

The City and County of Honolulu

Citizen-Centric Report for FY 2019

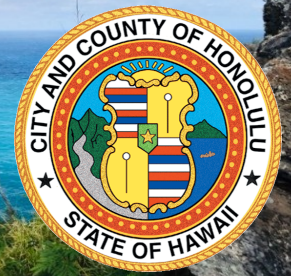


Table of Contents

<i>About Our City</i>	1
<i>Our Progress</i>	2
<i>Our Finances</i>	3
<i>What's Next?</i>	4

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
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 2019 U.S. Census Bureau statistics, there are an estimated 980,080 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, 173,474 (17.7%) 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

Honolulu's tourism industry remains strong, and the United States military provides more than 71,000 jobs to the island. Economic indicators such as visitor arrivals, defense spending, home resale prices, agricultural jobs, low unemployment, personal income growth, and proprietors' income suggest that the FY 2019 economy performed favorably overall. The city's focus continues to be providing essential city services, maintaining and enhancing the multitude of city assets, and establishing the foundation for a better future for the residents of O'ahu.

Selected Demographics

	2017	2018	2019
Population	992,605	988,650	980,080
Per Capita Personal Income	\$32,194	\$32,194	\$35,202
Unemployment Rate	1.8%	2.5%	2.6%
Households (Housing Units)	347,413	309,548	311,525
Homeownership Rate	55%	55%	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, FY 2019 Honolulu Service Efforts and Accomplishments Report, 2018 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 2019



FY 2019 Accomplishments

- Issued over \$700 million in general obligation bonds while maintaining favorable bond ratings of AA+ and Aa1 assigned by Fitch Ratings and Moody's Investors Service.
- The Department of Planning and Permitting implemented new rules for island-wide affordable housing which enforce Ordinances 18-1 & 18-10 that apply to the city's affordable housing requirements and long-term goal of increasing the inventory of affordable units throughout O'ahu.
- The Office of Climate Change, Sustainability and Resiliency launched O'ahu's Resilience Strategy, which features actions designed to improve resilience in climate security, preparedness for natural disasters, and community cohesion.
- Provided training to more than 200 first responders in the Honolulu Police Department, Honolulu Fire Department, and Honolulu Emergency Services Department on effectively coordinating an interagency active shooter response.
- The Department of Community Services completed a Four-Year Area Plan which serves as a blueprint to create an accessible, age-friendly, person-centered, and caregiver-supportive community that encourages active and healthy living across the aging continuum.

Sources: Honolulu FY 2019 Service Efforts and Accomplishments Report & 2019 National Community Survey of Honolulu Residents published by the Honolulu Office of the City Auditor, City and County of Honolulu Proposed Operating Budget (FY 2021), U.S. Census Bureau 2019, and the Department of Budget and Fiscal Services.

Honolulu Performance Measures	2018 Actual	2019 Actual	1 Year Change
Financial Priorities			
General Fund expenditures (millions)	\$1,489	\$1,632	10%
General Fund revenues (less carry over) (millions)	\$2,279	\$2,481	9%
Debt service as a % of General Fund revenue	20.44%	22.90%	2%
Community Design			
Availability of affordable housing (% excellent or good)	8%	5%	-3%
Code enforcement (% excellent or good)	14%	13%	-1%
Overall ease of travel (% excellent or good)	47%	40%	-7%
Environmental Sustainability			
Sanitation capital expenditures (millions)	\$683	\$451	-34%
H-POWER energy to Hawaiian Electric Company (thousands of MWh)	356	402	13%
Percent who recycled at home	92%	89%	-3%
Quality of open space (% excellent or good)	32%	23%	-9%
Public Safety			
Police services (% excellent or good)	58%	51%	-7%
Priority 1 average response time (minutes)	7.47	7.33	-2%
Fire prevention services (% excellent or good)	63%	60%	-3%
Fire prevention inspections (thousands)	75.8	76.2	1%
Ambulance/EMS services (% excellent or good)	88%	80%	-8%
Emergency preparedness (% excellent or good)	51%	43%	-8%
Recreation and Wellness			
Recreation services expenditures (millions)	\$21.81	\$23.24	7%
Percent who used C&C recreation centers	63%	48%	15%
Number of adult registrants in parks programs	12,309	14,568	18%
Number of senior registrants in parks programs	12,335	12,183	-1%

Per Capita Spending by Department¹

Department	FY 2019	Department	FY 2019
Budget and Fiscal Services	\$23	Land Management	\$1
Community Services	\$104	Legislative Branch	\$18
Corporation Counsel	\$9	Mayor	\$1
Customer Service	\$25	Managing Director	\$4
Design and Construction	\$27	Neighborhood Commission	\$1
Emergency Management	\$3	Royal Hawaiian Band	\$2
Emergency Services	\$49	Medical Examiner	\$2
Enterprise Services	\$25	Parks and Recreation	\$82
Environmental Services	\$263	Planning and Permits	\$23
Facilities Maintenance	\$89	Police	\$298
Fire	\$133	Prosecuting Attorney	\$24
Human Resources	\$7	Transportation Services	\$287
Information Technology	\$22		
Total Per Capita Cost for City Operations (rounded) = \$1,524			

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

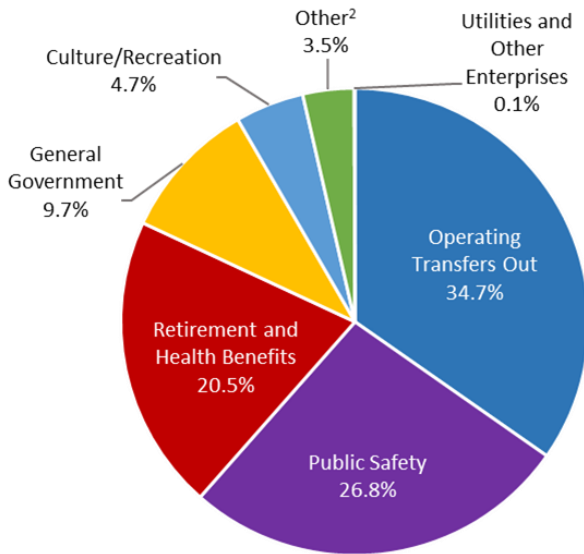


Our Finances

Spending and Revenues for Fiscal Year 2019

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. Please note that the information below does not reflect capital funds or expenditures.

Where does the General Fund Dollar Go?



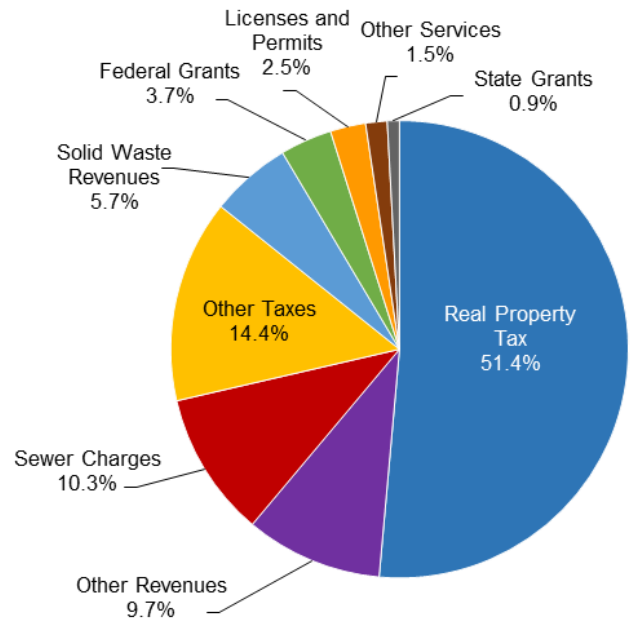
Function	FY 2018 (\$ millions)	FY 2019 (\$ millions)
Operating Transfers Out	\$494.56	\$567.01
Public Safety	\$421.92	\$437.24
Retirement and Health Benefits	\$287.68	\$334.13
General Government	\$152.49	\$158.38
Culture/Recreation	\$72.74	\$77.56
Other ²	\$59.88	\$57.74
Utilities and Other Enterprises	\$0.01	\$0.95
Total	\$1,489.28	\$1,633.01

Source: City and County of Honolulu's Comprehensive Annual Financial Report FY 2019

What are the Sources of Revenue?

Operating Resources	FY 2018 (\$ millions)	FY 2019 (\$ millions)
Real Property Tax	\$1,178.60	\$1,276.14
Other Revenues	\$163.04	\$240.62
Sewer Charges	\$284.12	\$254.55
Other Taxes	\$320.93	\$356.22
Solid Waste Revenues	\$131.66	\$141.93
Federal Grants	\$95.49	\$90.91
Licenses and Permits	\$56.34	\$62.20
Other Services	\$37.30	\$37.61
State Grants	\$11.49	\$21.31
Total	\$2,278.97	\$2,481.49

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



²Other includes: Other Miscellaneous, Human Services, Sanitation, Highways & Streets, Capital Outlay, and Utilities and Other Enterprises. 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/1348-citizen-centric-reports.html>

What's Next

Challenges and Priorities



Office of the City Auditor
City and County of Honolulu
1001 Kamokila Blvd., Suite 216
Kapolei, HI 96707
(808) 768-3134
(808) 768-3135 fax



Priorities

In approaching the new year, the mayor and his administration adopted guidelines for action. He 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 priorities for FY 2019 were related to:

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

Sources: Honolulu FY 2019 Service, Efforts and Accomplishments Report & 2019 National Community Survey of Honolulu Residents published by the Honolulu Office of the City Auditor.

National Community Survey and Moving Forward

The Office of the City Auditor issued its tenth 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 Office of the City Auditor reported the results of Honolulu resident opinions about community and city services in the 2019 National Community Survey (NCS).

The NCS revealed challenges for the city to address. The following areas were rated at least 5% lower than the previous year and/or lower than a national comparison benchmark across 600 jurisdictions:

Economy and Cost of Living

- Economic development was rated positively by 19% of respondents
- Housing options was rated positively by 10% of respondents
- Half (49%) of respondents reported experiencing housing cost stress

Mobility

- Public transportation was rated favorably by 28% of respondents
- Street repair was rated favorably by 9% of respondents

Community Wellness

- Overall health and wellness was rated positively by 54% of respondents
- Preventive health services was rated positively by 34% of respondents

Public Safety

- Overall feeling of safety in Honolulu was given a positive rating by 46% of respondents
- Crime prevention garnered a positive rating by 27% of respondents

Information on other performance measures can be found in the FY 2019 Service Efforts and Accomplishments Report and the 2019 National Community Survey. Both reports are available on the City Auditor Website: <http://www.honolulu.gov/auditor/reportsworkplans.html>

Upcoming Capital Improvement Projects

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

- Rehabilitation of streets and sidewalks, including locations such as Wai'anae, Kalihi, and Waikiki.
- Improvements to the Honolulu Zoo and city parks, including, Mauna Lahaiahi Beach Park, Pearl City District Park, Ala Moana Regional Park, and Thomas Square.
- Upgrades to the electrical system in Wahiawa District Park and lighting improvements at the Waiialua District Park Ballfield.



Kalakaua Avenue, Waikiki
Source: Department of Design and Construction



Honolulu Zoo
Source: Department of Design and Construction