

The City and County of Honolulu

Citizen-Centric Report for Fiscal Year 2013



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Mission, Goals & Objectives

ACCORDING TO THE CITY CHARTER:
The purpose of the City and County government is 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

Our Island

Hawai'i is located in the central Pacific Ocean about 2,400 miles from San Francisco, CA. The City and County of Honolulu covers the entire island of O'ahu, an area of nearly 600 square miles. According to the latest U.S. Census Bureau statistics, there are an estimated 976,372 residents and Honolulu is the largest city in Hawai'i, with approximately 70% of the state's total population of 1.4 million people. Of Honolulu's total population, 147,432 (15.1%) were age 65 years and older. Population density is 1,625 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.

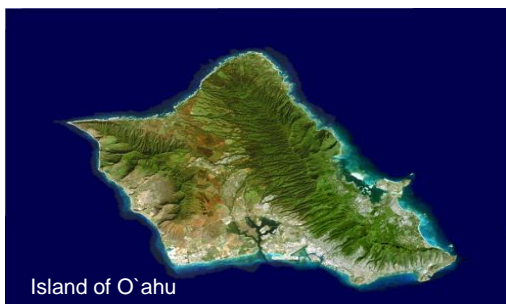
Our Economy

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. Given uncertainties in the global economy, rising energy, debt service and employee costs, the city's philosophy is to contain costs while maintaining the expected level of public services.

Selected Demographics

	2012	2013
Population	963,607	976,372
Per Capita Personal Income	\$30,016	\$30,219
Unemployment Rate	5.3%	4.2%
Households	307,248	308,490
Homeownership Rate	56.9%	56.4%

Sources: US Census Bureau 2013, Honolulu Service, Efforts and Accomplishments Reports FY 2012, FY 2013 published by Honolulu Office of the City Auditor, and 2012 Citizen-Centric Report.



Island of O'ahu

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Our Progress

Citizen Centric Report for Fiscal Year 2013



2013 Highlights

- The Office of the City Auditor issued its fourth Service, Efforts and Accomplishments (SEA) report, which informs citizens about the status of the City and County of Honolulu.
- In connection with the SEA report, the City Auditor's Office reported the results of Honolulu residents' opinions about the community and city services in the 2013 National Citizen Survey.
- Honolulu residents reported high rates of participation in environmentally friendly activities, such as conserving water, making homes more energy efficient, and recycling.
- Community characteristics receiving the highest *excellent* or *good* ratings by citizens were air quality, drinking water, and safety in their neighborhood during the day.
- Characteristics receiving the lowest *excellent* or *good* ratings were the availability of affordable housing, availability of affordable quality childcare, traffic flow on major streets, street repair, sidewalk maintenance, and ease of car travel.

The SEA Report, National Citizen Survey and video tutorials can be found online at <http://www.honolulu.gov/cms-oca-menu/site-oca-sitearticles/514-service-efforts-and-accomplishments-report.html>.

Sources: Honolulu FY 2013 Service, Efforts and Accomplishments Report & 2013 National Citizen Survey of Honolulu Residents published by Honolulu Office of the City Auditor, City and County of Honolulu Proposed Operating Budget (FY 2015), U.S. Census Bureau 2013, and the Department of Budget and Fiscal Services.

Honolulu Performance Measures	2012 Actual	2013 Actual	1 Year Change
Financial Priorities			
General Fund expenditures (millions)	\$1,105	\$1,064	-4%
General Fund revenues (less carry over) (millions)	\$1,880	\$1,848	-2%
Debt service as a % of General Fund revenue	19.3%	31.2%	12%
Community Design			
Availability of affordable housing <i>excellent</i> or <i>good</i>	9%	9%	0%
Code enforcement <i>excellent</i> or <i>good</i>	19%	18%	-1%
Number of potholes patched	52,071	51,647	-1%
Environmental Sustainability			
Sanitation capital expenditures (millions)	\$198	\$332	68%
Green waste recycled (thousands of tons)	71	69	-3%
Total tons recycled (thousands of tons)	550	565	3%
Preservation of natural areas <i>excellent</i> or <i>good</i>	39%	31%	-8%
Public Safety			
Police services <i>excellent</i> or <i>good</i>	64%	53%	-11%
Priority 1 average response times (minutes)	7.14	7.24	1%
Traffic enforcement - moving citations (thousands)	116.3	119.7	3%
Fire services <i>excellent</i> or <i>good</i>	89%	85%	-4%
Inspections (fire prevention) (thousands)	54.0	63.5	17%
Recreation and Wellness			
Recreation services expenditures (millions)	\$20.2	\$20.4	1%
Percent who visited a neighborhood or C&C park	87%	86%	-1%
Number of children registrants in parks programs	22,043	27,638	25%
Number of senior registrants in parks programs	15,310	15,243	0%

Per Capita Spending by Department

Department	FY 2013	Department	FY 2013
Budget & Fiscal Services	\$15	Information Technology	\$16
Community Services	\$5	Legislative Branch	\$13
Corporation Counsel	\$7	Mayor	<\$1
Customer Services	\$19	Managing Director	\$3
Design & Construction	\$7	Neighborhood Commission	\$1
Emergency Management	\$1	Royal Hawaiian Band	\$2
Emergency Services	\$34	Medical Examiner	\$2
Enterprise Services	<\$1	Parks & Recreation	\$59
Environmental Services	\$5	Planning & Permitting	\$13
Facilities Maintenance	\$25	Police	\$199
Fire	\$93	Prosecuting Attorney	\$17
Human Resources	\$6	Transportation Services	<\$1

Total Per Capita Cost for City Operations (rounded) = \$540

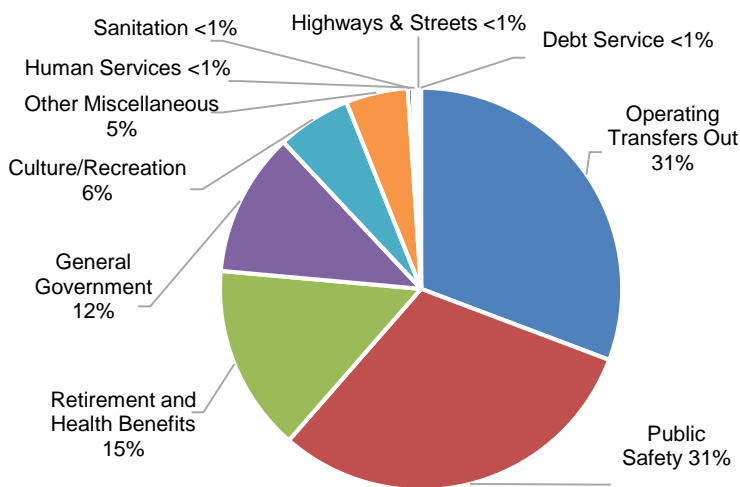


Our Finances

Spending and Revenues FY 2013

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 Emergency Services, Environmental Services, Fire, Information Technology, Parks and Recreation, and Police, the Legislative Branch, and other support services. These services are supported by general city revenues and program fees. Proprietary Funds are used for housing, parks and playgrounds, sewer, bus transportation, solid waste, water, and enterprise services such as golf courses, 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?¹

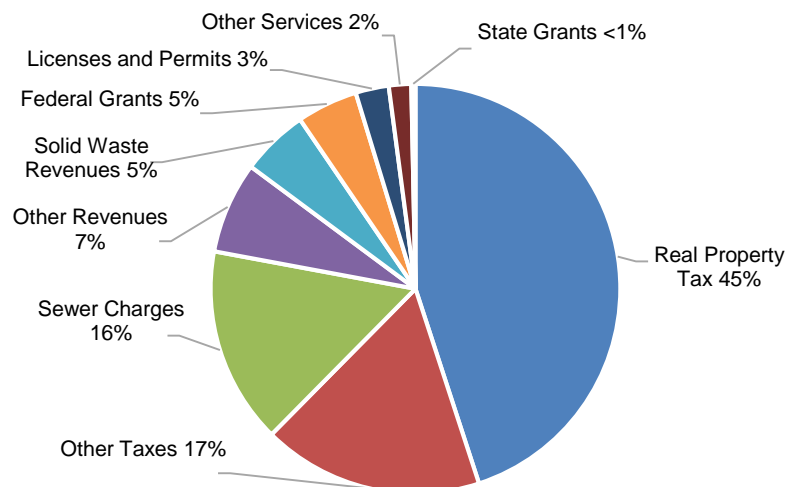


Function	FY 2012 (\$ millions)	FY 2013 (\$ millions)
General Government	\$127.1	\$124.6
Public Safety	\$330.8	\$324.4
Highways & Streets	\$1.8	\$2.8
Sanitation	\$4.4	\$4.2
Human Services	\$3.6	\$3.5
Culture/Recreation	\$56.9	\$58.0
Debt Service	\$0.9	\$0.9
Other Miscellaneous	\$25.6	\$53.7
Operating Transfers Out	\$361.9	\$330.7
Retirement and Health Benefits	\$192.0	\$161.4
Total	\$1,105.1	\$1,064.2

Sources: Honolulu Comprehensive Annual Financial Reports FY 2012, FY 2013

What are the General Fund Sources of Revenue?¹

Operating Resources	FY 2012 (\$ millions)	FY 2013 (\$ millions)
Real Property Tax	\$813.3	\$831.1
Other Taxes	\$310.9	\$321.9
Federal Grants	\$100.5	\$89.0
State Grants	\$12.1	\$6.0
Sewer Charges	\$293.6	\$286.9
Licenses and Permits	\$45.8	\$48.4
Solid Waste Revenues	\$112.2	\$98.2
Other Services	\$31.4	\$32.6
Other Revenues	\$159.9	\$133.6
Total	\$1,879.6	\$1,847.8



Sources: Executive Operating Program and Budgets FY 2014 and FY 2015

The City and County of Honolulu's Comprehensive Annual Financial Report was issued on December 13, 2013. Independent audits of the City's finances were conducted, resulting in clean opinions. Complete financial information can be found at

<http://www.honolulu.gov/auditor/reportsworkplans/192-site-oca-cat/728-financial-audit-reports.html>.

¹Percentages do not total to 100% due to rounding.

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What's Next

Challenges and Priorities



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Challenges Moving Forward

Honolulu's economy was hit hard by the recession and the recovery has been slow, but fairly steady. To mitigate the economic downturn and maintain a balanced budget, the city raised certain rates and fees, restricted agency budgets, and implemented spending restrictions.

The mayor's priorities for FY 2013 were related to:

- Build Rail Better
- Restoring Bus Service
- Repaving Roads
- Improving our Sewer System and Infrastructure Repair and Maintenance
- Re-establishing Pride in our Parks

In addition, the mayor committed to working on the issues of homelessness, making Honolulu an Age-Friendly City, and community concerns such as customer service. Other mayoral issues related to grants-in-aid funding.

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. For more information on our services, visit our website at <http://www.honolulu.gov/auditor.html>.

Sources: Honolulu FY 2013 Service, Efforts and Accomplishments Report & 2013 National Citizen Survey of Honolulu Residents published by Honolulu Office of the City Auditor.

Priorities

Build Rail Better

The Honolulu Authority for Rapid Transportation (HART) became a semiautonomous city agency on July 1, 2011, and is overseeing the design and construction of the 20.1 mile elevated rail system. The rail project is the largest public works project in the history of Honolulu and will serve as a critical component of the city's future transportation system. The U.S. Federal Transit Administration (FTA) signed a \$1.55 billion agreement to fund rail construction. HART started construction in 2013. The mayor asked HART to operate with three principles in mind: (1) reduce visual impacts; (2) listen to community input; and (3) operate with fiscal responsibility and transparency.

Restoring Bus Service

The mayor committed to restoring bus routes that were cut by the previous administration. The commitment was to restore the confidence of the citizens that a clean and safe bus service would arrive at regular intervals. The bus restoration plan was based on community inputs, consultant and service provider transportation studies, and existing financial constraints.

Repaving Roads

In the first six months of 2013, the city paved a total of 139 lane miles and expected to double the lane miles paved in the second half of the year. The city council appropriated \$77 million in FY 2012 and \$100 million in FY 2013 for road repaving. The mayor's five year plan aims to repair 1,500 lane miles of roads that are assessed as *less than fair condition*.

Improving our Sewer System and Infrastructure Repair and Maintenance

According to the mayor, adequate sewer capacity is a critical part of the city's infrastructure. Without sewer capacity, the city cannot approve new development projects. As a means of addressing capacity issues, the city upgraded the Waipahu Wastewater Pumping station, and completed work on the Beachwalk Force Main project. A second digester at the Sand Island Wastewater Treatment Plant is expected to provide sufficient capacity and redundancy.

Re-establishing Pride in our Parks

According to the mayor, great public parks are the hallmark of great cities throughout the world. For FY 2014, the mayor budgeted \$11 million to repair and improve public facilities at city parks, with special attention to restrooms, aging playgrounds, and lighting equipment. Two parks merited special attention. The mayor allocated \$3 million to revitalize Ala Moana Park and \$1 million to beautify and restore Thomas Square.

Homelessness

One of the city's on-going crises is the growing homeless population. The city's new approach is to use the Housing First model, which focuses on housing the chronically homeless as the first step toward recovery. The policy brings homeless individuals and families into secure, safe, and appropriate housing and provides wrap around services for case management and social services.

Age-Friendly City

Honolulu joined the Network of Age-Friendly Cities sponsored by the AARP and the World Health Organization. To prepare for the city's aging population, the mayor is committed to devoting resources to make the city's infrastructure, transportation services, Handi-Van service, and social services supportive of the growing elderly population.

Community Concerns

Top mayoral priorities are customer service and listening to the needs of the constituents. The application for state identification cards, new federal guidelines, and document requirements have added to the city workloads. Initiatives such as live webcams, more staff, and help desk screenings are supposed to reduce the amount of time residents spend in long Motor Vehicle, Licensing and Permits Division lines.

Grants-In-Aid Funding

The city charter requires the city to set aside one-half of one percent of general funds (close to \$5.2 million in FY 2014) for the Grants-in-Aid program. The grants are given to non-profits that provide public services to target populations including seniors, persons with disabilities, children, victims of domestic violence, and the homeless. Other non-profits that provide assistance to the arts and culture community, businesses, economic development, or environmental programs are encouraged to apply for the grants.