



# The City and County of Honolulu

## Citizen-Centric Report for Fiscal Year 2011



### Our Island

Hawai'i is located in the central Pacific Ocean about 2,400 miles from San Francisco. The City and County of Honolulu covers the entire island of O'ahu and with an estimated 955,775 residents is the largest city in Hawai'i. According to the latest U.S. Census Bureau statistics, the city covers almost 600 square miles. This is about 70% of the state's total population of 1.3 million people. Of the total Honolulu population, 138,587 (14.5%) were 65+ years of age. Population density is 1,586.7 persons per square mile. Tourism is the city's principal industry, followed by federal defense expenditures and agricultural exports.

### Our 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.

The City Charter adopted in 1959 was cited by the United States Conference of Mayors as a model for modern American metropolitan area government. All elective positions have four-year terms elected on a nonpartisan basis.

### Our Economy

Hawai'i's economy continued to expand until 2007. When the U.S. economy experienced a downturn, Honolulu also was affected by the recession. To mitigate the economic downturn and maintain a balanced budget, the city raised sewer and other fees, restricted agency budgets, and implemented spending restrictions. The latter included a freeze on hiring; restrictions on reorganizations that created new and higher level positions; and restrictions on purchases and travel. The city focused on basic city services, improving infrastructure, and upgrading facilities such as the sewer and wastewater collection systems. The proactive steps generated savings as revenues from tourism and real property assessments remained relatively flat or declined.

The city continues to focus on fiscal stability while attempting to maintain municipal services and minimizing increases in fees and taxes.

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### Mission, Goals and Objectives

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. For achieving these purposes, its departments and agencies can be roughly divided into four groups:

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

### Selected Demographics

	2010	2011
Population	955,775	—
Per Capita Income	21,998	\$29,221
Unemployment Rate	5.4%	5.7%
Percent of Total Workforce in Government	23.7%	22.5%
Number of City & County Employees	8,792	8,628

Sources: US Census Bureau 2010, US Department of Labor Bureau of Labor Statistics, State of Hawaii Data Book 2011

# How We Have Progressed

Fiscal Year 2011

Citizen-Centric Report for Fiscal Year 2011



## Honolulu Performance Measures

	2010 Actual	2011 Actual	1 Year Change
<b>Financial Priorities</b>			
General Fund expenditures (millions)	\$1,255	\$1,195	-5 %
General Fund revenues (less carry over) (millions)	\$1,811	\$1,853	2%
Debt service as a % of Operating Budget	16.7%	17.4%	0.7%
<b>Community Design</b>			
Availability of affordable quality housing "excellent-good"	6%	9%	3%
Code enforcement "excellent" or "good"	22%	28%	6%
Number of potholes patched	41,505	67,714	63%
<b>Environmental Sustainability</b>			
Sanitation capital expenditures (millions)	\$258	\$494	91%
Green waste recycled (thousands of tons)	58	70	21%
Total tons recycled (thousands of tons)	521	549	5%
Preservation of Natural Areas "excellent" or "good"	39%	49%	10%
<b>Public Safety</b>			
Police services "excellent" or "good" <sup>1</sup>	64%	63%	-1%
Priority 1 average response times (minutes) <sup>1</sup>	7.13	7.14	0%
Traffic enforcement— moving citations (thousands) <sup>1</sup>	114.8	121.9	6.2%
Fire services "excellent" or "good"	91%	89%	-2%
Inspections (fire prevention) (thousands)	66.6	64.3	-3%
<b>Recreation and Wellness</b>			
Recreation services expenditures (millions)	\$20.2	\$18.6	-8%
Percent who visited a neighborhood or C&C park	87%	86%	-1%
Number of children registrants in parks programs	20,865	22,815	9%
Number of senior registrants in parks programs	13,471	15,055	12%

## Per Capita (Per Resident) Spending by Department

Department	FY 2011	Department	FY 2011
Budget and Fiscal Services	\$15	Information Technology	\$17
Community Services	\$4	Legislative	\$12
Corporation Counsel	\$6	Mayor	\$1
Customer Services	\$18	Managing Director	\$2
Design and Construction	\$15	Neighborhood Commission	\$1
Emergency Management	\$1	Royal Hawaiian Band	\$2
Emergency Services	\$32	Medical Examiner	\$1
Environmental Services	\$5	Parks and Recreation	\$54
Facilities Maintenance	\$16	Planning and Permits	\$13
Fire	\$100	Police	\$207
Human Resources	\$5	Prosecuting Attorney	\$16
<b>Total Per Capita Cost for City Operations (rounded)</b>			<b>\$544</b>

## 2011 Accomplishments

- The Office of the City Auditor has issued its second Service, Efforts and Accomplishments report, which will inform citizens about the status of the City and County of Honolulu.\*
- In the midst of an economic recession, debt service as a percentage of operating expenditures has remained below the 20% cap, at 17.4%.
- The Department of Environmental Services reported that green waste recycling tonnage increased 87% since 2007.
- Calls for Honolulu Police Department services decreased 4% since 2007.
- In conjunction with the SEA Report, the City Auditor's Office will issue the results of a National Citizen Survey, which provides resident opinions about city services.
- Community characteristics receiving the most favorable ratings by citizens were drinking water and air quality, and opportunities to attend cultural activities.
- Characteristics receiving the least favorable ratings were availability of affordable housing, street repair, the amount of public parking, traffic flow on major streets, and availability of affordable quality child care.
- Public trust of local government was below the national benchmarks although the overall image or reputation of the city was similar to other cities.

\*The SEA Report, attached National Citizen Survey™ and video tutorials can be found online at <http://www1.honolulu.gov/council/auditor/seareports.htm>

Sources: 2011 Honolulu Service, Efforts and Accomplishments Report & Citizen Survey, Executive Operating Program and Budgets FY 2012, FY 2011

<sup>1</sup> Police statistics are given by calendar year

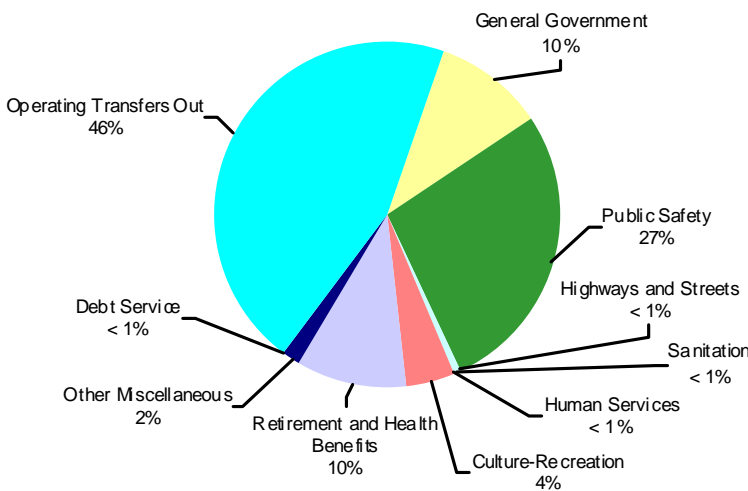


# Our Finances

## Spending and Expenses FY 2011

Honolulu, like other cities, uses various funds to track specific categories of activities. The General Fund is used for all general revenues and governmental functions including the departments of community services, customer services, design and construction, emergency management and services, environmental services, fire, information technology, parks and recreation, police, legislative branch, and support services. These services are supported by general city revenues and program fees. Proprietary Funds are used for highway, parks and playgrounds, sewer, bus transportation, solid waste, water, housing, and enterprise services such as golf course, the zoo, and auditoriums. These services are generally supported by charges paid by users. Please note that the information below does not reflect capital funds or expenditures.

### Where does the General Fund Dollar Go?



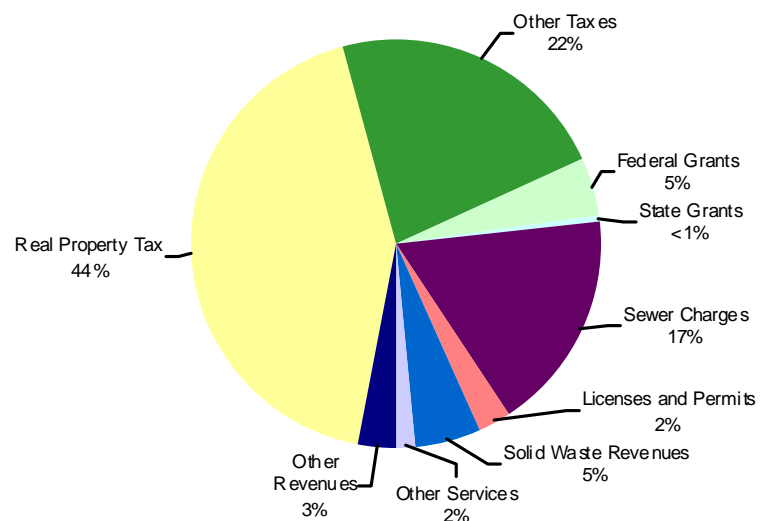
Function	FY 2010 (millions)	FY 2011 (millions)
General Government	\$128.6	\$121.7
Public Safety	\$312.4	\$325.5
Highways & Streets	\$2.1	\$1.9
Sanitation	\$3	\$3.9
Human Services	\$3.1	\$2.4
Culture/ Recreation	\$58.8	\$51.0
Utilities or Other Enterprises	\$0.1	-
Debt Service	\$1.0	\$0.4
Other Miscellaneous	\$21.5	\$22.2
Capital Outlay	\$1.5	-
Operating Transfer Out	\$563.7	\$543.0
Retirement and Health Benefits	\$158.9	\$122.6
<b>Total</b>	<b>\$1,254.8</b>	<b>\$1,194.6</b>

Sources: Executive Operating Program and Budgets FY 2012, FY 2011, FY 2010

### What are the General Fund Sources of Revenue<sup>1</sup>?

Operating Resources	FY 2010 (millions)	FY 2011 (millions)
Real Property Tax	\$852.2	\$799.4
Other Taxes	\$290.7	\$414.5
Federal Grants	\$89.7	\$88.7
State Grants	\$7.1	\$6.7
Sewer Charges	\$281.2	\$323.4
Licenses and Permits	\$43.2	\$43.9
Solid Waste Revenues	\$95.3	\$94.7
Other Services	\$28.1	\$28.5
Other Revenues	\$124.1	\$53.5
<b>Total</b>	<b>\$1,811.4</b>	<b>\$1,853.2</b>

Sources: Executive Operating Program and Budgets FY 2012, FY 2011



### Independent Audit

Independent audits of the City's finances were conducted, resulting in clean opinions. Complete financial information can be found at <http://www1.honolulu.gov/council/auditor>

...to promote accountability, fiscal integrity and openness in city government.



### Challenges Moving Forward

WE ARE IN A DIFFICULT FINANCIAL SITUATION: Honolulu's economy has been hit hard by the recession. This has impacted the city government, as well as each citizen of the City and County. The mayor's priorities for FY 2011 were related to:

- Transportation
- Economic Development
- Good Government
- Fiscal Responsibility
- Focus on Technology for the Future

### We want to hear from you.

Do you like this report?  
Would you like to see other information?  
Please let us know by contacting our office at [oca@honolulu.gov](mailto:oca@honolulu.gov). For more information on our services, visit our website at <http://www1.honolulu.gov/council/auditor/>

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Photos courtesy of C&C of Honolulu Photo Bank

<sup>1</sup>Sources: Executive Operating Program and Budgets (FY 2010 to 2012)

### Priorities

#### Transportation

The city inaugurated the voter approved semi-autonomous Honolulu Authority for Rapid Transportation (HART) on July 1, 2011. Project ground breaking for the \$5.2 billion rail project occurred in FY 2011. Contracts awarded for the new rail system were \$165 million below the project estimates. Citizens (68%) rated the city bus services as excellent or good. Street repair, public parking, and traffic signal timing continue to provide challenges to the city.

#### Economic Development

Declines in construction projects reflect the impact of the recession on the city's economy. Unemployment increased from 2.7% to 5.7% over five years. The mayor predicts the rail construction project will create jobs for the unemployed and underemployed, stimulate the economy, and provide affordable and reliable public transportation to those who need it most. The 2011 Asian-Pacific Economic Cooperation (APEC) conference and summit for Pacific rim heads of state demonstrated the city can host important conferences and promoted the city as a travel destination. Planning for transit oriented developments, and general and community plans updates prepare the city for future development. 515 film projects resulted in \$250 million in direct spending by production companies. These efforts are expected to diversify the local economy.

#### Good Government

To promote governmental professionalism, exceptional service to the public, and governmental transparency and public trust, the new mayor took several actions. It retained former administration managers and staff; ensured the 10 satellite city halls continued to provide residents with vehicle registration and licensing services despite furloughs and staff vacancies; and consolidated 3 federal cases by entering into a global consent decree for improving the city's wastewater system. The fire, police, and other departments retained professional accreditations. The city initiated on-line and web-based programs that allow residents to extract city data, monitor city activities, and



provide inputs for improving city services. The City Auditor initiated this Citizen-Centric Report, the Service, Efforts and Accomplishments Report, and a National Citizen Survey of Honolulu residents. These projects allow citizens and policy makers to monitor city performance and resident opinions of city services.

#### Fiscal Responsibility

City departments reduced operating expenditures 5% from \$1.25 billion in FY 2010 to \$1.2 billion in FY 2011. City departments reduced operating costs by placing city resources on-line, reducing costs, and raising fees (such as golf courses and zoo fees, sewer charges and water fees).

#### Focus on Technology

The new Can-Do Honolulu web-based system provides key government data to the public and takes citizen inputs for improving city government. On-line neighborhood elections increased voter turnout. The city enterprise resource planning (ERP) system improves data processing for city services (including financial, human resource, payroll, budget, and accounting, services). The HOLIS and GIS systems provide integrated geographic information for plans and permits. The HonLINE allows citizens to obtain building permits on line for some projects. The city is saving energy by using photo voltaic cells, and incinerating waste in lieu of fossil fuels to generate electricity at its H-Power plant. New technologies allow waste water and green waste recycling, convert waste to biosolids, and recycling reusable materials have reduced the tonnage going to the landfill. <sup>1</sup>