



# The City and County of Honolulu

Citizen-Centric Report for FY 2020

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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



Honolulu Hale is the City and County's official seat of government

Source: Office of the City Auditor

## 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 2020 U.S. Census Bureau statistics, there are an estimated 974,563 residents, and Honolulu is the largest city in Hawai'i, with approximately 70% of the state's total population of 1.415 million people. Of Honolulu's total population, 177,370 (18.2%) were age 65 years and older. Tourism is the city's primary industry, followed by federal defense expenditures.

## 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

The novel coronavirus (COVID-19) affected nearly all sectors of the island's economy. Honolulu's tourism industry appears to be on an extended road to recovery. The United States military provides nearly 63,000 jobs to the island. Economic indicators such as visitor arrivals, defense spending, agricultural jobs, low unemployment, personal income growth, and proprietors' income suggest that the FY 2020 economy was adversely affected by COVID-19.

## Selected Demographics

	2018	2019	2020
Population	988,650	980,080	974,563
Per Capita Personal Income	\$32,194	\$35,202	\$36,816
Unemployment Rate	2.5%	2.6%	6.3%
Households (Housing Units)	309,548	311,525	354,677
Homeownership Rate	55%	56%	56%

More demographics for the City and County of Honolulu can be found at <https://www.census.gov/quickfacts/fact/table/honolulucountyhawaii/>



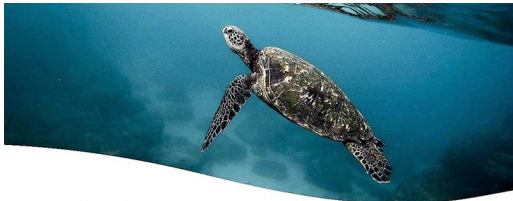
Sources: US Census Bureau, 2019 Citizen-Centric Report, and State of Hawai'i Department of Business, Economic Development & Tourism, and the Department of Labor and Industrial Relations.

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



# Our Progress

## Citizen Centric Report for Fiscal Year 2020



### HONU – Homeless Outreach and Navigation for Unsheltered Persons

Summary Presentation  
October 2019

### FY 2020 Accomplishments

- Issued over \$844.3 million in general obligation bonds while maintaining favorable bond ratings of AA+ and Aa1 assigned by Fitch Ratings and Moody's Investors Service, respectively.
- The Department of Planning and Permitting released the *Proposed Revised East Honolulu Sustainable Communities Plan* in April 2020 to the East Honolulu Neighborhood Board, and executed a contract in June 2020 for the five-year update of the *North Shore Sustainable Communities Plan*.
- The Office of Climate Change, Sustainability and Resiliency launched two, multimillion-dollar, Energy Performance Service Contracts, covering all of the city's parks, office buildings, fire stations, police stations, and parking lots to align with the city's economic, sustainability, and climate resilience objectives. The contracts would also leverage using the expertise, capital, and local workforce of two energy service companies to perform citywide investment-grade energy audits and install energy conservation measures across the city's entire facilities portfolio.
- The Honolulu Police Department Implemented Homeless Outreach and Navigation for Unsheltered (HONU), a \$6 million, state-funded, three-year pilot project that helped 257 individuals move off the streets from December 2019 to April 2020. Project HONU temporarily lifts park rules and allows homeless/unsheltered individuals to stay in mobile navigation centers with conditional access to shelter, food, a hygiene center, and pet kennels, as well as assistance in obtaining more permanent living arrangements.

### Honolulu Performance Measures

	2019 Actual	2020 Actual	1 Year Change
<b>Financial Priorities</b>			
General Fund expenditures (millions)	\$1,633	\$1,737	6%
General Fund revenues (less carry over) (millions)	\$2,481	\$2,626	6%
<b>Community Design</b>			
Availability of affordable housing (% excellent or good)	5%	4%	-1%
Code enforcement (% excellent or good)	13%	17%	4%
Overall quality of the transportation system in Honolulu (% excellent or good)	40%	37%	-3%
<b>Environmental Sustainability</b>			
Sanitation capital expenditures (millions)	\$451	\$483	7%
Diversion rate of waste diverted from landfill (Municipal Solid Waste)	82%	80%	-2%
Quality of recycling services	45%	48%	3%
Quality of open space (% excellent or good)	23%	34%	11%
<b>Public Safety</b>			
Police services (% excellent or good)	51%	45%	-6%
Fire prevention services (% excellent or good)	60%	63%	3%
Respond to 90% of suburban fire emergency calls within 9 minutes 30 seconds	80%	80%	No change
Ambulance/EMS services (% excellent or good)	80%	73%	-7%
Emergency preparedness (% excellent or good)	43%	54%	11%
<b>Recreation and Wellness</b>			
Recreation services expenditures (millions)	\$23.24	\$26.47	14%
Recreational opportunities (% excellent or good)	54%	66%	12%

### Per Capita Spending by Department<sup>1</sup>

Department	FY 2019	FY 2020	Department	FY 2019	FY 2020
Budget and Fiscal Services	\$23	\$24	Information Technology	\$22	\$30
Community Services	\$104	\$106	Land Management	\$1	\$4
Corporation Counsel	\$9	\$11	Legislative Branch	\$18	\$25
Customer Services	\$25	\$26	Mayor	\$1	\$1
Design and Construction	\$27	\$18	Managing Director	\$4	\$5
Emergency Management	\$3	\$401	Royal Hawaiian Band	\$2	\$3
Emergency Services	\$49	\$55	Medical Examiner	\$2	\$3
Enterprise Services	\$25	\$25	Parks and Recreation	\$82	\$93
Environmental Services	\$263	\$275	Planning and Permitting	\$23	\$27
Facility Maintenance	\$89	\$96	Police	\$298	\$314
Fire	\$133	\$141	Prosecuting Attorney	\$24	\$25
Human Resources	\$7	\$4	Transportation Services	\$287	\$316

**FY 2020 Total Per Capita Cost for City Operations = \$2,027**

Sources: City and County of Honolulu Department and Agency Report FY 2020 and City and County of Honolulu Comprehensive Annual Financial Report FY 2020

<sup>1</sup>Per Capita spending is the total operating expenditures of each department divided by the population of the City and County of Honolulu.

Sources: City & County of Honolulu Executive Operating Program and Budget FY 2020 and 2020 National Community Survey of Honolulu Residents published by the Honolulu Office of the City Auditor

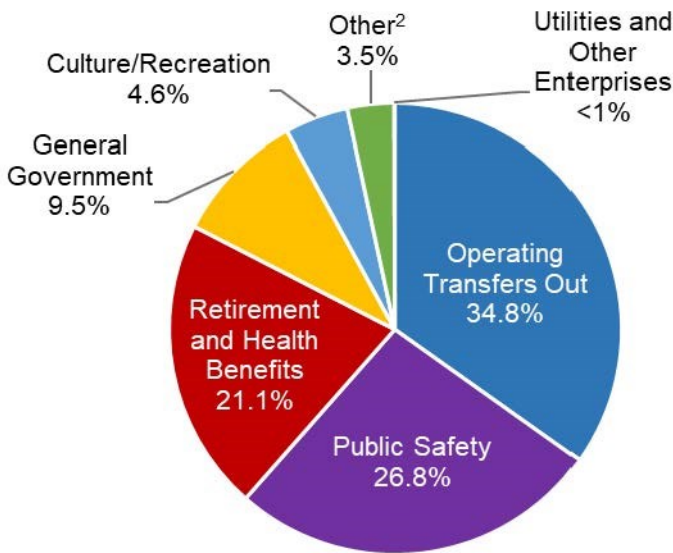


# Our Finances

## Spending and Revenues for Fiscal Year 2020

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, 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. The increase in spending from \$1.6 billion in FY 2019 to \$1.7 billion in FY 2020 is attributed to maintaining and enhancing core city services, addressing escalating nondiscretionary expenses, and planning for a unified transit system. Increased revenues, from nearly \$2.5 billion in FY 2019 to \$2.6 billion in FY 2020, can be credited primarily to improved real property tax revenues, and secondarily to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds.

### Where does the General Fund Dollar Go?<sup>3</sup>



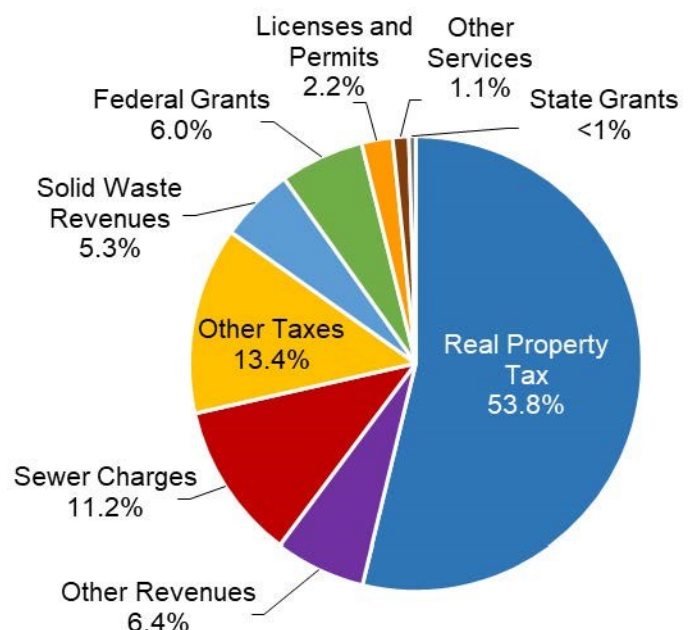
Function	FY 2019 (\$ millions)	FY 2020 (\$ millions)
Operating Transfers Out	\$567.01	\$605.36
Public Safety	\$437.24	\$463.26
Retirement and Health Benefits	\$334.13	\$365.94
General Government	\$158.38	\$164.86
Culture/Recreation	\$77.56	\$79.20
Other <sup>2</sup>	\$57.74	\$58.24
Utilities and Other Enterprises	\$0.95	\$0.66
<b>Total</b>	<b>\$1,633.01</b>	<b>\$ 1,737.51</b>

Source: City and County of Honolulu's Comprehensive Annual Financial Report FY 2020

### What are the Sources of Revenue?<sup>3</sup>

Operating Resources	FY 2019 (\$ millions)	FY 2020 (\$ millions)
Real Property Tax	\$1,276.14	\$1,412.42
Other Revenues	\$240.62	\$169.29
Sewer Charges	\$254.55	\$294.51
Other Taxes	\$356.22	\$350.72
Solid Waste Revenues	\$141.93	\$139.79
Federal Grants	\$90.91	\$157.71
Licenses and Permits	\$62.20	\$58.29
Other Services	\$37.61	\$30.18
State Grants	\$21.31	\$12.79
<b>Total</b>	<b>\$2,481.49</b>	<b>\$2,625.70</b>

Sources: Executive Operating Program and Budgets FY 2020 and FY 2021



<sup>2</sup>Other includes: Other Miscellaneous, Human Services, Sanitation, Highways & Streets, and Capital Outlay.

<sup>3</sup>Percentages do not total 100% due to rounding.

The City and County of Honolulu's Comprehensive Annual Financial Report was issued in January 2020. Independent audits of the city's finances were conducted, resulting in clean opinions. Complete financial information can be found at: <http://www.honolulu.gov/cms-oca-menu/site-oca-sitearticles/728-financial-audit-reports.html>

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

# What's Next

## Challenges and Priorities



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### Priorities

In approaching the new year, the mayor's administration adopted guidelines for action. Those guidelines 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. The administration adopted a zero-based budget for departments primarily funded by General Funds and Highway Funds. To achieve a more right-sized government, the administration deactivated positions based on vacancies, attrition, and a five-year history of hiring patterns. The mayor's budget priorities and departmental budgets were prepared based on the fiscal mantra of *spending to make a difference*.

The mayor's FY 2020 priorities were:

- Restoring bus service
- Repaving roads
- Improving our sewer system, infrastructure repair and maintenance
- Caring for our parks
- Building rail better
- Addressing homelessness and affordable housing
- Planning for climate resilience

### 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>.

Sources: City & County of Honolulu Executive Operating Program and Budget FY 2020 and 2020 National Community Survey of Honolulu Residents published by the Honolulu Office of the City Auditor.

### National Community Survey

The Office of the City Auditor reported the results of Honolulu resident opinions about community and city services in the 2020 National Community Survey (NCS).

The NCS revealed ratings in Honolulu for 2020 generally remained stable. The following areas were rated at least 13% higher than the previous year and/or similar to a national comparison benchmark:

#### Mobility

- Ease of travel by public transportation in Honolulu was rated positively by 41% of respondents
- Ease of walking in Honolulu was rated positively by 50% of respondents

#### Economy Items

- Overall quality of business and service establishments in Honolulu was rated positively by 58% of respondents

#### Utilities Items

- Storm water management was rated favorably by 54% of respondents

#### Safety Items

- Animal control was rated favorably by 48% of respondents

#### Natural Environment

- Air quality was rated positively by 85% of respondents

#### Parks and Recreation

- Availability of paths and walking trails earned a positive rating by 61% of respondents
- Fitness opportunities was rated favorably by 63% of respondents

#### Education, Arts, and Culture

- Opportunities to attend special events and festivals received positive ratings by 53% respondents

Information on other performance measures can be found in the 2020 National Community Survey. The report is available on the City Auditor Website: <http://www.honolulu.gov/cms-oca-menu/site-oca-sitearticles/1276-sea-reports-prior-years.html>

### For the Future

The city continues to focus on protecting its critical core services including bus services, roads, rail, sewers, parks, homelessness, and climate resilience. Additional priorities include the age-friendly city initiative, becoming a bike-friendly city, complete streets, customer service, energy conservation, and transit-oriented development.

### Upcoming Capital Improvement Projects

To improve the infrastructure and maintain the physical foundation of our city, upcoming projects include:

- Various park improvements to city parks including Hans L'Orange Neighborhood Park
- Improvements to the Honolulu Zoo and municipal golf courses
- Wastewater improvements for the Hanauma Bay Nature Preserve



Future capital budget includes \$6.0 million to plan, design, construct and inspect improvements for the Honolulu Zoo. Source: Department of Enterprise Services