source: Honolulu Board of Water Supply. ¹BWS did not maintain average Automatic Meter Reading (AMR) read rate statistics prior to FY 2012.

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