

# The City and County of Honolulu

## Citizen-Centric Report for Fiscal Year 2015

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

- Public Safety and Welfare
- Culture and Recreation
- Community 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 991,788 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, 157,132 (15.8%) were age 65 years and older. Population density is 1,587 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. All elective positions have four-year terms elected on a nonpartisan basis.

### Our 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 contributes to the growth of Hawai'i's economy. 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.

### Selected Demographics

	2014	2015
Population	983,429	991,788
Per Capita Personal Income	\$30,361	\$30,735
Unemployment Rate	4.0%	3.2%
Households	309,803	343,017
Homeownership Rate	55.5%	54.9%

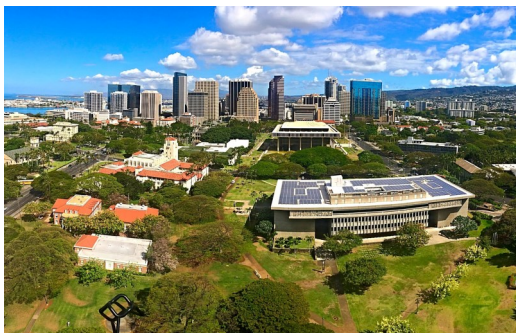
Sources: US Census Bureau, Honolulu Department and Agency Report FY 2015, Honolulu Service, Efforts and Accomplishments Reports FY 2014, FY 2015 published by Honolulu Office of the City Auditor, Dr. Jack Suyderhoud Economic Adviser to First Hawaiian Bank, 2014 Citizen-Centric Report, and State of Hawai'i Department of Labor and Industrial Relations.

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



# Our Progress

## Citizen Centric Report for Fiscal Year 2015



### 2015 Highlights

- The Office of the City Auditor issued its sixth 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 2015 National Citizen Survey.
- Honolulu residents reported high rates of participation in environmentally friendly activities, such as recycling, conserving water, and making homes more energy efficient.
- Community characteristics receiving the highest percentage of *excellent* or *good* ratings by citizens were garbage collection, air quality and safety in their neighborhood during the day.
- Characteristics receiving the lowest percentage of *excellent* or *good* ratings were the availability of affordable quality housing, cost of living, and traffic flow on major streets.

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 2015 Service, Efforts and Accomplishments Report & 2015 National Citizen Survey of Honolulu Residents published by the Honolulu Office of the City Auditor, City and County of Honolulu Proposed Operating Budget (FY 2017), U.S. Census Bureau 2015, and the Department of Budget and Fiscal Services.

Honolulu Performance Measures	2014 Actual	2015 Actual	1 Year Change
<b>Financial Priorities</b>			
General Fund expenditures (millions)	\$1,198	\$1,258	5%
General Fund revenues (less carry over) (millions)	\$2,132	\$2,142	<1%
Debt service as a % of General Fund revenue	25.10	34.8%	10%
<b>Community Design</b>			
Availability of affordable housing <i>excellent or good</i>	8%	9%	1%
Code enforcement <i>excellent or good</i>	20%	14%	-6%
Number of potholes patched	41,659	32,976	-21%
<b>Environmental Sustainability</b>			
Sanitation capital expenditures (millions)	\$219	\$293	34%
H-POWER energy to HECO (thousands of MWh)	379	385	2%
Percent who recycled at home	95%	91%	-4%
Preservation of natural areas <i>excellent or good</i>	48%	30%	-18%
<b>Public Safety</b>			
Police services <i>excellent or good</i>	52%	56%	4%
Priority 1 average response time (minutes)	7.33	7.27	-1%
Fire services <i>excellent or good</i>	86%	85%	-1%
Rural fire response (within 11 minutes)	84%	86%	2%
Emergency preparedness <i>excellent or good</i>	73%	64%	-9%
<b>Recreation and Wellness</b>			
Recreation services expenditures (millions)	\$21.6	\$22.0	2%
Percent who used C&C recreation centers	60%	61%	1%
Number of adult registrants in parks programs	11,796	9,915	-16%
Number of senior registrants in parks programs	22,170	15,236	-31%

### 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
<b>Total Per Capita Cost for City Operations (rounded) = \$1,305</b>			

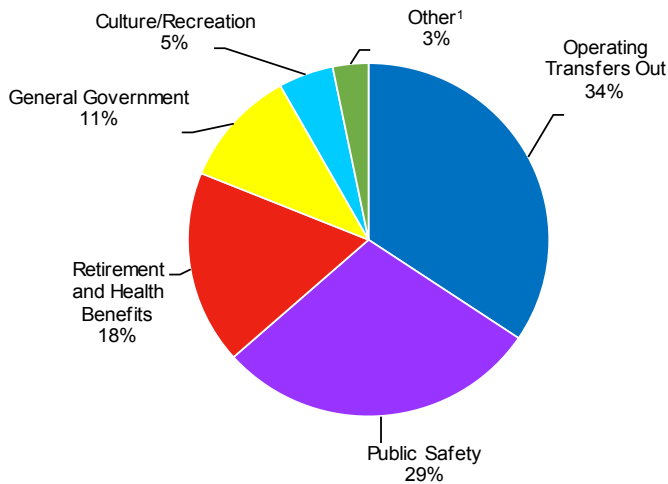


# Our Finances

## Spending and Revenues for Fiscal Year 2015

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, 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?

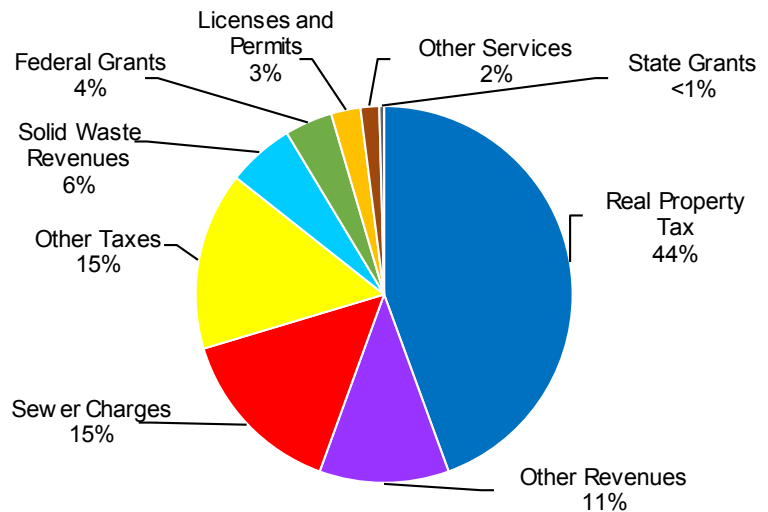


Function	FY 2014 (\$ millions)	FY 2015 (\$ millions)
Operating Transfers Out	\$435.0	\$432.8
Public Safety	\$344.3	\$365.2
Retirement and Health Benefits	\$184.7	\$222.9
General Government	\$131.7	\$135.0
Culture/Recreation	\$59.3	\$62.0
Other Miscellaneous	\$27.6	\$23.8
Human Services	\$5.2	\$5.1
Sanitation	\$3.8	\$3.8
Highways & Streets	\$2.6	\$2.6
Capital Outlay	\$2.6	\$4.0
Debt Service	\$0.9	\$0.9
Utilities and Other Enterprises	\$0.0	\$0.0
<b>Total</b>	<b>\$1,197.7</b>	<b>\$1,258.1</b>

<sup>1</sup>Other includes: Other Miscellaneous, Human Services, Sanitation, Highways & Streets, Capital Outlay, Debt Service, and Utilities and Other Enterprises.

### What are the Sources of Revenue?<sup>2</sup>

Operating Resources	FY 2014 (\$ millions)	FY 2015 (\$ millions)
Real Property Tax	\$850.3	\$951.8
Other Revenues	\$346.2	\$238.1
Sewer Charges	\$323.9	\$317.0
Other Taxes	\$322.9	\$327.4
Solid Waste Revenues	\$118.7	\$122.7
Federal Grants	\$75.9	\$87.6
Licenses and Permits	\$52.2	\$54.1
Other Services	\$33.2	\$34.4
State Grants	\$8.7	\$8.8
<b>Total</b>	<b>\$2,131.9</b>	<b>\$2,141.7</b>



Sources: Executive Operating Program and Budgets FY 2016 and FY 2017

The City and County of Honolulu's Comprehensive Annual Financial Report will be issued in March 2016. 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>.

<sup>2</sup>Percentages do not total to 100% due to rounding.

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# What's Next

## Challenges and Priorities



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Rail column art in Kapolei

### Priorities

#### Restoring Bus Service

The mayor continued to improve TheBus service for public transit customers. 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 Hawai'i West O'ahu 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.

#### Building Rail Better

Building Rail Better is the mayor's priority to work collaboratively with the Honolulu Authority for Rapid Transportation (HART), stakeholders and governmental agencies; to push for fiscal responsibility and transparency; to work with communities on visual impact concerns; and to plan for infrastructure needs for *transit-oriented development*. HART reported major progress with the rail transit project. Construction crews built nearly 200 support columns and completed more than three miles of elevated guideway work from the east Kapolei/Ewa area into Waipahu.

### Challenges Moving Forward

The improving economy 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. Multiple challenges remain including 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.

The mayor's priorities for FY 2015 were related to:

- Restoring Bus Service
- Repaving Roads
- Improving the Sewer System and Infrastructure Repair and Maintenance
- Caring for our Parks
- Building Rail Better
- Transit-Oriented Development
- Homelessness

#### Repaving Roads

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. Over the last year, residents' quality ratings for city road repair decreased seven percent.

#### Transit-Oriented Development

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.

#### Improving our Sewer System, Infrastructure Repair and Maintenance

Adequate sewer capacity is a critical part of the city's infrastructure. Without sewer capacity, the city cannot approve new development projects. 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.

#### Homelessness

The City continued its efforts to address homelessness through its 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 Kooka 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.

#### Caring for our Parks

Great public parks are the hallmark of great cities throughout the world. Maintaining and improving parks and recreational areas is critical for quality of life. An additional \$2 million is committed to renovate 24 comfort stations and 16 playground apparatus. 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 the Ala Wai Dog Park.

### 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://www.honolulu.gov/auditor.html>.