

OFFICE OF THE CITY AUDITOR

City and County of Honolulu
State of Hawai'i



Audit of the Neighborhood Board System

A Report to the
Mayor
and the
City Council of
Honolulu

Report No. 06-06
August 2006

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Submitted by

THE CITY AUDITOR
CITY AND COUNTY
OF HONOLULU
STATE OF HAWAII

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August 2006

Foreword

This audit was conducted pursuant to Resolution 04-387, *Requesting a Performance Audit of the Neighborhood Board System*, which was adopted by the city council on September 28, 2005. The resolution cited various concerns about the neighborhood board system, including the system's failure to meet its mission, lack of accountability in spending, non-adherence to the State's "Sunshine Law," and other operational deficiencies. This report examines these and other pertinent issues related to the neighborhood board system, and offers recommendations to improve the system's performance and effectiveness in serving the community.

We wish to express our appreciation for the cooperation and assistance provided to us by Neighborhood Commission Office staff, Neighborhood Commission members, Neighborhood Board members, and others who we contacted during this audit.

Leslie I. Tanaka, CPA
City Auditor

EXECUTIVE SUMMARY

Audit of the Neighborhood Board System

Report No. 06-06, August 2006

This audit was conducted pursuant to Resolution 04-387, *Requesting a Performance Audit of the Neighborhood Board System*, which was adopted by the city council on September 28, 2005. The resolution cited various concerns about the neighborhood board system, including the system's failure to meet its mission, lack of accountability in spending, non-adherence to the State's "Sunshine Law," and other operational deficiencies. This report examines these and other pertinent issues related to the neighborhood board system, and offers recommendations to improve the system's performance and effectiveness in serving the community.

Background

The neighborhood board system was established in 1972 by Article XIV of the Revised City Charter. Today, there are 32 active neighborhood boards across the island of O'ahu where citizens are provided an opportunity to voice their concerns and help guide future growth for their communities. A nine-member neighborhood commission assists in the formation, planning, operation, and evaluation of neighborhood boards. The neighborhood commission and neighborhood boards receive administrative support and technical assistance from the neighborhood commission office, which maintains a staff of 16 full-time employees led by a mayor-appointed executive secretary. Together, the neighborhood commission, neighborhood boards, and neighborhood commission office comprise the neighborhood board system, which seeks to meet the charter-mandated mission, "to increase and assure effective citizen participation in the decisions of government." In FY2004-05, the neighborhood commission was allotted a budget of \$928,612 for the system to meet this mission. This amount represented an increase of approximately 34 percent from the previous fiscal year due to costs associated with neighborhood board elections which took place in 2005.

Summary of Findings

Through our review, we found that the neighborhood board system is not fulfilling its mission due to its disjointed structure and operational deficiencies. In assessing the system's structure, we reviewed the city

charter, neighborhood plan, policies, and procedures. We also interviewed neighborhood commissioners and neighborhood commission office staff, and surveyed neighborhood board members about the structure and dynamics between the system's entities and how they sought to meet the overall mission. In reviewing the system's operations, we reviewed commission and board meeting minutes and agendas, personnel and training files, complaint files, and other pertinent documents.

Finding 1: The Neighborhood Board System's Disjointed Structure Inhibits Its Ability to Meet Its Mission

- Neighborhood plan lacks measurable goals and objectives to ensure mission compliance.
- Neighborhood board system lacks clear lines of authority and accountability. We found that the neighborhood commission does not have authority to hire or direct neighborhood commission office staff and that accountability for the neighborhood commission, neighborhood commission office, and neighborhood boards are skewed. Although the neighborhood commission, commission office, and neighborhood boards are under the managing director's office, the managing director has not taken an active role in evaluating the system.
- Staffing of the neighborhood commission office is problematic. The mayor appoints the executive secretary and influences hiring of neighborhood commission office staff. The patronage-based staffing practice inhibits continuity in the office. Although recent charter amendments were proposed to correct staffing problems, those proposals failed ratification by voters or approval by the charter commission.
- Sunshine law training requirements and practices conflict. Although the city is required to establish its own sunshine law training program, it has yet to do so. Furthermore, neighborhood commission and board members cannot be compelled to take training. Thus, the city cannot assure that all neighborhood board commissioners or members receive training or adhere to sunshine law requirements.

Finding 2: The Neighborhood Board System Has Operational Shortcomings

- Neighborhood commission failed to revise the neighborhood plan in a timely manner. The neighborhood commission is required to review and evaluate the neighborhood plan every five years. The commission began its review process in 1999 and should have completed a revised plan by 2003. We found that the neighborhood commission did not exercise proper authority over problems incurred during the plan revision process.
- The neighborhood commission does not adequately evaluate or report on neighborhood board effectiveness. Despite a city charter mandate that the neighborhood commission review and evaluate board effectiveness, the commission has not formally done so since 1979. Instead, the commission has relied on its complaint process and passive observation as its evaluation activity.
- Neighborhood commission office poorly handles complaints. We found that complaint files were incomplete or not updated. In some instances, the neighborhood commission did not receive complaints in a timely manner, nor did the commission administer complaints in a timely manner. We also found that some commission decisions did not comply with the neighborhood plan or were oddly reasoned and that the commission lacks the authority to compel corrective action.
- Neighborhood commission office's training program is inadequate. The training program lacks a formal structure and training records are not accurately maintained.
- Budgeting procedures for neighborhood boards are ineffective. The neighborhood commission office develops board budgets without board input and relies on outdated criteria. Some boards expend few funds while others go over budget. The lack of publicity fund expenditures by some boards brings into question boards' abilities to effectively communicate with their neighborhoods.
- Neighborhood commission office does not properly manage board expenditures. We found that the neighborhood commission office made numerous accounting errors and allowed boards to go over budget without any formal authorization or spending caps. The office also experienced petty cash management problems.

- Some boards are unable to attract enough candidates to fill board seats. Some boards did not have enough candidates to fill all board seats during the past two elections. Although some boards experienced chronic vacancies, we found that board meeting minutes and agendas do not always advertise board vacancies to attract potential members. We also found that board vacancies are not filled in a timely manner.
- Some neighborhood boards suffer from high absentee rates.
- Some boards are unable to meet quorum requirements.
- Some board members exhibit a lack of decorum, but generally follow parliamentary procedures. We found that the neighborhood commission has dealt with complaints of order and decorum violations by board members. However, board members generally followed parliamentary procedures.
- Neighborhood commission members generally complied with sunshine law requirements, but improvements can be made.
- Neighborhood boards had some lapses in sunshine law compliance. We found that while board meeting agendas met the sunshine law public notice requirements, meeting agendas and minutes sometimes lacked accurate information required by the sunshine law. We also found that the neighborhood commission office cannot assure compliance with the public notice requirements for board meeting minutes.

Recommendations and Response

We made several recommendations to the mayor, managing director, neighborhood commission, executive secretary, and neighborhood board chairs to improve the neighborhood board system and its operations. We recommended that the mayor establish a city-wide sunshine law training program as required by city ordinance and to consider separating the neighborhood commission and neighborhood commission office from the managing director's office and attaching them to another executive branch agency. Should the neighborhood commission and commission office remain under the managing director's office, we recommended that the managing director annually review and evaluate the neighborhood board system's operations, implement operational changes as necessary,

and clarify neighborhood commission office staff roles in supporting the neighborhood commission and boards.

We recommended that the neighborhood commission amend the neighborhood plan to include measurable goals and objectives and penalties or consequences of non-compliance with plan provisions, implement a formal review and reporting process of neighborhood boards annually, comply with the neighborhood plan's complaint process provisions, coordinate with the neighborhood commission office to establish a plan that encourages more people to run in neighborhood board elections, and improve internal review processes to ensure all documents and activities meet sunshine law public notice and content disclosure requirements.

We recommended that the executive secretary establish a formal training program for neighborhood board commissioners, board members, and staff, establish controls over boards that do not utilize their budgets effectively, improve budget formation and accounting practices, ensure that board vacancies are properly noticed and filled, and improve internal review processes to ensure that all documents and activities met sunshine law public notice and content disclosure requirements.

Finally, we recommended that neighborhood board chairs coordinate with the neighborhood commission office to ensure that board vacancies are properly noticed on meeting agendas and action taken at board meetings, ensure that board members receive sunshine law training and maintain a certification file, that board members follow all neighborhood plan requirements, and that board meeting minutes and agendas meet sunshine law public notice and content disclosure requirements.

In a written response, the executive secretary expressed general agreement with our audit findings, noted several steps the office has already taken, or will be taking, to address some of the issues raised, and viewed the audit as a positive baseline from which the neighborhood commission can measure progress and gauge success. We commend the executive secretary and the neighborhood commission for the initiatives they have already taken to address problems within the neighborhood board system and for their willingness to consider our audit recommendations in making future changes. In addition, the executive secretary offered clarifying comments on various issues raised in our audit and disagreed with our audit recommendation to separate the neighborhood board system from the managing director's office and attaching it to another city agency. The executive secretary's objections

notwithstanding, we contend that by administratively attaching the neighborhood board system to another agency and giving the neighborhood commission actual oversight powers, the commission may be empowered to more effectively oversee the operations as well as assume the accountability that goes with that oversight. While we stand by our audit findings and recommendations, we made a clarifying amendment to one of our recommendations for the final report.

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Chapter 1

Introduction

This audit was conducted pursuant to Resolution 04-387, *Requesting a Performance Audit of the Neighborhood Board System*, adopted by the city council on September 28, 2005. Additionally, this audit was included in the Office of the City Auditor's Proposed Annual Work Plan for FY2005-06, Amendment No. 1, which was communicated to the mayor and city council in October 2005.

Resolution 04-387 documents concerns and complaints expressed to the council regarding the neighborhood board system:

- Concerns from the neighborhood commission members that the neighborhood board system is not fulfilling its mission, that the neighborhood plan has not been completed as required by the city charter, and little accountability in spending by the Neighborhood Commission Office;
- Concerns that many neighborhood boards do not follow the "Sunshine Law" or conduct meetings with order and decorum, training is needed for board members, commissioners, and commission staff regarding parliamentary procedures, sunshine law, and general conduct of meetings;
- Complaints regarding the neighborhood board system have increased over the past year while interest in becoming a board member has decreased;
- Local media reports regarding some boards not having enough funding to pay for meeting facilities or videotaping board meetings, and poor conditions of meeting venues; and
- Reports of numerous problems with the accuracy, clarity, and grammatical composition of meeting minutes that are written by alleged untrained neighborhood commission staff.

This audit examines these and other related issues to determine prevalence and impact, but most importantly, how the neighborhood board system is achieving its overall mission. The information is intended to assist the city council in evaluating budget and operational requests,

and help the neighborhood board commission, neighborhood board commission office, and neighborhood boards improve its operations and performance.

Background

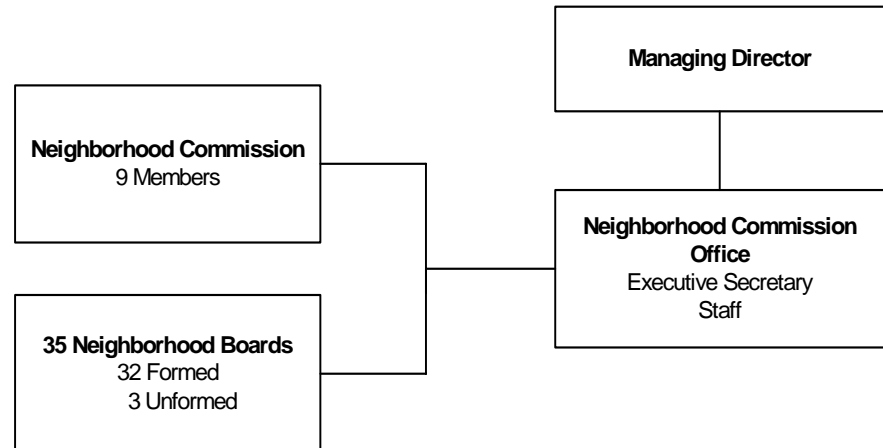
The neighborhood board system was established by city charter and began with the formation of neighborhood boundaries and neighborhood boards. A neighborhood commission was also established and tasked with developing a neighborhood plan that would lay the groundwork for the formulation of neighborhoods and neighborhood boards. The mission of the neighborhoods and neighborhood boards is, “to increase and assure effective citizen participation in the decisions of government.”

Revised Charter of Honolulu established the neighborhood board system in 1972

The neighborhood board system was created in 1972 by city charter. Article XIV of the Revised Charter of Honolulu (RCH) called for the formation of a nine-member neighborhood commission to develop a neighborhood plan to assist in the formation and operation of elected neighborhood boards on O‘ahu. The purpose of the system is to provide a mechanism to increase and assure resident participation in the process of government decision-making. Administrative and technical staff supports the mandated functions of the neighborhood commission and the neighborhood boards.

The neighborhood board system is comprised of the neighborhood commission, neighborhood boards, and the neighborhood commission office. The neighborhood commission office is administratively attached to the managing director’s office. Exhibit 1.1 presents the neighborhood system’s organizational structure.

Exhibit 1.1 Organization Chart - Neighborhood Board System



Source: Neighborhood Commission Office

Neighborhood commission

The neighborhood commission consists of nine members. Section 14-102, RCH, establishes that four members are appointed by the mayor, four by the city council, and the ninth member is appointed by the mayor and confirmed by the city council. A total of three members must have had one full term of prior neighborhood board service. Each member serves a five year term.

The neighborhood commission serves three primary functions:

1. Develop a neighborhood plan to increase and assure effective citizen participation in government.
2. Review and evaluate the neighborhood plan and the effectiveness of the neighborhood boards.
3. Assist in the formation and operation of neighborhood boards upon request of interested neighborhood areas.

Additionally, the neighborhood commission must hold regular meetings at least six times annually and keep written minutes. The commission may adopt, amend, or repeal any rule of the commission. Five affirmative votes are necessary for the board to take action due to quorum requirements.

Neighborhood boards

The city charter provides for the establishment of neighborhoods and neighborhood boards through the neighborhood plan. The neighborhood plan currently establishes 35 separate neighborhood areas, with 32 active neighborhood boards island-wide. In FY2004-05, there were 444 neighborhood board seats for the 32 active neighborhood boards throughout O‘ahu. The number of seats on each board range from as few as 9 members, to as many as 23 members. Exhibit 1.2 lists the 35 neighborhood boundaries and the 32 active neighborhood boards.

Exhibit 1.2 Neighborhood Board Status and History, 2006

Board No.	Neighborhood Area	Year Formed	Current no. of seats
1	Hawaii Kai	1977	15
2	Kuliouou/Kalani-iki	1975	17
3	Waialae-Kahala	1976	9
4	Kaimuki	1977	11
5	Diamond Head/Kapahulu/St. Louis Hts.	1977	15
6	Palolo	1977	13
7	Manoa	1977	17
8	McCully-Moiliili	1976	17
9	Waikiki	1977	17
10	Makiki/Lower Punchbowl/Tantalus	1977	17
11	Ala Moana/Kakaako	1977	9
12	Nuuanu/Punchbowl	1977	15
13	Downtown	1977	9
14	Liliha/Alewa/Puunui/Kamehameha Hts.	1977	13
15	Kalihi-Palama	1975	19
16	Kalihi Valley	1976	9
17	<i>Moanalua</i>	Vacant	---
18	Aliamanu/Salt Lake/Foster Village	1979	9
19	<i>Airport</i>	Vacant	---
20	Aiea	1977	15
21	Pearl City	1977	13
22	Waipahu	1984	19
23	Ewa	1977	11
24	Waianae Coast	1975	15
25	Mililani/Waipio/Melemanu	1975	23
26	Wahiawa	1985	9
27	North Shore	1977	15
28	Koolauloa	1976	11
29	Kahaluu	1975	15
30	Kaneohe	1976	17
31	Kailua	1976	19
32	Waimanalo	1975	13
33	<i>Mokapu</i>	Vacant	---
34	Makakilo/Kapolei/Honokai Hale	1994	9
35	Mililani Mauka/Launani Valley	1996	9

Source: Neighborhood Commission Office

The neighborhood plan states that boards are responsible for actively participating in functions and processes of government by articulating, defining, and addressing neighborhood problems. Their actions should reflect the needs and wants of the neighborhood. Boards are expected to take the initiative in selecting their activities and establishing priorities among them, and to provide means for effective citizen participation in government.

The powers, duties, and functions of the board include, but are not limited to:

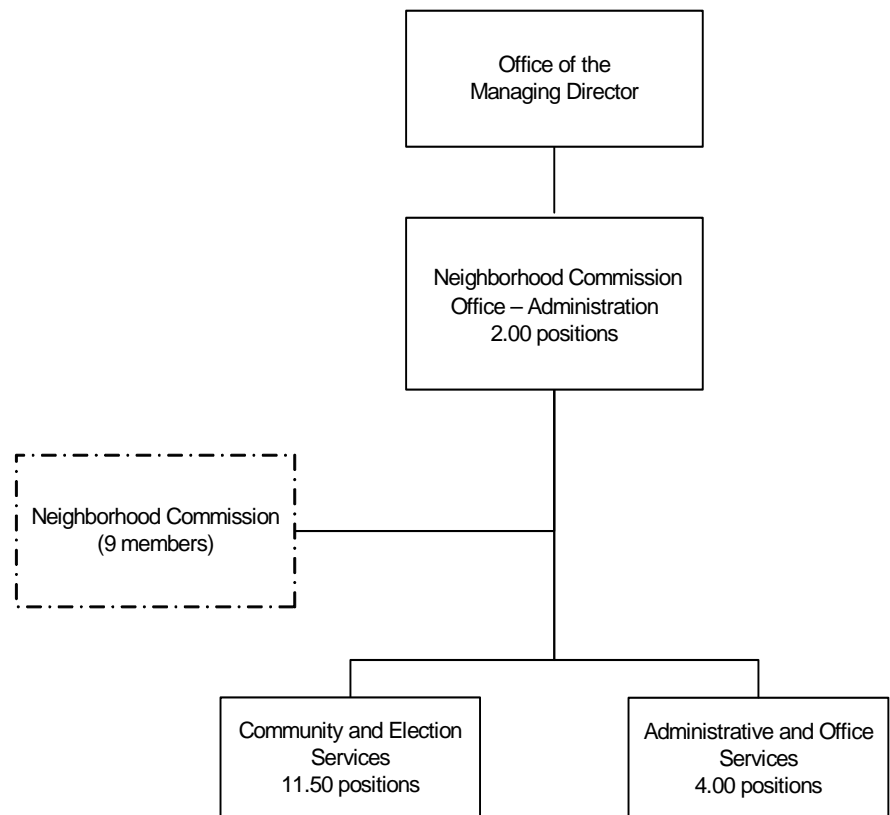
- Review and make recommendations on any general plan, development plan, and other land use matters within its neighborhood and may review and make recommendations on such changes in other neighborhoods in the city.
- Prepare a list of recommended capital improvement projects which reflect the needs of the neighborhood and state the priorities thereof and review and make recommendations on proposed capital improvement plans.
- Set goals and objectives, with priorities, which reflect the growth needs of the neighborhood and state the priorities thereof, for the growth of the neighborhood.
- Sponsor studies, hold informational meetings, conduct public forums, and make recommendations on problems in the neighborhood to appropriate government officials or agencies.
- Monitor and evaluate the efficiency and effectiveness of the government's delivery of services to citizens, and assist in advocating residents' interests to all branches of federal, state, and local governments.
- Conduct educational programs for the general public regarding the aspect of government's decision-making processes important to board activities and functions.

Neighborhood Commission Office

The neighborhood commission office provides administrative and technical support services to the neighborhood commission and the neighborhood boards and assists in facilitating their city charter-

mandated functions to increase and assure effective citizen participation in the decisions of government. An executive secretary, who is appointed by the mayor and confirmed by the council, is in charge of the office. The office operations are divided into two major and interdependent sections—community and election services, and administrative and office services. Exhibit 1.3 presents the neighborhood commission office’s structure.

Exhibit 1.3
Neighborhood Commission Organization Chart - FY2004-05
Number of Full-time Equivalent Positions



Source: The Executive Program and Budget, Fiscal Year 2006

Community and Elections Services

The community and election services section serves as the primary liaison between the neighborhood boards and the neighborhood commission office. This section provides major support function to the 32 boards and includes attendance at regularly scheduled meetings to record

minutes; filing of agendas; processing and mailing correspondence; and informing boards of city policies and procedures. It also provides technical support on proper meeting procedures and producing and distributing publicity materials to enhance two-way communication with neighborhood residents. In addition to its support functions, this section also coordinates the biennial neighborhood board member election process.

In FY2004-05, the community and elections services section attended and recorded 385 neighborhood board meetings, processed and mailed 5,819 sets of monthly meeting agendas and minutes, and monitored and tracked attendance at neighborhood board meetings. The section also wrote and produced public service announcements and posters to promote awareness of the 2005 neighborhood board election.

Administrative and Office Services

The administrative and office services section provides budget support services to the commission and the neighborhood boards, and performs office management functions. This activity handles all personnel transactions, payroll, inventory, and budget preparation for both the office and the 32 boards.

In FY2004-05, the administrative staff coordinated and serviced all regular and special meetings of the neighborhood commission. Staff provided the commission with support and technical assistance with complaint hearings, and with the conduct of public hearings relating to the neighborhood boards' amendments. In addition, section staff coordinated the fiscal expenditures for each neighborhood board through its centralized purchasing and accounting functions. Individual monthly statements were prepared for all 32 neighborhood boards informing members about the status of its operational, publicity, and refreshment account appropriations. In addition to assisting with preparation of the commission's annual operating budget, this section services the nine-member commission and handles all fiscal, personnel, and property inventory matters.

This section notes that the following communication materials were processed during FY2003-04:

Newsletter/Surveys	5
Community-based Publications	11
Videotaped Board meetings	81
Monthly Calendar of Events	12
Meeting Notices to Dailies	52
Legal Ads	1
Certificates, invitations, programs, graphic displays	109

The administrative services section also maintains and updates the neighborhood commission website. Activities include posting of neighborhood board meeting agendas and minutes on individual neighborhood board websites and neighborhood commission meeting agendas and minutes. The section also posts calendars of monthly meetings, board member directories, and other useful information.

Budget and expenditure information

For the most recently completed fiscal year, FY2004-05, the neighborhood commission had a general fund budget of \$928,612. Appropriations in the amount of \$693,664 and \$968,473 were allocated to the commission in FY2003-04 and FY2002-03, respectively. The higher budget figures in FY2002-03 and FY2004-05 are attributed to costs associated with neighborhood board elections which occur every other year. A breakdown of commission positions and expenditures are detailed in Exhibit 1.4.

Exhibit 1.4
Neighborhood Commission Position Counts and Budget
FY2002-03 to FY2004-05

DEPARTMENT POSITIONS	FY2002-03	FY2003-04	FY2004-05
Permanent positions	16.0	16.0	16.0
Temporary positions	1.0	1.0	1.0
Contract positions	1.0	0.0	0.5
TOTAL (Full-time Equivalent)	18.0	17.0	17.5

APPROPRIATION DISTRIBUTION	FY2002-03	FY2003-04	FY2004-05
Salaries and wages	\$594,167	\$554,222	\$557,625
Current expenses	\$374,306	\$139,442	\$370,987
Equipment	\$0	\$0	\$0
TOTAL	\$968,473	\$693,664	\$928,612

Note: Budget figures for FY2002-03 and FY2004-05 include costs related to biennial neighborhood board elections; there was no election in FY2003-04.

Source: The Executive Program and Budget, City and County of Honolulu

**Neighborhood Plan
is the Foundation of
the Neighborhood
Board System**

The neighborhood plan, established by the city charter in Section 14-104, sets the foundation of the neighborhood board system. The plan designates the boundaries of the neighborhoods and provides procedures by which registered voters may initiate and form neighborhoods. The plan also provides guidance on the manner of selecting members to the neighborhood boards. In addition, the neighborhood plan contains procedures related to the duties, operations, policies, and procedures for the neighborhood commission and neighborhood boards.

**Neighborhood
commission develops
and amends the
neighborhood plan**

The city charter directed the neighborhood commission to develop and amend the plan over time. After holding public hearings, the neighborhood commission adopted an initial neighborhood plan in 1974. Subsequent amendments were made in July 1980, June 1986, May

1993, August and October 1994, October 1996, April 1997, and August 1998.

The neighborhood plan states that the neighborhood commission shall conduct a comprehensive review of the neighborhood plan every five years after the filing of the initial plan and every five years thereafter. However, the last comprehensive review and revision of the plan took place in 1998.

City charter specifies elements of the neighborhood plan

The city charter specifies that the neighborhood plan shall designate boundaries of neighborhoods and provide procedures by which registered voters within neighborhoods may initiate and form neighborhoods and the manner of selection of members to neighborhood boards, their terms of office, and their powers, duties, and functions.

Designate boundaries of neighborhood boards

The neighborhood plan establishes standards to be used by the commission in establishing neighborhood boundaries. These standards are to be used by the commission as guidelines for its periodic review of boundaries, for the granting of amendments, and for changes and adjustments. Standards include requirements that neighborhoods be contiguous and compact insofar as practicable, no neighborhood boundary shall be so drawn as to favor a person or community, the neighborhoods as a whole shall coincide so far as feasible with O‘ahu’s historic communities, and, where possible, neighborhood boundaries shall follow permanent and easily recognized features such as streets, streams, and other clear geographical features. Currently, there are 35 designated neighborhood boundaries.

Amendments to neighborhood boundaries may be requested by petition. The petition shall be signed by registered voters residing within the neighborhood equal in number to at least 10 percent of the votes cast in the preceding election of the neighborhood board, but shall not contain less than 100 signatories.

Provide procedures to form neighborhood boards

The neighborhood plan establishes procedures for the initiation and formation of neighborhoods. A neighborhood can be formed by initiative petition signed by five percent, or 100 residents (whichever is less), of the registered voters within its neighborhood boundaries at the time of the last general election. The petition shall contain the proposed number

of board members, proposed subdistrict areas of the neighborhood defined on a map, including geographical definition, and any plans for representation from subdistrict areas of the neighborhood.

Selection of neighborhood board members and terms of office

The neighborhood plan provides guidelines for the election of neighborhood board members. Each neighborhood shall have a neighborhood board comprised of at least nine members elected by plurality vote from the respective neighborhood or any subdistrict established within the neighborhood. All boards must have an uneven number of members who shall be residents of the neighborhood and be at least 18 years of age. Members of a neighborhood board shall be elected for two year terms. Elections are non-partisan and shall be by mail balloting, utilizing secret ballots.

Neighborhood board member powers, duties, and functions

The powers, duties, and functions of the board shall include, but are not limited to reviewing and making recommendations on any general plan, development plan, and other land use matters; preparing a list of recommended capital improvement projects for the neighborhood; setting goals and objectives which reflect growth needs and priorities of the neighborhood; sponsoring studies, holding informational meetings and other public forums; monitoring and evaluating the efficiency and effectiveness of the government's delivery of service; and conducting educational programs for the general public related to board activities and functions.

Other key provisions of the neighborhood plan

In addition to neighborhood plan requirements mandated by city charter, the plan also provides other key functional and operational provisions including rules and procedures for the neighborhood commission's hearing process, board election, and neighborhood board operations.

Neighborhood commission hearings procedures

The neighborhood plan establishes procedures governing hearings conducted by the neighborhood commission. The plan notes that the city charter requires the commission to assist with the formation and operation of neighborhood boards and to review and evaluate the effectiveness of the various neighborhood boards. Implied within this requirement is the authority of the commission to conduct hearings to determine the rights, duties, and privileges of members of the

neighborhood boards and any person affected by the actions of any neighborhood board.

The commission is authorized to review any aspect of the operation of the neighborhood boards to determine the effectiveness of the neighborhood boards in accordance with the neighborhood plan, rules of the neighborhood board, and any applicable laws. Any neighborhood board member or any resident of a neighborhood represented by a neighborhood board may file a complaint related to the neighborhood board. The commission, upon finding in favor of a complainant, shall determine the appropriate remedy.

Neighborhood board election rules and procedures

The neighborhood plan establishes election rules and procedures for neighborhood boards. The plan specifies that the executive secretary shall direct all neighborhood board elections. The neighborhood commission has the authority to appoint a chief monitoring officer to certify the results of an election. In addition, the plan specifies other election-related requirements that include determination of residence, registration, candidate eligibility, ballot provisions, and voting procedures.

The commission shall verify the election and announce the results. The person(s) receiving the highest number of votes in any neighborhood board election, or subdistrict as applicable, shall be declared elected. The commission shall swear in the board members and issue certificates of election.

Neighborhood board rules and procedures

The neighborhood plan establishes rules and procedures for neighborhood boards. Specifically, the plan references rules relating to the initial convening of a board, officers and their duties, and committees. Under its general provisions, the plan also establishes that any vacancy occurring other than by the expiration of a term of office shall be filled within 60 calendar days after its occurrence. The plan also states that for any board member accumulating three or more absences from properly noticed regular meetings within a one-year period, the board shall have the option to declare the seat vacant and appoint a successor.

In addition to procedural requirements, the plan also stipulates the application of parliamentary practices, order and decorum, and general standards of conduct. The plan further establishes that any action taken

by a board that violates these rules shall be voided by the neighborhood commission after a proper hearing is conducted.

Neighborhood Commission and Board Members are Subject to Various Operating Requirements

Neighborhood commission and neighborhood board members are required to conduct their business in accordance with the state public meeting law and various requirements established in the neighborhood plan. Requirements include adherence to parliamentary procedures, *Robert's Rules of Order*, general order and decorum, and quorum.

State sunshine law

The activities of the neighborhood commission and neighborhood board are subject to Chapter 92, Hawai'i Revised Statutes (HRS), relating to public agency meetings and records. Chapter 92, HRS, more commonly referred to as the "Sunshine Law", states that opening up the governmental process to public scrutiny and participation are the only viable and reasonable method for protecting the public's interest. The intent of the law is that the formation and conduct of public policy—the discussion, deliberation, decisions, and action of governmental agencies—shall be conducted as openly as possible.

By application, all neighborhood commission and neighborhood board meetings shall be open to the public, unless exempted by state law, and all persons shall be permitted to attend any meeting and to submit written information related to any agenda item. Meeting notices, including an agenda listing the items to be discussed, must be filed with city clerk's office at least six calendar days prior to the meeting and be mailed to persons requesting receipt of such notices. The commission and board must also keep written minutes of all meetings and make them available to the public within 30 days after the meeting, unless otherwise exempted by state law.

The attorney general and prosecuting attorney shall enforce sunshine law provisions. Any person who willfully violates any provisions of the sunshine law shall be guilty of a misdemeanor, and upon conviction, may be summarily removed from the board unless otherwise provided by law.

Parliamentary procedures and Robert's Rules of Order

The neighborhood plan states that the rules of parliamentary practice, as set forth by the latest edition of *Robert's Rules of Order*, shall govern

the neighborhood board if the issue is not covered or is in conflict with these rules. The fundamental principles of parliamentary law are: justice and courtesy to all, do only one thing at a time, the majority rules, the rights of the minority must be respected, each main motion or debatable position is entitled to a full and free debate, and there should be no partiality shown. The plan also specifies using parliamentary practices such as motions, priority of business, questions of order and adjournment.

It is important to note that *Robert's Rules of Order* only supplements the rules in the neighborhood plan for parliamentary practices. In other words, *Robert's Rules of Order* prevails when there is no rule or the neighborhood plan procedures are silent. The primary authority for board policies and procedures, including acceptable parliamentary procedures, is Chapter 4, revised neighborhood plan.

Order and decorum

The neighborhood plan addresses order and decorum. To ensure that all board members have equal opportunities for debate, the rule states that the chairperson shall vacate the chair when taking part in a debate, with the vice chair assuming the chair's role in facilitating the discussion. The rule also makes clear that when a board member or person properly before the board wishes to speak, the member or person shall address the chairperson, be recognized before proceeding, and shall confine remarks to the question under discussion, avoiding personalities and abusive language.

Quorum requirements

Section 92-15, HRS, establishes quorum requirements for boards and commissions. Unless otherwise specified by law, a majority of all the members to which the board or commission is entitled shall constitute a quorum to do business, and the concurrence of a majority of all the members to which the board or commission is entitled shall be necessary to make any action of the board or commission valid. The quorum requirement is a majority of the entire membership, or calculated as one-half of the membership, plus one.

Board Member Questionnaire Results

In order to obtain board member feedback on various aspects of the neighborhood board system, we mailed out a questionnaire (see Appendix A) to neighborhood board members in good standing as of March 6, 2006. We mailed a total of 405 surveys and received 190

responses that were postmarked by the March 29, 2006 deadline, for a response rate of 47 percent. Through the survey, board members were presented with statements about the neighborhood board system and asked to indicate their level of agreement with the statements. Survey data was compiled and responses were assigned numerical values to determine a composite score. The following scale was used to determine a composite score:

- | | |
|-----------------------|--------------------|
| 1 = Strongly Disagree | 2 = Disagree |
| 3 = Agree | 4 = Strongly Agree |

Exhibit 1.5 shows statements that received the lowest composite score (values of less than 2.5, which indicates more “disagree” than “agree”) related to adequacy of funding for videotaped meetings and the adequacy of the neighborhood board commission to review, evaluate, and report on the neighborhood plan and neighborhood boards. Respondents indicated that the neighborhood commission’s efforts to review, evaluate, and report on the neighborhood plan and neighborhood boards were perceived as very inadequate. The low score for videotape funding may be somewhat skewed since some boards do not, or choose to not, videotape their board meetings.

**Exhibit 1.5
Neighborhood Board Member Questionnaire Results
Statements With the Lowest Composite Scores**

<i>Rank</i>	<i>Statement No.</i>	<i>Questionnaire Statement</i>	<i>Composite Score</i>
1	17	My neighborhood board has adequate funding to pay for videotaped board meetings.	2.27
2	2	The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood plan.	2.32
3	3	The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood boards.	2.34

Source: Office of the City Auditor

Statements that received the highest composite score (values of more than 3.0, which indicates more “agree” than “disagree”) related to the neighborhood commission office staff and neighborhood board compliance with various requirements. Exhibit 1.6 reveals the seven questionnaire statements that received a composite score above 3.0.

Exhibit 1.6
Neighborhood Board Member Questionnaire Results
Statements With the Highest Composite Scores

<i>Rank</i>	<i>Statement No.</i>	<i>Questionnaire Statement</i>	<i>Composite Score</i>
1	12	My neighborhood board conducts its meetings in accordance with “Sunshine Law” requirements.	3.32
2	6	Board meeting agendas and minutes are drafted and submitted by neighborhood commission office staff in a timely manner.	3.21
3	8	Neighborhood Assistants are adequately trained to perform their assigned duties.	3.17
4	11	My neighborhood board conducts its meetings in accordance with established parliamentary procedures.	3.17
5	7	Board meeting agendas and minutes are drafted and submitted by neighborhood commission staff with an acceptable number of grammatical and other errors.	3.14
6	9	Neighborhood commission staff provides adequate service to neighborhood boards.	3.08
7	10	The neighborhood commission office has a positive working relationship with my neighborhood board.	3.04

Source: Office of the City Auditor

The composite scores for all questionnaire statements can be found in Appendix B. In addition, neighborhood board members comments are presented in Appendix C.

Audit Objectives

1. Determine whether the neighborhood board system is fulfilling its mission.
2. Review and assess the neighborhood board system's operations.
3. Make recommendations as appropriate.

Scope and Methodology

We reviewed applicable laws, policies, and procedures relating to the neighborhood board system. They included Hawai'i Revised Statutes, Revised Charter of Honolulu, Revised Ordinances of Honolulu, Revised Neighborhood Plan of the City and County of Honolulu 1986 (1998 Edition), city council resolutions, and policies and procedures provided by the neighborhood commission office. Our audit focused on operations and activities of the neighborhood commission, neighborhood commission office, and neighborhood boards from July 1, 2002 through June 30, 2005.

We reviewed various documents at the neighborhood commission office, including commission meeting agendas and minutes, neighborhood board meeting agendas and minutes, policies and procedures, and past reports issued by the commission from July 1, 2002 to June 30, 2005. We also reviewed personnel files, training program files, election files, complaint files, contract files, board member attendance logs, and neighborhood commission, neighborhood commission office, and neighborhood board expenditure files and reports. We also viewed a sample of videotaped neighborhood board meetings. In addition, we examined opinions from the office of information practices and corporation counsel.

We interviewed neighborhood commission members, the executive secretary, and neighborhood commission office staff to obtain pertinent information and clarify applicable policies and procedures. In addition, we surveyed 405 neighborhood board members to assess their perception on various aspects of the neighborhood board system.

This audit was conducted in accordance with generally accepted government auditing standards.

Chapter 2

The Neighborhood Board System Fails to Fully Meet Its Mission Due to Systemic Flaws and Operational Shortcomings

The neighborhood board system was established in 1972 by Article XIV, Revised City Charter of Honolulu. Today, there are 32 active neighborhood boards across the island of O‘ahu where citizens are provided an opportunity to voice their concerns and help guide future growth for their communities. A nine-member neighborhood commission assists in the formation, planning, operation, and evaluation of neighborhood boards. The neighborhood commission and neighborhood boards receive staff support and technical assistance from a neighborhood commission office, which is led by a mayor-appointed executive secretary. Together, these three entities comprise the neighborhood board system that promotes the concept of participatory democracy, involving communities in the decisions affecting them. We found, however, that structural flaws and operational deficiencies prevent the neighborhood board system from fulfilling its mission to, “increase and assure resident participation in the process of government decision-making.”

Summary of Findings

1. The neighborhood board system’s disjointed structure inhibits its ability to meet its mission. We found that the neighborhood plan lacks measurable goals and objectives to ensure mission compliance. We also found a lack of systemic authority and accountability between the managing director, neighborhood commission, neighborhood commission office, and neighborhood boards. Mayoral appointment of the executive secretary and neighborhood commission office staff is problematic. Sunshine Law training requirements and practices conflict.
2. The neighborhood board system has operational deficiencies. These deficiencies further compromise the system’s ability to meet its mission. The neighborhood commission failed to revise the neighborhood plan in a timely manner and to evaluate and report on neighborhood board effectiveness. The commission also inadequately handles complaints. The commission office’s training

program is inadequate and unenforceable. The neighborhood commission office does not properly manage neighborhood board expenditures and develops neighborhood board budgets using outdated criteria. Some neighborhood boards suffer from an inability to attract candidates to fill seats and others are unable to attain a quorum of its members and conduct board business. Board meeting minutes and agendas do not consistently publicize board vacancies. Some board members exhibit a lack of decorum, but most others generally follow parliamentary procedures. The neighborhood commission and neighborhood boards generally complied with sunshine law provisions, but improvements are needed in certain areas.

The Neighborhood Board System’s Disjointed Structure Inhibits Its Ability to Meet Its Mission

We found that structural flaws within the neighborhood board system challenges its ability to meet its mission. The foundation of the neighborhood board system, the neighborhood plan, lacks measurable goals and objectives to determine mission accomplishments. The system also lacks clear lines of authority and accountability among the managing director, neighborhood commission, neighborhood commission office, and neighborhood boards. We also found that the patronage-based staffing of the neighborhood commission office is problematic and that past attempts to correct the problems failed. Finally, the city’s failure to establish a formal sunshine law training program and implementation conflicts with training requirements do not ensure that neighborhood commission and board members comply with sunshine law provisions.

Neighborhood plan lacks measurable goals and objectives to ensure mission compliance

The neighborhood plan establishes neighborhood boundaries, election procedures, powers, duties, functions, and rules of neighborhood boards, and neighborhood commission hearing procedures, among others. The plan is similar to a development plan where all the necessary elements and processes are generally set forth, rather than a plan that establishes goals and objectives to be managed or measured towards a certain result or end.

Other documents attempt to establish measurable goals and objectives, but they, too, fall short. The neighborhood commission’s *Neighborhood Board Member Guidebook* identifies citizen participation mission priorities and matches them with key result areas, as shown in Exhibit 2.1. While these priorities and key result areas are noteworthy, they, too, lack any criteria that can be measured or evaluated.

Exhibit 2.1

Neighborhood Board - Citizen Participation/Key Result Areas

Citizen Participation – MISSION	Citizen Participation – KEY RESULT AREAS
CITIZEN ACCESS to or opportunity to participate in government policy making.	<ol style="list-style-type: none"> 1. Establishment of TWO-WAY COMMUNICATIONS between boards, interested groups, residents, and government (exchange of ideas). 2. Establish CONTACT with and provide citizen participation information to neighborhoods. 3. STIMULATE INTEREST in operations and/or programs among the public at-large.
Seek to ensure REPRESENTATIVENESS of resident input (who are the relevant group that should be participating)	<ol style="list-style-type: none"> 1. Seek to develop TWO-WAY COMMUNICATION with broad spectrum of citizen groups rather than a few. Greater the number involved—more likely input obtained will be representative of some population of interest groups. 2. Draw on views of cross-section of community residents. 3. Identify the views of representative cross-section of public at-large, possibly through random sample surveys.
Effort to seek to facilitate RESPONSIVENESS to citizen input (achieving a high degree of responsiveness would be the mechanism to ensure that citizen participation is more than simply a symbolic gesture.	<ol style="list-style-type: none"> 1. Identify and specify substantive areas open to citizen participation. 2. Formulate substantive programs and goals through discussion with citizen groups. 3. Formulate substantive programs and goals through discussion with residents. 4. Include citizen survey responses in formulating goals.

Source: Neighborhood Board Member Guidebook, June 2001

In addition, the neighborhood commission identified a set of goals and objectives in *The Executive Program and Budget, Fiscal Year 2005*:

1. To increase the effectiveness of the neighborhood boards and the neighborhood commission office through training and workshops.
2. To improve the biennial neighborhood board election process by increasing awareness of community issues and updating the election process.
3. To facilitate neighborhood board access to the city administration and city council.

4. To facilitate interaction between government and the neighborhood boards in resolving community concerns.

The neighborhood commission lists as its accomplishments for FY2004-05, the number of meetings staff attended, monthly sets of minutes and agendas processed, and attendance at board meetings. The accomplishments also generally note office activities, training classes provided, and communications processed, which include the number of newsletters and surveys, videotaped board meetings, calendar of events, and other board-related communications. While the commission aptly reports its accomplishments in quantitative terms, these accomplishments do not align to the goals and objectives stated in its executive budget program. Furthermore, they do not provide any analysis as to whether the stated accomplishments were in-line with goals, objectives, or expectations. As a result, the “data dump” provided by the neighborhood commission falls short of any meaningful review, evaluation, or reporting on the neighborhood system or its components.

The ineffective review, evaluation, and reporting by the neighborhood commission was confirmed by neighborhood board members responding to our questionnaire. Questionnaire statements were scored using a four-point scale with a score of one representing “strongly disagree” and a score of four representing “strongly agree.” The questionnaire statement, “The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood boards,” received a composite score of 2.34, which was the third lowest score of all questionnaire statements. The score of 2.34 indicates that board members generally disagreed with this statement. One board member commented that a review by the commission had not been seen, while another commented that there was no information or evidence that this activity had occurred during the three years this individual served on a neighborhood board.

The city charter states that the neighborhood commission is responsible for reviewing and evaluating the effectiveness of the neighborhood plan and neighborhood boards, and report findings. We found that the commission does not formally review, evaluate, or report on neighborhood board effectiveness. Even if the commission attempted to evaluate effectiveness, we question how it could be accomplished without any measurable goals and objectives. Lacking measurable goals and objectives, the neighborhood commission cannot fulfill its duty to objectively review and evaluate neighborhood boards, make recommendations for improvement, and ensure that the boards are

meeting the neighborhood board system's mission to increase and assure effective citizen participation in the decisions of government.

System lacks clear lines of authority and accountability

Clear authority and accountability between the neighborhood commission, neighborhood commission office, and neighborhood boards is lacking. The neighborhood commission does not have authority to hire or direct neighborhood commission staff, or compel action by neighborhood boards. Although the neighborhood system is administratively attached to the managing director's office, the managing director's role is unclear.

Neighborhood commission does not have authority to hire or direct neighborhood commission office staff

The city charter tasks the neighborhood commission with assisting communities in the formation and operation of their neighborhoods and neighborhood boards, upon request. The commission also reviews and evaluates the effectiveness of the neighborhood plan and neighborhood boards. Although the nine-member, volunteer commission is tasked with this substantial responsibility, it lacks the authority to manage resources, particularly the neighborhood commission office, to meet these responsibilities.

The neighborhood commission office provides administrative and technical support services to the neighborhood commission. The neighborhood commission office reports that its administrative staff coordinated and serviced regular and special meetings of the neighborhood commission and its committees. Staff also provided support in complaint hearings. This support, however, can vary because the commission does not have the authority to direct the commission office and its staff.

On July 17, 1975, the corporation counsel issued an opinion related to staff assistance for the neighborhood commission. The corporation counsel advised that while the city charter specifically authorizes certain commissions to have staff, the neighborhood commission does not have such authority. The charter also authorizes department heads to appoint staff, but does not authorize the neighborhood commission with the same authority. Clearly, the corporation counsel affirmed that the city charter does not permit the neighborhood commission to have a staff of its own. Hiring of neighborhood commission staff rests with the managing director.

The lack of staff support has adversely affected the commission's ability to conduct its work. Commissioners we spoke with expressed frustration over the quality and quantity of staff support they received. One commissioner told us that staff support was adequate during the 1980's, but that same level of support was not available under the previous administration. Another commissioner commented that one of the reasons the commission had a difficult time meeting its neighborhood plan review requirement is because it lacked staff to assist with the process. Up until the year 2000, there was a neighborhood commission office staff person who helped with the drafting and revising of the neighborhood plan. Since that staff person retired, and there was no other office staff to assist, the neighborhood plan revision was delegated to a volunteer.

Accountability for the neighborhood commission, neighborhood commission office, and neighborhood boards is skewed

The city charter specifies that the nine-member neighborhood commission be assembled from appointments made by the mayor and the council. However, the charter and neighborhood plan is silent as to whom the commission is accountable. The rules of the neighborhood commission specify the commission's functions, power, and duties, but it, too, is silent on who should enforce these provisions or penalties for non-compliance.

As previously stated, the neighborhood commission office provides administrative and technical assistance to both the neighborhood commission and neighborhood boards. However, neither the commission nor the boards have any jurisdiction over the executive secretary or the office staff. Although the corporation counsel ruled in 1975 that the managing director had the authority to hire neighborhood commission office staff, concerns over accountability remain. In response to the issue of whether the executive secretary of the neighborhood commission is directly accountable to the managing director or to the neighborhood commission, the corporation counsel issued an opinion on September 24, 1985 confirming that only the managing director, and not the neighborhood commission, has the authority to appoint or remove the executive secretary to the commission. Although the appointing authority was changed to the mayor in 1995 through Resolution 95-261, the managing director still maintained management responsibilities for its attached agencies. The opinion further explained that the position of the executive secretary was created to provide needed service to the commission and neighborhood boards. Simply put, if the commission and boards did not exist, there

would not be any necessity for the position of an executive secretary. In essence, the executive secretary and the commission staff are accountable to the commission with respect to providing satisfactory service only. The commission's only substantive power is to submit recommendations to the managing director for review and appropriate action. The neighborhood commission also lacks any punitive or corrective powers over the boards.

Neighborhood boards, too, have little power over the neighborhood commission office staff that is supposed to support the boards in their operations. As an example, effective July 1, 2005, the former executive secretary established a policy that neighborhood assistants would limit their attendance at each monthly board meeting to two hours. Neighborhood board members complained that this unilateral action, which was not discussed with the boards, would have a detrimental impact on some neighborhood boards. One board member reported that many neighborhood chairs tried to schedule meetings with the executive secretary regarding proposed rule changes only to be denied such meetings. The member further alleged that at one meeting with the executive secretary and administrative staff, the member was informed that neither the executive secretary nor the staff are obligated or required to have policy decisions reviewed or discussed with the neighborhood commission or board members.

The neighborhood board system is comprised primarily of the neighborhood commission, neighborhood commission office, and neighborhood boards. Together, they seek to fulfill the charter-mandated mission to increase and assure effective citizen participation in the decisions of government. While one might reasonably expect these entities to work collaboratively, the lack of documented connection and accountability between them, and among them, results in a disjointed, and sometimes adversarial, system.

Managing director has not taken an active role in evaluating the system

The neighborhood commission, neighborhood commission office, and neighborhood boards are attached to the office of the managing director. The city charter states that the managing director is the principal management aide of the mayor and is tasked with supervising the heads of all executive departments and agencies assigned to the office, evaluating the management and performance of each executive agency, appointing the necessary staff to assist in such evaluation and analyses, and assisting the executive agencies in improving their performance and

making reports to the mayor on the findings and recommendations of such evaluation and analyses. The managing director's office is also required to prescribe standards of administrative practice for all agencies under the managing director's supervision.

When we requested to review copies of any reports or evaluations conducted on the neighborhood commission, neighborhood commission office, or neighborhood boards between July 1, 2002 and June 30, 2005, the managing director's office informed us that it did not have record of such documents. The neighborhood commission office, too, was unaware of any such evaluation or report issued. The lack of documented accountability and lines of authority within the neighborhood board system notwithstanding, in our view, the managing director has the authority, and is ultimately responsible, for neighborhood board system operations. We recommend that the managing director take a more active role in addressing problems with the neighborhood board system.

Staffing of the commission office is problematic

Under the current neighborhood board system structure, the mayor appoints the executive secretary and influences hiring of neighborhood commission office staff. The patronage-based nature of this staffing structure adversely affects the neighborhood commission office's ability to ensure qualified staff and the continuity of trained and qualified staff.

Mayor appoints executive secretary

Currently, the city charter states that the neighborhood commission's executive secretary shall be appointed by the mayor and confirmed by the council. Although appointed by the mayor, and supervised by the managing director, the executive secretary's duties are to plan, organize, direct, and coordinate the technical and administrative activities of the nine-member neighborhood commission and provide advice, counsel, and direction to the commission members necessary for the exercise of their responsibilities. The executive secretary also plans, organizes, directs, and coordinates the administrative staff and activities of the neighborhood commission office to support and promote the neighborhood board program. This disconnect between the appointing authority (mayor) and the important role and function of the executive secretary with respect to the neighborhood commission, has drawn criticism.

One neighborhood commissioner reported that because of the patronage hiring of the executive secretary, it is hard to determine or evaluate what the office should be doing to support the commission and the system.

The commissioner also stated that the commission is powerless to evaluate or review how the executive secretary is doing and feels as if the mayor and managing director have too much control. A neighborhood board member also expressed disagreement with the mayoral appointment of the executive secretary.

Mayor influences hiring of other commission office staff

Neighborhood commission office staff serves at the will of the mayor and the mayor, alone, determines who gets hired, fired, or retained. The mayor also has the authority to determine staff salaries. Because neighborhood commission office staff positions are under the mayor via the managing director's office, they are exempt from civil service.

The neighborhood commission office's patronage-based staff is problematic for two reasons. First, office staff may change along with a change in administration, even though staff is trained, highly-skilled, and valued by the neighborhood commission and neighborhood boards. One neighborhood board member complained that when the current mayor appointed the executive secretary and neighborhood assistants, there was a corporate loss of over 15 years of experience in the neighborhood commission office. The former executive secretary had been appointed after a long delay and many of the former neighborhood assistants had been let go in favor of mayoral appointments. Another board member commented that every time a board gets settled with a neighborhood assistant, that person is moved elsewhere. There is no continuity for the board chairs. We found that 7 of the 14 current neighborhood commission office staff, or one-half of the staff, including the executive secretary, were appointed by the current administration.

Secondly, the executive secretary is perceived to have little authority over office staff. The executive secretary is responsible for planning, organizing, coordinating, and evaluating the operations and activities of the neighborhood commission office. Although the secretary is responsible for these complex and extensive planning activities for both the neighborhood commission and neighborhood commission office staff, the executive secretary does not have the authority to hire the staff that will carry out the office's overall responsibilities. One neighborhood commission member commented that it is difficult to determine or evaluate what the neighborhood commission office should be doing to support the neighborhood commission because of the patronage situation of the executive secretary and office staff. If the executive secretary did not hire, and only the mayor can dismiss employees, it would be difficult for the executive secretary to ensure that qualified staff were appointed

into staff positions and equally difficult to terminate an employee for poor job performance because the executive secretary would have to consult with the mayor first.

Recent attempts to amend staffing problems failed

As of January 2006, the Honolulu City Charter Commission was considering 16 charter amendment proposals related to the neighborhood commission. Several proposals directly addressed the issues related to mayoral appointment of the executive secretary and staff. One quarter, or 4 of the 16 proposals, would have the neighborhood commission, not the mayor, appoint the executive secretary. Another four proposals would increase the neighborhood commission's oversight of the executive secretary, which would include such activities as budget review, annual performance evaluation, and reporting. Two additional proposals sought to clarify the role of the executive secretary, emphasizing the executive secretary's administrative powers, but removing the position as a voting member on the neighborhood commission. None of these proposals, however, were approved by the charter commission for the 2006 general election ballot.

The city charter generally provides that staff positions in the mayor's office are exempt from civil service. On the 2004 general election ballot, the charter commission approved a charter amendment proposal that would confer civil service status on neighborhood commission office staff, other than the executive secretary. If approved, neighborhood commission office staff would no longer be subject to patronage appointment and would be subject to civil service qualification and job performance requirements, and protections. The charter proposal, however, was defeated by Honolulu voters with 104,650 voting to confer civil service status on neighborhood commission office staff and 142,394 voting against it. In recognition of the continued problem of the patronage-based system of staff appointments, the 2005-2006 charter commission considered another amendment to make neighborhood commission office staff civil service. This proposal, too, was defeated and will not be sent to voters for ratification in 2006. As an alternative to these piecemeal attempts to address the staffing issues within the neighborhood board system, the mayor should consider separating the neighborhood commission and neighborhood commission office from the managing director's office and administratively attaching it to another executive branch agency.

Sunshine law training requirements and practices conflict

Honolulu's city ordinance establishes sunshine law training requirements and a formal training program for members of city boards and commissions, including neighborhood commission and neighborhood board members. However, the city's corporation counsel opinion affirms that neighborhood commission and board members cannot be compelled to attend training. In addition, the city has yet to establish its own formal sunshine law training program as directed by city charter. As a result, the city's attempt to ensure that members of boards and commissions are properly trained on sunshine law requirements, and subsequently comply with these requirements, have fallen short. We found that in 2005, approximately 29 percent of neighborhood board members failed to receive sunshine law training as directed by city ordinance.

The city lacks its own sunshine law training program

Section 3-12.2, Revised Ordinances of Honolulu (ROH), requires the city administration to establish a sunshine law training program for members of city boards no later than July 1, 2004. The program would be under the supervision and control of an administrator designated by the mayor and conducted by the office of information practices. If the office of information practices cannot or will not conduct the program, the sunshine law training should be conducted by the administrator, city officer, employee designated by the administrator, or a contractor.

We found that the former city administration did not implement a formal sunshine law training program by July 1, 2004, as required by Section 3-12.2(a), ROH. In fact, Resolution 04-331, introduced on November 8, 2004, claimed that one year had elapsed since the sunshine law training requirement had been created, that the administration had not informed the council of its progress in developing and implementing the program, and that program implementation was overdue by four months. The resolution urged the administration to implement the training program without further delay.

City ordinance requires sunshine law training

Neighborhood commission and board members are required to participate in the sunshine law training program established in Section 3-12.2, ROH. Specifically, the ordinance requires that any board member who took office prior to July 1, 2004 and who continued to serve as a board member on July 1, 2004, shall participate in the sunshine law training program no later than December 31, 2004. If the board member took office after July 1, 2004, the member would need to

participate in sunshine law training within three months from the date of taking office. Commission and board members who had participated in the sunshine law training program within the two immediately preceding calendar years do not have to participate in the training again. However, since the formal sunshine law training program has not yet been established by the city administration, this training requirement is moot.

Neighborhood commission and board members cannot be compelled to take sunshine law training

Based on two corporation counsel opinions issued in 2005, we found that even if the city administration had established its formal sunshine law training program as required, neighborhood commission and board members cannot be compelled to attend. According to corporation counsel, city ordinance only requires neighborhood board members to *participate* in sunshine law training and does not provide a specific penalty for non-compliance. In its opinion, city ordinance provides only for the removal of board or commission members appointed by the mayor and approved by the council for non-compliance with sunshine law training requirements, and these provisions do not apply to neighborhood board members since they are elected, rather than appointed and confirmed. In addition, we find that since only one of nine neighborhood commission members is appointed by the mayor and confirmed by the council, eight neighborhood commission members are also exempt from being removed from their appointments due to non-compliance with sunshine law training requirements.

The corporation counsel further explained that absent any specific penalty for non-compliance with the sunshine law training requirement, non-compliance would be subject to the general penalty for violation of city ordinances set forth in Section 1-3.1, ROH. The general penalty provides that violators are subject to a fine of not more than \$1000 for each offence or by imprisonment of not more than one year, or both. The corporation counsel noted that while the decision to prosecute a board member for non-compliance with the sunshine law training requirement rests with the prosecuting attorney, prosecution of neighborhood board members is unlikely, so long as board members are attempting in good faith to obtain the required training.

Structurally, the city has made a good faith effort to ensure that neighborhood commission and board members have the necessary training to comply with the state's sunshine law requirements in Chapter 92, HRS. However, application shortcomings, implementation conflicts, and interpretation of the training requirements have rendered the city's

efforts ineffective. At the end of the day, the city cannot assure that all neighborhood commission and board members receive adequate sunshine law training and thus cannot expect their full compliance with sunshine law requirements.

Neighborhood Board System Has Operational Shortcomings

In addition to systemic problems, the neighborhood board system is affected by operational deficiencies that further hamper the system's ability to meet its stated mission. Poor management and oversight by the neighborhood commission led to significant delays in revising the neighborhood plan. The neighborhood commission's non-compliance with evaluation and reporting requirements ensures that issues and concerns are not immediately addressed. Poor handling of complaints also adversely affects the neighborhood commission's ability to effectively manage and address operational difficulties. Inadequate training programs, poor fiscal management, and lax budgeting procedures are hampering the neighborhood commission office's ability to contribute toward mission compliance. At the board level, we found that boards are unable to attract enough candidates to fill board seats and have occasional difficulty with absenteeism and meeting quorum requirements. Lack of order and decorum are problems with some boards. Finally, we found that the neighborhood commission generally complied with sunshine law requirements, while neighborhood boards had lapses in meeting public notice requirements.

Neighborhood commission failed to revise the neighborhood plan in a timely manner

The neighborhood commission is required to review and evaluate the effectiveness of the neighborhood plan every five years. The commission began its review process in 1999, but has yet to develop a draft proposal. The delay of the draft is largely attributed to a volunteer who did not produce a completed draft. Ultimately, the neighborhood commission failed to update the neighborhood plan in a timely manner because of its lack of oversight and control over the revision process.

Neighborhood commission is required to review and evaluate the neighborhood plan every five years

Section 1-12.2, Revised Neighborhood Plan, requires the neighborhood commission to conduct a comprehensive review of the neighborhood plan every five years. The city charter specifies that the neighborhood plan may be amended after public hearings are held in various areas of the city and amendments filed with the city clerk. It is important to note that the neighborhood commission is not required to amend the

neighborhood plan every five years—the only requirement is that the commission initiate a comprehensive review to evaluate the effectiveness of the plan and amend the plan after public hearings are held in various parts of O‘ahu.

Although the neighborhood commission made a narrow amendment to the neighborhood plan in 2001 that allows for uncontested elections and adjust boundaries for two neighborhood boards, the current neighborhood plan edition was drafted in 1998. Based on the 1998 edition date, a comprehensive review and evaluation of the plan should have resulted in an updated edition by 2003. As of the date of this report publication, the neighborhood commission had not yet adopted a revised neighborhood plan.

The commission began its neighborhood plan review process in 1999

In 1999, the neighborhood commission directed its Neighborhood Plan Committee to conduct and complete a comprehensive review and revision of the existing Revised Neighborhood Plan 1986 (1998 edition). The committee’s plan was to initiate a series of workshops and complete several neighborhood plan rewrites. Following the committee’s acceptance of the draft revised plan, it would be heard by the full neighborhood commission, presented to the public for comment and testimony, and finally voted on at an open commission meeting.

An initial public review draft was distributed in August 2000. The first public workshop to review the Second Draft Revised Neighborhood Plan 2002 was held on August 24, 2002. The purpose of this meeting was to obtain input and information that would be considered for the final Revised Neighborhood Plan 2002. Following the workshop, the neighborhood plan committee held a series of meetings between October 2002 and February 2003.

On May 13, 2003, the neighborhood commission approved a timeline for the Third Draft Revised Neighborhood Plan 2003. The person assigned to draft the revised plan noted that the revisions were almost complete. The remainder of the process included a review by corporation counsel, approval by the plan committee, public review and hearings, additional revisions, final adoption by the neighborhood commission, and signature of the mayor. The plan drafter estimated that the process would be completed by the end of August 2003. Following adoption of this timeline, the process began to fall apart due to delays, confusion, and mismanagement. The neighborhood commission did not

hold another public hearing on the revised neighborhood plan, dated September 13, 2005, until December 10, 2005.

Neighborhood commission did not exercise proper authority over problems incurred during the plan revision process

The responsibility for drafting the revised neighborhood plan was assigned to a volunteer because the commission staff did not have experience in the area and the volunteer, who was a neighborhood board member and attorney, seemed reasonably qualified. Although the volunteer established a goal to complete the entire revision process by August 2003, this goal was not achieved. Over the course of over one year, the volunteer failed to produce a revised neighborhood plan. It wasn't until October 12, 2004 that the neighborhood commission reported that a draft plan was submitted to corporation counsel for review. Over the course of the next ten months, the neighborhood commission reported that the review remained with the corporation counsel.

However, confusion on the status of the revised neighborhood plan ensued. On August 9, 2005, the neighborhood commission chair reported that a "clean copy" of the revised neighborhood plan was being prepared to submit to the corporation counsel. At a neighborhood commission meeting held on October 11, 2005, the volunteer drafter reported that the revised neighborhood plan final version was 97 to 98 percent complete. Although the volunteer drafter would not commit to a completion date, the drafter estimated that it would be completed within two months. When the commission chair inquired when the final draft could go to the corporation counsel, the volunteer explained that an annotated public review draft needed to be completed first. We note that the volunteer's estimated completion date of December 2005 is two years and three months after the initial promise to have the draft completed for review by August 2003. Exhibit 2.2. provides a timeline of the neighborhood plan revision process from 1999 to the present.

Exhibit 2.2
Revision of the Neighborhood Plan (1998 Edition) Timeline

<i>Period</i>	<i>Description</i>
1999	Neighborhood Plan Committee tasked with revising and reviewing the neighborhood plan.
2000	Commission holds informational meetings around Oahu and revision and review process in early 2000.
August 2002 – February 2003	Committee holds several plan workshops to discuss and further develop the draft plan.
May 13, 2003	Commission approves timeline, including corporation counsel review, committee approval, public hearings in August 2003, and final vote in September to October 2003.
August 2003 – September 2004	Volunteer in charge of revision promises draft for corporation counsel review on several occasions, but does not produce draft.
October 12, 2004	Draft submitted to corporation counsel for review on October 10, 2004. Corporation counsel reports it needs one month to review the draft.
January 2005 - June 2005	Commission reports that the plan is still being reviewed.
August 9, 2005	Volunteer preparing “clean copy” draft to facilitate corporation counsel review.
October 11, 2005	Volunteer reports the final draft is 97-98 percent complete, but does not commit to any firm deadline; estimates another two months to completion.
January 11, 2006	Commission discusses three alternatives for action on the draft, but takes no action. Commission chair requested that the staff review and correct the draft plan based on plan committee minutes.

Source: Office of the City Auditor

The neighborhood commission is responsible for updating the neighborhood plan. The current process to review and revise the neighborhood plan was met with severe process delays related to the commission’s lack of oversight and mismanagement. The current review and plan revision process has been on-going since 1999. While the volunteer assigned to draft the neighborhood plan revisions was remiss in

meeting stated deadlines, the neighborhood commission failed to take corrective action to ensure timely completion of important tasks. As a result, the neighborhood commission failed to review, evaluate, and revise the neighborhood plan in a timely manner. The planning and review process has taken much too long and may have been compromised by the volunteer who commandeered the process. Even if the current draft were to be adopted in the near future, its contents are likely obsolete since the process began nearly seven years ago.

Neighborhood commission does not adequately evaluate or report on neighborhood board effectiveness

We found no evidence that the neighborhood commission evaluated or reported on the effectiveness of neighborhood boards during our review period of July 1, 2002 through June 30, 2005, as required by city charter. The last formal evaluation and report issued by the neighborhood commission was in 1979. Instead of conducting formal evaluations of neighborhood boards, we found that the neighborhood commission deferred to its complaint hearing process or passive observation as its evaluation and oversight activities.

Last formal evaluation occurred in 1979

The only available formal review or report related to the neighborhood board system was produced by Pac West Community Associates, Inc. in November 1979. The neighborhood commission contracted Pac West on August 1, 1979 to evaluate the effectiveness of the neighborhood boards and the neighborhood plan. In addition to findings and recommendations, the report also examined the role of neighborhood boards, neighborhood commission staff, and the future of the neighborhood board system.

Some of the key findings of the Pac West report were:

- The highly structured neighborhood plan may exceed the stated intent of the city charter and the desire of the charter commissioners. The intent of the charter commission was that official neighborhoods would be designated and that people in those neighborhoods could organize themselves into “boards”, if they wished, to ensure effective participation in city decisions. The report also noted that some communities might not want to be organized, or might wish to rely on existing organizations.
- Through the neighborhood plan, the charter commission intended for the neighborhood commission to have the power to designate

neighborhood boundaries, and the power to provide procedures by which each neighborhood would form and organize itself. However, a corporation counsel opinion interpreted that the power of the neighborhood commission would include, “the power to prescribe the powers, duties, and functions of the neighborhood boards”. The report argued that the charter commission did not intend to have the neighborhood commission standardize each board by prescribing the power, duties, and functions of the neighborhood boards.

- Neighborhood boundaries drawn do not seem to conform to the standards outlined in the neighborhood plan.

The Pac West report also cited three instances where the commission and commission office completed internal reviews, one of which was a review of the neighborhood plan’s effectiveness. This evidence that reviews were conducted in the past suggest that reviews of plan effectiveness can occur as part of normal operations, apart from the formal neighborhood plan revision and review process that occurs infrequently.

Neighborhood board member responses to our questionnaire also confirmed that the neighborhood commission does not adequately review, evaluate, or report on the effectiveness of the neighborhood plan. Board members rated the commission’s review, evaluation, and reporting activities with the second lowest score. One board member commented that the neighborhood commission had not reviewed or reported on neighborhood board effectiveness during the three years that this individual served on the board. In addition, neighborhood commission members acknowledge that they do not comply with the charter mandate that the neighborhood commission shall review, evaluate, and report on the effectiveness of neighborhood boards.

Neighborhood commission uses the hearing process and passive observation as its evaluation authority

We found that the neighborhood commission uses its hearing process, in lieu of formal review and evaluation, as one of its evaluation tools. The commission is authorized to review any aspect of the operation of the neighborhood boards to determine board effectiveness in accordance with the neighborhood plan, rules of the neighborhood board, and any applicable laws. While there is ample evidence that the neighborhood commission conducted complaint hearings during our review period, we

note that using review power in this way does not address board effectiveness concerns in a timely manner. We found that it takes too long for the neighborhood commission to take corrective action on complaints and that not every properly filed formal complaint reaches the neighborhood commission for review. Also, this method of evaluation seems to indicate a reactive, rather than preventive style of dealing with board effectiveness issues. Under current practices, the neighborhood commission may not address a board effectiveness issue unless it is brought to the boards' attention.

Another ineffective review and evaluation tool used by the neighborhood commission is its observation at neighborhood board meetings and subsequent reporting at neighborhood commission meetings. We note that this methodology relies more on observation, rather than a comprehensive review. During our review period, we found that neighborhood commissioners attended several neighborhood board meetings and reported their observations to commissioners at commission meetings. Although commissioners reported potential effectiveness problems with some neighborhood boards, only limited action was taken. In only one instance did the neighborhood commission take formal action as a result of commissioner observations.

Not only did the neighborhood commission ignore its responsibilities to properly review, evaluate, and report on neighborhood board effectiveness, it also missed important opportunities to assist boards in making any needed improvements and to provide proper accountability and oversight. Although the Pac West report suggested that neighborhood board operations should not be standardized and allowed to operate independently, the city charter nevertheless requires the neighborhood commission to exercise proper review, evaluation, and reporting. The current methods used by the neighborhood commission fall short of meaningful, proactive review and evaluation.

***Neighborhood
commission office poorly
handles complaints***

Between July 1, 2002 and June 30, 2005, we identified 23 complaint files at the neighborhood commission. Two complaint files contained complaints, but are not recognized as official complaints in Section 1-10, Revised Neighborhood Plan, because they lacked the prescribed form that would make the complaint official. In addition, we discovered seven other complaints referenced in neighborhood commission meeting minutes, with no corresponding file found at the neighborhood commission office. By our calculation, there were 28 formally

recognized complaints during our review period and only 23 complaint files.

We reviewed neighborhood commission meeting minutes during the same period and found that the neighborhood commission held 25 hearings on complaints and related actions during our review period. The neighborhood commission held 3 complaint hearings in FY2002-03, 2 hearings in FY2003-04, and 20 hearings in FY2004-05. Complaints included:

- Interruption of an oral presentation
- Not enough time for oral presentation (7 complaints)
- Board chair discouraged citizen participation
- Order and decorum problems with neighborhood board members (14 complaints)
- Sunshine law violations (3 complaints)
- Improper endorsement of a political candidate (2 complaints)
- Improper use of candidate list with personal information

The neighborhood commission did a poor job in managing complaints. We found that complaint files were incomplete or not updated, and that some complaints were not received at all. We also found that the complaint process often took too long. For those complaints that the neighborhood commission actually processed, we found that many decisions did not comply with neighborhood plan requirements or were oddly reasoned. Finally, we found that even if the neighborhood commission finds that a complaint is valid, it lacks the authority to compel corrective action.

Complaint files were incomplete or not updated

We identified 23 complaint files during our review period, although 2 of the files lacked proper documentation that formally recognizes the complaint. Nearly every file that we reviewed was not updated or was incomplete in some way. The complaint process in the neighborhood plan has clear procedures that include producing key documents. We

found that 20 of the 23 complaint files we reviewed were missing key documents. For example, of the two complaints that involved appeals, one lacked a copy of the written letter to trigger an appeal. For cases where decisions or remedies were rendered, none had information about the decision or a copy of the published written decision. In 2003 and 2004, there were seven cases that were pending without an apparent processing action beyond receiving the complaints. In addition, three complainants reported receiving a letter in late 2005 stating that their case would be dropped or closed. These letters could not be found in the files.

Although the neighborhood commission office had a tracking sheet for key dates in the complaint process, it was often difficult to determine where a given complaint was in the complaint process because of missing documents. In terms of simple file maintenance, we found that eight files contained information unrelated to the individual complaints. The most common error was misfiled correspondence.

Neighborhood commission does not process complaints in a timely manner

We found that seven of the reviewed complaints that were filed in 2003 and 2004 were completely dropped. We confirmed with six complainants that the neighborhood commission office did not contact them in a reasonable time frame after the complaint was filed. For example, five of the seven complaints were filed in 2003; three of the complainants indicated that they received letters from the neighborhood commission office in late 2005, advising them that their cases would be dropped. The letters cited a variety of reasons for dropping the cases. Two complainants indicated that they had absolutely no contact from the neighborhood commission office about their pending complaints.

Complaint process is not managed in a timely manner

The complaint process is a time-consuming process. The typical range of process time from when a complaint is filed to the scheduled hearing was six to eight and one-half months. If the complaint is appealed, the processing time can be an additional two to three months. Processing times for pending or deferred decisions can be even longer because the neighborhood commission does not always conclude decision making. The processing times for pending or deferred decisions was between 18 and 24 months, with others on-going, subject to commission action.

In one instance, a complaint was filed against a neighborhood board on May 21, 2004. The neighborhood commission is required to notify the neighborhood board chair about the complaint within five calendar days and the neighborhood board chair is required to respond to the complaint within 30 calendar days. We found that the neighborhood commission notified the neighborhood board within the five-day period. We found that the neighborhood board chair responded on June 18, 2004, which complied with the time requirements. The complainant received a response letter dated June 18, 2004, advising that a deputy corporation counsel would be contacting the individual to determine the issue and be resolved by the neighborhood commission. However, records indicate that no action had been taken since June 18, 2004.

In an effort to examine how the neighborhood commission tracks its complaints, we reviewed pending complaint reports generated by the neighborhood commission dated October 2004 and 2005. We found irregularities in both. The pending complaint report from October 12, 2004 had 31 complaints listed. However, we found that the report was inaccurate since it listed 11 complaints that the commission had already taken action on; the other 20 appeared pending with no commission action. The pending complaint report dated October 10, 2005 listed 21 active complaints, 10 of which fell within the period of our review. The report was inaccurate with one of the ten complaints since the commission had already taken action on the matter and should have been closed.

Some neighborhood commission decisions did not comply with the neighborhood plan or were oddly reasoned

Article 10, Revised Neighborhood Plan, establishes procedures governing neighborhood commission hearings. We identified five instances where the neighborhood commission rendered a decision that was inconsistent with the neighborhood plan or was oddly reasoned. Exhibit 2.3 describes the neighborhood commission's decision on these five cases and their inconsistencies with the neighborhood plan or reasonableness.

Exhibit 2.3

Neighborhood Commission Complaint Decisions that Were Inconsistent with the Neighborhood Plan or Oddly Reasoned, FY2002-03 to FY2004-05

Case	Neighborhood Commission Decision	Inconsistency with Neighborhood Plan or Reasonableness
Matson v. NB #5	“The nature of complaints is not appropriate for neighborhood commission action and remedy as there were not formal acknowledgement of the complaints by the board.”	The neighborhood plan does not require neighborhood boards to acknowledge complaints before the commission can make a decision. In fact, according to the neighborhood plan, the board’s lack of response is treated as an admission of the complaint. Under the commission’s reasoning in this case, all boards could not respond to complaints and the complaint process would be defeated.
M. Golojuch v. NB #34	Commission decides the case before allowing the complainant to cross-examine a witness.	Section 1-10.10, RNP, states that cross examination of witnesses shall be permitted.
C. Golojuch v. NB #34	Commission dismisses complaint on the grounds that the substance of the complaint was not proven to be offensive to the general community.	The commission, in our opinion, oddly reasoned that, “the commission does not have the authority to determine the validity of anyone’s testimony or presentation and the facts they present.”
Wong v. NB #5	The complaint was initially dismissed due to timeliness. The requirement is that complaints be filed within 45 calendar days from the date of the alleged violation. The commission noted that 56 calendar days had elapsed in this case. The commission subsequently reconsidered its decision because the complainant had a virus on her computer that precluded her from filing the complaint.	The fact that the complainant had a computer virus should not have prevented the complainant from filing the complaint form in a timely manner. It was noted, however, that the complainant was disabled. It would have been more reasonable to accommodate the complainant’s request and extension based on the disability, and not the computer virus.
Furuto v. NB #8	Complaint was based on the open meeting section of the sunshine law, Chapter 92-3, Hawai’i Revised Statutes. The complaint was dismissed because there was no violation of the neighborhood plan. The commission further reasoned that they cannot determine a violation of the sunshine law.	Section 4-7.2(c), Revised Neighborhood Plan, mandates that all neighborhood boards comply with the sunshine law. Even though the commission may not be duly authorized to render a sunshine law violation, in light of the plan requirement, it could have referred the complaint or the complainant to the Office of Information Practices for a proper determination.

Source: Office of the City Auditor, based on information from the Neighborhood Commission Office

In these instances, the neighborhood commission did not use prudent or sound judgment, which undermines public confidence in the hearing process.

Neighborhood commission lacks authority to compel corrective action

According to the neighborhood plan, Section 1-10.11, if the commission finds in favor of the complainant, the commission shall determine the appropriate remedy. In cases where the commission renders decisions in favor of the complainant, we found that the commission can do very little to correct the violation or offending party. Instead, the commission implements more wide-ranging remedies such as system-wide or individual board training, rather than a tailored or corrective action.

Also, neighborhood commissioners reported that complainants are frustrated with the process because of the expectation that the commission will be able to take specific, corrective action. Commissioners, too, acknowledge that there is little they can do in terms of ordering correction or enforcing decisions. In most cases, they can only make recommendations. As a result, the public is disenchanted with the seemingly ineffective complaint process.

Neighborhood commission office's training program is inadequate

While the neighborhood commission office provides training opportunities for neighborhood commissioners, board members, and staff, it lacks a formal, comprehensive training program. In addition, the neighborhood commission office does not maintain accurate training records that would ensure compliance with any training requirements. As a result, the neighborhood board system cannot assure compliance with training requirements or ensure that commissioners, board members, or staff have the necessary training to effectively carry-out their duties.

Neighborhood commission office lacks a formal training program

As part of our fieldwork, we requested to review training materials and records from July 1, 2002 and June 30, 2005. Neighborhood commission office staff seemed unfamiliar with any centralized location of training records and acknowledged that there was no formal training program developed or documented. Staff noted that between July 1, 2002 and June 30, 2005, the neighborhood commission office sponsored 12 training sessions covering a variety of topics. For three of the sessions, staff was unable to identify the specific date the training was

held, and only provided the month and year. Exhibit 2.4 provides a list of training sessions held, training topics, and session dates.

**Exhibit 2.4
Neighborhood Commission Office Training Sessions
FY2002-03 to FY2004-05**

	<i>Training Session Topic</i>	<i>Session Date</i>
1	Plan Workshop	August 3, 2002
2	Parliamentary Procedures	January 25, 2003
3	Orientation Session	May 22, 2003
4	Duties and Responsibilities of Commission and a Commissioner	February 11, 2003
5	Budget and CIP Process	March 24, 2003
6	Parliamentary Procedures	July ?, 2003
7	Legal Issues	August 25, 2003
8	How to Make Your Meeting Work	August ?, 2004
9	Office of Information Practices	May 14, 2005
10	Parliamentary Procedures	May 14, 2005
11	Office of Information Practices	June 28, 2005
12	Orientation	June ?, 2005

Source: Neighborhood Commission Office

Neighborhood commission office does not maintain accurate training records

Although the neighborhood commission offers periodic training sessions, we found that there are no accurate training records for the entire period of our review. Neighborhood commission office staff was unable to provide an accurate list of neighborhood commission members, board members, or staff that attended the 12 training sessions held between July 1, 2002 and June 30, 2005, with the exception of sunshine law training sessions held in 2005 and neighborhood commission office staff training, also in 2005. It appears that the neighborhood commission office started to keep better records of training sessions attended by neighborhood commission members, board members, and staff in 2005 under the new administration.

As noted earlier in this report, city ordinance requires that any board member who takes office prior to July 1, 2004 and who continues to serve as a board member on July 1, 2004 shall participate in the sunshine

law training program no later than December 31, 2004. Any board member taking office after July 1, 2004 shall participate in the sunshine law training program within three months from the date of taking office. The ordinance also provides that a board member is not required to participate in the sunshine law training program if the individual participated in sunshine law training program within the two immediately preceding calendar years. A new slate of neighborhood board members were elected and certified in May 2005. According to sunshine law attendance records for 2005 provided by the neighborhood commission office, 114 neighborhood board members, or 29 percent, had not participated in one of three sunshine law training sessions held within three months of the election. While some of these individuals may have taken sunshine law training within the previous two calendar years, the neighborhood commission cannot determine compliance since there are no sunshine law training records prior to 2005. As a result, the neighborhood commission cannot ensure compliance with training requirements specified by city ordinance.

Neighborhood board members also questioned the effectiveness of the city's training. One of our questionnaire statements sent to neighborhood board members was, *Training sessions offered by the city provide board members with adequate information to ensure board compliance with parliamentary procedures, sunshine law requirements, and Robert's Rules of Order.* The composite score of 2.92 indicates that neighborhood board members slightly disagreed with that statement.

Budgeting procedures for neighborhood boards are ineffective

In FY2002-03, the 32 neighborhood boards were allocated a total of \$129,623. In both FY2003-04 and FY2004-05, the neighborhood boards received \$109,894 annually. These budgeted funds are allocated to cover each board's publicity, operating, and refreshment expenses for the fiscal year. Exhibit 2.5 presents individual neighborhood board budgets and allocations for FY2004-05:

Exhibit 2.5
Neighborhood Board Budget Allocations – FY2004-05

<i>NHB No.</i>	<i>Name</i>	<i>Publicity Expense</i>	<i>Operating Expense</i>	<i>Refreshment Expense</i>	<i>Total</i>
1	Hawaii Kai	\$1,993	\$1,520	\$120	\$3,633
2	Kuliouou	\$1,211	\$1,520	\$120	\$2,851
3	Waialae	\$936	\$1,520	\$120	\$2,576
4	Kaimuki	\$1,371	\$1,520	\$120	\$3,011
5	Diamond Head	\$1,705	\$1,520	\$120	\$3,345
6	Palolo	\$1,002	\$1,520	\$120	\$2,642
7	Manoa	\$1,471	\$1,520	\$120	\$3,111
8	McCully	\$2,539	\$1,520	\$120	\$4,179
9	Waikiki	\$2,941	\$1,520	\$120	\$4,581
10	Makiki	\$2,894	\$1,520	\$120	\$4,534
11	Ala Moana	\$1,770	\$1,520	\$120	\$3,410
12	Nuuanu	\$1,298	\$1,520	\$120	\$2,938
13	Downtown	\$1,440	\$1,520	\$120	\$3,080
14	Liliha	\$1,359	\$1,520	\$120	\$2,999
15	Kalihi/Palama	\$1,926	\$1,520	\$120	\$3,566
16	Kalihi Valley	\$1,000	\$1,520	\$120	\$2,640
18	Aliamanu	\$2,227	\$1,520	\$120	\$3,867
20	Aiea	\$2,540	\$1,520	\$120	\$4,180
21	Pearl City	\$2,116	\$1,520	\$120	\$3,756
22	Waipahu	\$3,203	\$1,520	\$120	\$4,843
23	Ewa Beach	\$2,150	\$1,520	\$120	\$3,790
24	Waianae	\$2,174	\$1,520	\$120	\$3,814
25	Mililani	\$2,115	\$1,520	\$120	\$3,755
26	Wahiawa	\$2,110	\$1,520	\$120	\$3,750
27	North Shore	\$1,451	\$1,520	\$120	\$3,091
28	Koolauloa	\$1,081	\$1,520	\$120	\$2,721
29	Kahaluu	\$993	\$1,520	\$120	\$2,633
30	Kaneohe	\$2,367	\$1,520	\$120	\$4,007
31	Kailua	\$2,556	\$1,520	\$120	\$4,196
32	Waimanalo	\$1,000	\$1,520	\$120	\$2,640
34	Makakilo	\$1,498	\$1,520	\$120	\$3,138
35	Mililani Mauka	\$977	\$1,520	\$120	\$2,617
TOTAL		\$57,414	\$48,640	\$3,840	\$109,894

Source: Neighborhood Commission Office

The neighborhood commission office formulates neighborhood board budgets. We found that these budgets are developed without board input and often based on outdated criteria. We also found that the amounts expended by each board varies, with some expending few funds while others go over-budget.

Neighborhood commission office develops neighborhood board budgets without justification, criteria, or board input

For FY2002-03, FY2003-04, and FY2004-05, each neighborhood board had a flat-rate annual budget allocation of \$1520 for operating expenses, and \$120 per year for refreshment expenses. The publicity budgets varied during the same time period. When we asked a neighborhood commission office administrator to explain how these budgets were formulated, the administrator was unsure as to how the budgets were developed and further advised us that there are no written guidelines or justifications, except for the publicity account, which is based on the number of households within a neighborhood board district, multiplied by 22 cents. In 2002, all publicity budgets were reduced by 25 percent.

We are unable to comment on the criteria used to establish the operating and refreshment accounts since we were unable to review any documents. However, we found that the neighborhood commission office uses outdated criteria in developing neighborhood board publicity budgets. Currently, the neighborhood commission office multiplies the number of households within a neighborhood board district multiplied by 22 cents. This criterion is problematic for two reasons. First, the 22 cent-rate for first class postage was implemented in 1985. Since then, the postage rate has increased eight times, to include the current rate of 39 cents. Secondly, mailing information to households is not the primary neighborhood board publicity activity. In FY2002-03 only seven of the 32 neighborhood boards mailed newsletters to households. In FY2003-04 and FY2004-05, only five neighborhood boards mailed newsletters to neighborhood households. The more common publicity expenditure is videotaping neighborhood board meetings for broadcast. Exhibit 2.6 shows the distribution of publicity expenditures by activity between FY2002-03 and FY2004-05.

Exhibit 2.6
Publicity Account Expenditures by Activity
FY2002-03 to FY2004-05

Number of neighborhood boards <i>(that expended publicity funds, by type of activity)</i>			
	FY2002-03	FY2003-04	FY2004-05
Newsletters (mailed)	7	5	5
Newspaper ad	4	4	1
Videotape broadcast	12	12	11

Publicity account dollars spent <i>(by type of activity)</i>			
	FY2002-03	FY2003-04	FY2004-05
Newsletters (mailed)	\$16,127	\$10,851	\$6,591
Newspaper ad	\$10,187	\$5,712	\$2,309
Videotape broadcast	\$20,932	\$16,387	\$16,228

Source: Office of the City Auditor Calculations Based on Neighborhood Commission Office Data

In addition to the lack of criteria and use of outdated criteria for formulating neighborhood board budgets, we found that the neighborhood commission office does not consult with neighborhood boards regarding their budgets. Neighborhood boards do not propose budgets or provide any input. The neighborhood commission office has the sole discretion in establishing neighborhood board budgets. As a result of the neighborhood commission office’s “one-size-fits-all” budget approach, there is disparity in the amount of funds spent by neighborhood boards.

Some boards expend few funds, while others go over-budget

As a result of poor budget planning, we found that the funds expended by neighborhood boards are disparate. In FY2002-03, neighborhood boards spent 72 percent of their budgeted funds. In FY2003-04 and FY2004-05, neighborhood boards spent 58 percent and 56 percent of their total budgeted funds, respectively. A closer examination of expended funds by individual neighborhood boards, however, shows significant disparity in the proportion of the budget spent. For example, in FY2002-03, we found that four neighborhood boards went over-

budget in their publicity accounts while nine neighborhood boards did not spend any publicity funds at all. In FY2003-04, 4 neighborhood boards spent all of its refreshment funds, while 16 neighborhood boards spent none of their allocated refreshment funds. In FY2004-05, we found that 2 neighborhoods exceeded their operating budgets, while 12 boards spent less than half of their allocations.

In our view, the neighborhood commission office budget requests presented to the council each year is not an accurate reflection of actual neighborhood board needs. Current budgets are formulated without any justification or accountability, or with outdated criteria. With a little more than half of the budgeted funds spent by neighborhood boards in the last two fiscal years, we believe the neighborhood commission would be better served by working with each neighborhood board to identify budget needs, formulating an appropriate budget, and ensuring that boards spend their funds within these parameters.

Lack of publicity fund expenditures by some boards is a concern

While going over-budget is problematic, we find that under-spending in certain areas is also a concern. We found that in FY2002-03, nine neighborhood boards did not spend any of its publicity funds. Thirteen neighborhood boards spent zero dollars in FY2003-04 and another 13 boards failed to expend publicity dollars in FY2004-05. Because the mission of the neighborhood board system is to increase and assure effective participation in the decisions of government and the neighborhood commission established objectives to establish contact with neighborhoods and stimulate interest in board programs and operations, we question the lack of publicity fund expenditures by many neighborhood boards.

We asked a neighborhood commission administrator if the lack of publicity fund expenditures was problematic and the administrator acknowledged that it was a problem. Last year, the neighborhood commission office offered to draft newsletters for boards as a way to stimulate publicity activity. However, the neighborhood commission administrator was unsure as to how many boards took them up on the offer. The administrator further explained that boards are not required to conduct publicity activities, but questions how these boards are meeting their mission if they are not doing any publicity. The administrator cautioned that the neighborhood commission office does not track or record donations or in-kind contributions. It is possible that boards are using these resources for publicity activities.

We were unable to determine if individual boards were conducting publicity activities using donated or in-kind contributions. If the neighborhood commission had fulfilled its obligation to review and evaluate neighborhood boards, perhaps the issue of publicity activities and expenditures could be addressed. If boards were not expending funds or conducting any publicity, then the commission could intervene. If other boards are receiving donations or in-kind contributions, these should be tracked and used to evaluate future funding allocations. Finally, if boards are receiving large cash donations, these need to be approved by the city council.

Neighborhood commission office does not properly manage neighborhood board expenditures

The neighborhood commission office had several problems managing funds allocated to neighborhood boards. We found that the neighborhood commission office made several accounting errors which included expending funds from incorrect accounts, deducting expenses more than once, and not having proper documentation for \$4700 in expenditures. The neighborhood commission office also allowed boards to go over-budget with little accountability, and transferred funds to boards that went over-budget. We also found that the office has a history of petty cash fund mis-management.

Neighborhood commission office made numerous accounting errors

Each board is appropriated funds in three separate categories. A board's Operating Expense covers basic fixed costs such as the printing and distribution of monthly agenda and minutes, copying services, correspondence, rental of meeting sites, and other authorized expenditures. The Publicity fund is a centralized account which provides funding to assist a board to communicate with its community through newspaper media, video taping of board meetings, or mass mailings. The Refreshment fund is for refreshments served at board meetings or miscellaneous items such as lei or picture frames. Budgeting rules also identify unauthorized uses of funds and neighborhood board expenditures are approved by the neighborhood commission's executive secretary.

We tested a sample of 43 neighborhood board expenditures between July 1, 2002 and June 30, 2005. The sample was comprised of a combination of 15 randomly selected and 28 judgmentally selected expenditures as noted on the monthly budget statements issued to each neighborhood board. We found that of the 43 expenditures, there was no documentation (receipt, purchase order, or other authorization) for 12 expenditures totaling \$4,752.73 and one donation of \$1,000. In

addition, we found that six expenditures were paid out of incorrect accounts and three other expenditures were paid after-the-fact, which violated the city's procurement provisions. In one instance, an expenditure was deducted twice—each from a different account in different months.

While the dollar amounts expended by neighborhood boards are relatively small, the neighborhood commission office still has an obligation to properly manage public funds. In our sample, the executive secretary showed little regard in authorizing expenditures. We found evidence that neighborhood boards may not be getting accurate budget information and allocations, which may adversely impact their operations.

Neighborhood commission office allows boards to go over-budget

Our review of neighborhood board spending between FY2002-03 and FY2004-05 revealed numerous instances where boards went over-budget. Exhibits 2.7, 2.8, and 2.9 show how often boards went over-budget with their operating, publicity, or refreshment accounts:

Exhibit 2.7

**Neighborhood Board Operating Fund Expenditures in Excess of Budget
FY2002-03 to FY2004-05**

<i>FY2002-03</i>					
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
1	Hawaii Kai	\$1,520.00	\$1,815.53	(\$295.53)	119%
5	Diamond Head	\$1,520.00	\$1,640.38	(\$120.38)	108%
10	Makiki	\$1,520.00	\$1,535.58	(\$15.58)	101%
21	Pearl City	\$1,520.00	\$1,963.68	(\$443.68)	129%
24	Waianae	\$1,520.00	\$1,892.42	(\$372.42)	125%
29	Kahaluu	\$1,520.00	\$2,032.84	(\$512.84)	134%
				(\$1,760.43)	
<i>FY2003-04</i>					
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
2	Kuliouou	\$1,520.00	\$1,556.95	(\$36.95)	102%
5	Diamond Head	\$1,520.00	\$1,616.54	(\$96.54)	106%
21	Pearl City	\$1,520.00	\$1,638.59	(\$118.59)	108%
24	Waianae	\$1,520.00	\$1,954.99	(\$434.99)	129%
29	Kahaluu	\$1,520.00	\$1,611.70	(\$91.70)	106%
				(\$778.77)	
<i>FY2004-05</i>					
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
9	Waikiki	\$1,520.00	\$1,607.15	(\$87.15)	106%
29	Kahaluu	\$1,520.00	\$1,565.17	(\$45.17)	103%
				(\$132.32)	

Source: Office of the City Auditor Calculations Based on Neighborhood Commission Office Data

Exhibit 2.8
Neighborhood Board Publicity Fund Overages
FY2002-03 to FY2004-05

<i>FY2002-03</i>						
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>	
1	1	Hawaii Kai	\$2,646.00	\$3,291.64	(\$645.64)	124%
2	22	Waipahu	\$4,295.00	\$4,893.48	(\$598.48)	114%
3	24	Waianae	\$3,116.00	\$3,549.96	(\$433.96)	114%
4	25	Mililani	\$2,856.00	\$3,653.43	(\$797.43)	128%
					(\$2,475.51)	
<i>FY2003-04</i>						
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>	
1	1	Hawaii Kai	\$1,993.00	\$2,333.31	(\$340.31)	117%
2	10	Makiki	\$2,894.00	\$3,195.29	(\$301.29)	110%
3	13	Downtown	\$1,440.00	\$1,502.71	(\$62.71)	104%
4	18	Aliamanu	\$2,227.00	\$2,247.53	(\$20.53)	101%
5	22	Waipahu	\$3,203.00	\$3,262.32	(\$59.32)	102%
6	23	Ewa Beach	\$2,150.00	\$2,350.00	(\$80.00)	109%
7	24	Waianae	\$2,174.00	\$2,433.32	(\$139.32)	112%
8	30	Kaneohe	\$2,367.00	\$2,560.81	(\$193.81)	108%
					(\$1,197.29)	
<i>FY2004-05</i>						
<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>	
1	5	Diamond Head	\$1,705.00	\$1,859.38	(\$154.38)	109%
2	7	Manoa	\$1,471.00	\$1,625.00	(\$154.00)	110%
3	13	Downtown	\$1,440.00	\$1,551.95	(\$111.95)	108%
4	16	Kalihi Valley	\$1,000.00	\$1,400.00	(\$400.00)	140%
5	18	Aliamanu	\$2,227.00	\$2,383.73	(\$156.73)	107%
6	20	Aiea	\$2,540.00	\$2,734.39	(\$194.39)	108%
7	22	Waipahu	\$3,203.00	\$3,262.32	(\$59.32)	102%
8	23	Ewa Beach	\$2,150.00	\$2,250.00	(\$100.00)	105%
					(\$1,330.77)	

Source: Office of the City Auditor Calculations Based on Neighborhood Commission Office Data

Exhibit 2.9
Neighborhood Board Refreshment Fund Overages
FY2002-03 to FY2004-05

<i>FY2002-03</i>						
	<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
1	5	Diamond Head	\$120.00	\$129.15	(\$9.15)	108%
2	21	Pearl City	\$120.00	\$120.62	(\$0.62)	101%
3	25	Mililani	\$120.00	\$151.02	(\$31.02)	126%
4	34	Makakilo	\$120.00	\$156.22	(\$36.22)	130%
5	35	Mililani Mauka	\$120.00	\$179.53	(\$59.53)	150%
					(\$136.54)	
<i>FY2003-04</i>						
	<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
NONE						
<i>FY2004-05</i>						
	<i>NB #</i>	<i>Name</i>	<i>Budgeted</i>	<i>Used</i>	<i>Under (Over) Budget</i>	<i>Percent of Budget</i>
1	35	Mililani Mauka	\$120.00	\$132.20	(\$12.20)	110%
					(\$12.20)	

Source: Office of the City Auditor Calculations Based on Neighborhood Commission Office Data

We found evidence that the neighborhood board office previously warned boards if specific funds were running low. In at least two instances, we found that the neighborhood commission office advised a board that it would not authorize any further reimbursement or expenditure due to account depletion. These advisories from the neighborhood commission office to neighborhood boards appear in FY2002-03, but seem to have stopped since then.

According to an official with the neighborhood commission office, boards are allowed to go over-budget, but must get executive secretary

authorization. The official explained that boards sometimes do not have enough funds in their publicity account so they move money from one account to another. The problem usually arises at the end of the fiscal year. We found at least eight instances between July 1, 2002 and June 30, 2005 where neighborhood boards were authorized to transfer funds from one account to another. We also found that there is no written procedure for spending more funds than budgeted or a cap on how much a board may go over its allocated budget. In practice, a board chair can merely phone or e-mail a request to the executive secretary and executive secretary will render an authorization.

Neighborhood commission office staff further explained that budget overages are paid from excess funds from other boards. For example, approximately 25 percent of all publicity funds go unspent. Funds are not formally transferred from one board to another and there is no formal ledger or account for each board. Rather, the neighborhood commission office looks at its lump-sum amount allocated to all neighborhood boards for operating, publicity, and refreshment expenses. Based on availability of funds and the neighborhood commission office's forecast of unspent funds, a board's request is likely to be granted. Due to the lack of documented policies and procedures, we were unable to determine if any request to go over-budget during our review period was denied.

The neighborhood commission office's budget allocation to neighborhood boards is more like spending guidelines than actual budgets. The lack of written policies and procedures for going over-budget or any consequences for over-spending leaves neighborhood boards with little incentive to exercise fiscal responsibility. As noted earlier in this report, the lack of budget justification and use of outdated criteria leads to large budget surpluses each year. With these surpluses "built in," the boards and commissions have little incentive to exercise fiscal constraint. The lack of accountability in the use of public dollars, however small, should be corrected.

Neighborhood commission office experienced petty cash management problems

In December 2002, the then executive secretary sent a memorandum to the department of budget and fiscal services advising the department that a petty cash discrepancy had been discovered. According to the executive secretary, the neighborhood commission office was allotted \$600 in petty cash. Upon audit, the executive secretary discovered that only \$357.46 could be accounted for, a discrepancy of \$242.54. The

executive secretary acknowledged that the discrepancy occurred due to a combination of confusion and bad money-handling practices.

According to the executive secretary, the petty cash custodian, who was a neighborhood commission office staff member, had run out of petty cash before a reimbursement could be processed. As a result, the custodian used personal funds to cover office reimbursements. When the custodian *audited* the account, the custodian determined that the correct balance should be \$300. Upon counting the money and reconciling the receipts on hand, the custodian calculated a balance in excess of \$300. Because the custodian had lost track of how much personal funds had been put into the account, the custodian took the excess of the \$300 in the account as reimbursement. As a remedy, the executive secretary ordered the custodian to pay back \$242.54 mistakenly removed from the petty cash fund. We commend the executive secretary for having a system in place to detect discrepancies in the petty cash fund and for requiring repayment of lost funds. However, we take exception to the executive secretary's decision to retain this staff person on the account. We found that although the custodian was replaced with another staff person, the individual was retained as an alternate on the account. We would expect that this person would be removed from all petty cash duties. This questionable decision, however, is indicative of the former administration's executive secretary's lax management of commission resources.

Some boards are unable to attract enough candidates to fill seats

Community interest in serving as a neighborhood board member is inadequate to support the neighborhood board system. The 2005 neighborhood board election failed to attract enough candidates to fill all 444 neighborhood board seats. Only three neighborhood boards consistently filled neighborhood board seats between FY2002-03 and FY2004-05 with five other boards maintaining vacancies in every month during that period. We also found that neighborhood board chairs and neighborhood assistants failed to properly notice board vacancies on meeting agendas.

Not enough candidates run during neighborhood board elections

In FY2003-05, the neighborhood commission office reported in its annual departmental accomplishments that during the 2005 neighborhood board elections, 543 candidates filed applications to run for the 444 board seats on 32 boards. Although it would appear that there were enough candidates to fill all board seats, a closer examination of the 2003 and 2005 elections reveal shortfalls in both years. The reason for

this discrepancy is that most neighborhood board districts are divided among sub-districts and candidates must reside in the subdistrict for which he or she is running. Some boards have a single at-large district, while others include up to 14 sub-districts.

During the 2003 election, the neighborhood commission office reported 524 candidates running for 444 available seats. However, there were 53 vacancies at the conclusion of the election, or 11.9 percent of the total seats available. Only 15 of 32 boards, or 47 percent, filled all of its available seats during the 2003 election. Three boards filled less than one-third of its seats.

The 2005 election did not fare much better. In 2005, the neighborhood commission reported that there were 538 candidates running for 444 available seats. This is an adjusted figure from the 543 candidates reported by the neighborhood commission office in its FY2004-05 departmental accomplishments. Although there were slightly more candidates running in 2005 than in 2003, there were 56 vacant seats at the end of the 2005 election, or 12.6 percent of the total seats available. We found that only 13 boards, or 41 percent, filled all of its available seats during the election, compared with 15 boards in 2003.

An example of how the distribution of candidates can affect whether a board can fill its seats is Neighborhood Board No. 2, Kuliouou-Kalani-Iki. This board has 17 available seats, distributed among eight sub-districts. In both 2003 and 2005 this board attracted more candidates than available seats with 18 running in 2003 and 19 running in 2005. However, due to the distribution of candidates among sub-districts, this board experienced shortfalls of two vacant seats in both 2003 and 2005.

The lack of candidates to fill neighborhood board seats compromises the neighborhood board system's ability to assemble a group of civic-minded individuals from a cross-section of the community to fulfill the system's mission. Although the neighborhood plan authorizes existing board members to fill vacancies through appointments, the lack of viable candidates during scheduled elections reduces the community's power to elect candidates of their choosing. As a result, many neighborhood boards are comprised of members not duly elected by the community, which is inconsistent with the charter's intent to assure effective citizen participation in the decisions of government.

Some boards experienced chronic board vacancies

We examined the issue of board vacancies by determining the cumulative number of vacancies each board had every month. Figures reported in our analyses are not discreet board vacancies. For example, some boards could have a vacancy from a particular sub-district for ten consecutive months. For analysis purposes, we calculated this vacancy ten times because it was vacant for ten months during the fiscal year. Since vacancies affect quorum at monthly board meetings, the impact of the vacancy should be recognized on a monthly basis. Based on our review of monthly neighborhood board meeting minutes, agendas, and attendance sheets, we found that from July 1, 2002 to June 30, 2005, the 32 active neighborhood boards maintained 876 monthly vacancies. Seven neighborhood boards had more than 50 monthly vacancies over the three-year period and two boards had over 100 monthly neighborhood board vacancies during the same time period. A total of 12 neighborhood boards had at least one vacancy in each of the three fiscal years.

Neighborhood Board No. 15 experienced the most vacancies. In FY2003-04 and FY2004-05, the board had 62 and 61 monthly board vacancies, respectively. Neighborhood Board No. 21 had the largest monthly vacancy rate of any neighborhood board. In February and March 2004, five of 13 board seats sat vacant, or a vacancy rate of 38 percent.

High vacancy rates or long-term vacancies are problematic for two reasons. First, because neighborhood boards require a quorum to conduct its business, and any vacancy will adversely impact the board's ability to meet quorum requirements. Secondly, residents of sub-districts with a board vacancy are not duly represented on the board and their concerns, issues, and problems may not be addressed. Neighborhood boards and the neighborhood commission need to ensure that board seats are consistently filled.

Board meeting agendas and minutes do not always reflect vacancies

As noted previously, filling neighborhood board vacancies are important to the function of neighborhood boards. The public is advised about these vacancies through notices in neighborhood board meeting agendas and any action taken is reflected in meeting minutes. We found at least ten instances where neighborhood board meeting agendas and minutes did not reflect board vacancies.

In one example, we identified a board that had four vacancies in a particular sub-district. The board's meeting agendas and minutes only reflected three vacancies for a period of five months. Another board neglected to notice a vacancy in one of its sub-districts for at least two consecutive months.

Neighborhood assistants are responsible for drafting neighborhood board meeting agendas and minutes. Neighborhood board chairs review agendas and minutes prior to filing with the city clerk's office. This check-and-balance to ensure accuracy and completeness of board meeting agendas and minutes seems to have failed. If community members are not aware of board vacancies, how can the neighborhood boards expect to fill them? Neighborhood commission office staff and neighborhood board chairs need to ensure that board vacancies are properly noticed to the public.

Board vacancies are not filled in a timely manner

According to the neighborhood plan, all neighborhood board vacancies are required to be filled within 60 calendar days. For vacancies that occur on a board during the tenure of office, the remaining board members shall appoint a successor to fill the vacancy. Appointments to fill vacancies are done with a majority of members at regularly scheduled neighborhood board meetings.

We found that neighborhood boards seldom comply with this requirement. For example, In FY2002-03 and FY2004-05, Neighborhood Board No. 4 had a vacancy in sub-district 1 for the entire year. Neighborhood Board No. 15 had between three and four vacancies in sub-district 2 for the entire three-year period of our review.

While the neighborhood plan requires a 60-day appointment period, it has no penalties for non-compliance. We found one instance where a neighborhood board chair had a willful disregard for the neighborhood plan requirement. A member of Neighborhood Board No. 8 inquired with the board chair about the board's failure to fill vacancies within 60 days as required by the neighborhood plan. The chair responded by recommending that the board member file a complaint with the neighborhood commission office. Currently, the 60-day requirement to fill vacancies is unenforceable because if there are no volunteers willing to serve, the neighborhood board cannot make an appointment. The neighborhood commission should amend the neighborhood plan to remove this requirement or add penalties for non-compliance.

Some neighborhood boards suffer from high absentee rates

We reviewed annual neighborhood board member attendance rates at board meetings and found that some boards experience high absenteeism. The average cumulative, monthly attendance ratio for all neighborhood boards is 75 percent, 77 percent, and 75 percent for FY2002-03, FY2003-04, and FY2004-05, respectively. Neighborhood Board No. 34 had the highest average monthly attendance rates of 88 percent, 95 percent, and 90 percent for FY2002-03, FY2003-04, and FY2004-05, respectively. Neighborhood Board No. 15 had the poorest attendance rates of 58 percent, 48 percent, and 50 percent in the same time periods. None of the 32 neighborhood boards had 100 percent attendance for the year.

While 100 percent attendance is not a reasonable expectation, board member attendance at monthly meetings is important. Because quorum requirements dictate that neighborhood boards have at least 50 percent of its membership, plus one, in attendance to conduct board business, board members must commit to their responsibilities.

Some boards are unable to meet quorum requirements

Section 4-7.5, Revised Neighborhood Plan, establishes quorum requirements for conducting board business. A quorum is defined as a majority of the entire membership (at least one-half, plus one). This quorum requirement was criticized by several neighborhood board members. Comments provided by neighborhood board members include, “Quorum requirement is too restrictive, unhelpful,” “Empty board seats are automatic no votes. If a quorum is present, the majority vote of members present should rule,” and, “It takes too many votes to bind the board—a majority of all members, not a majority of those present.” We found that obtaining quorum was a chronic problem for only a few neighborhood boards, but 13 boards failed to meet quorum requirements at least once during our review period. Although quorum wasn’t a widespread problem, long-term vacancies and chronic absenteeism could adversely impact boards’ abilities to meet quorum requirements.

We requested to review neighborhood commission office records to determine the number of times neighborhood boards did not meet quorum requirements. A neighborhood commission office administrator advised us that the office did not keep such records and directed us to review neighborhood board meeting minutes and attendance logs. We were surprised that the office did not formally track quorum compliance data, given the impact on board operations and decision making.

In our review, we found that in the period of FY2002-03 to FY2004-05, there were at least 44 instances where a neighborhood board did not meet quorum requirements. Quorum problems appeared to be problematic for only a few boards. Three neighborhood boards had at least one instance where it did not meet quorum requirements in each of the three fiscal years. However, 18 neighborhood boards met quorum requirements in all three fiscal years.

Neighborhood Board No. 15 had the most difficulty meeting quorum requirements. This board failed to meet quorum requirements three times in FY2002-03 and six times in both FY2003-04 and FY2004-05. As a result, this board was unable to conduct board business at 15 of 32 meetings during the three-year period, or 46 percent of the time.

Some board members exhibit a lack of decorum, but boards generally follow parliamentary procedure

The neighborhood plan specifies rules for order, decorum, and parliamentary procedures. Rules include requiring speakers to be recognized before speaking, confining remarks to the discussion at hand, and avoiding personalities and abusive language. The plan states that the presiding officer is responsible for maintaining order. Parliamentary practices include making proper motions, establishing priorities of business, adjournment, and questions of order. We found that issues of order and decorum continue to be a problem for some boards, but parliamentary procedures are generally followed.

Complaints of order and decorum are on file with the neighborhood commission

From FY2002-03 to FY2004-05, we found 15 formal complaints filed with the neighborhood commission regarding order and decorum issues. One particular incident in January 2004 involving a member of Neighborhood Board No. 34 generated seven complaints alleging order and decorum violations. Specifically, complainants alleged that a board member was aggressive toward another board member, displayed non-verbal gestures that were arrogant, intimidating, disparaging, and condescending, and verbally attacked community members.

We also reviewed a random sample of 41 sets of neighborhood board minutes for meetings held between July 1, 2002 and June 30, 2005. We found no evidence of order or decorum violations in these instances. We also reviewed three randomly selected videotaped neighborhood board meetings on file with the neighborhood commission office, which took place during the same time period. Included in this sample was Neighborhood Board No. 34's meeting on January 28, 2004, which, as

noted previously, generated seven formal complaints. We witnessed five incidents where order and decorum were violated. We did not witness any violations in videotaped meetings of Neighborhood Board No. 1 in April 2004 or Neighborhood Board No. 27 in October 2003.

Neighborhood boards generally followed parliamentary procedures

We reviewed a random sample of 41 sets of neighborhood board minutes for meetings held between July 1, 2002 and June 30, 2005. We identified three instances where neighborhood boards violated parliamentary procedures. Two incidents involved improper board motions and voting and one incident involved failure by the board to approve board minutes. Otherwise, boards generally complied with parliamentary procedures.

Our review of a sample of three videotaped neighborhood board meetings revealed no violations of parliamentary procedures. Rather, we witnessed several instances where boards took effective steps to ensure proper parliamentary procedures were followed or complied with parliamentary procedures despite complicated board actions. Prior to the start of their respective meetings, two board chairs explained general meeting rules and parliamentary procedures for the benefit of board members and the public. One board appeared to have members who were particularly knowledgeable about parliamentary procedures. This board waded through complicated motions and made decisions without interruption or need to refer to an outside source.

While issues of order and decorum at neighborhood board meetings have been raised, we believe many of the incidents are isolated to particular individuals or boards. To ensure that board members continue to comply with proper order, decorum, and etiquette, the neighborhood commission office should continue to provide proper training on these issues. Likewise, the relatively few instances of parliamentary procedure violations is an indication that proper training will continue to ensure that boards operate within the boundaries set forth in the neighborhood plan. However, even one instance of poor order and decorum or non-compliance with parliamentary procedure could deter a community person from participating in the process and undermine the system's ability to meet its mission.

Neighborhood commission members generally complied with sunshine law requirements, but improvements can be made

Chapter 92, Hawai‘i Revised Statutes, declares the State’s intent that the formation and conduct of public policy shall be conducted as openly as possible. The first chapter of this state law is known as the “Sunshine Law.” The neighborhood commission and the individual boards are subject to the law’s requirements. We examined neighborhood commission meeting minutes between July 1, 2002 and June 30, 2005 to determine compliance with six sunshine law requirements: meeting scope, open meetings, executive meetings, notice, minutes, and permitted interactions.

We found that the neighborhood commission generally complied with the *meeting scope requirements* of the sunshine law. The only possible non-compliance was the inclusion of the state ice task force agenda item, which appears to be out of the scope of jurisdiction for the commission. The neighborhood commission generally complied with *open meeting requirements* of the sunshine law. The neighborhood commission also generally complied with the *executive meeting requirements*. The only questionable incident was the apparent failure to properly notice an anticipated complaint item that was deferred from the previous two meetings. The sunshine law’s *public notice* requirement was generally met by the neighborhood commission. A potential weakness is that the commission does not manage web-based notice requests. The neighborhood commission generally complied with the sunshine law’s *minutes* requirement for general meetings. However, we could not identify meeting minutes for five meetings in 2004. Another shortcoming with the minutes is that only 2 of 26 minutes included members’ record of votes. Finally, we could not determine whether neighborhood commission members complied with the *permitted interactions* requirements as those actions are not recorded in meeting minutes.

Neighborhood boards had some lapses in sunshine law compliance

We also reviewed neighborhood board meeting minutes and agendas to determine compliance with sunshine law provisions. We found that board meeting agendas met the sunshine law public notice requirements, but board meeting minutes sometimes lacked accurate information as required. We also found that the neighborhood commission cannot assure public notice compliance requirements for board minutes.

Board meeting agendas met sunshine law public notice requirements

According to the neighborhood plan, all neighborhood board meeting agendas shall be filed at the city clerk’s office not less than seven calendar days prior to the scheduled regular meeting. This requirement is

stricter than the sunshine law requirement that public notices be filed within six calendar days. We reviewed a random sample of 41 neighborhood board meeting agendas to determine if they met the sunshine law requirement for posting public notices within six calendar days. We found that the neighborhood commission office fully complied with the sunshine law requirement for posting neighborhood board meeting agendas.

Board meeting minutes and agendas occasionally lacked accurate information required by the sunshine law

The State's sunshine law requires boards to keep written minutes of all meetings. Although neither a full transcript nor a recording of the meeting is required, the minutes should give a true reflection of the matters discussed and the views of the participants. Specifically, the minutes should include:

1. The date, time, and place of the meeting;
2. The members of the board recorded as either present or absent;
3. The substance of all matters proposed, discussed, or decided; and a record, by individual member, of any vote taken; and
4. Any other information that any member of the board requests to be included or reflected in the minutes.

The sunshine law also specifies that boards issue written public notice of any regular, special, rescheduled, or executive board meeting. The notice shall include an agenda which lists all of the items to be considered at the meeting, and include the date, time, and place.

As a matter of clarification, the office of information practices opined that although the primary purpose for keeping minutes is to reflect what the board did and to sufficiently describe, in very general terms, the positions expressed by persons who are not board members, it is insufficient for the minutes to reflect only the testifier's names and associations. The office further stated that it is insufficient for the minutes to summarize the oral testimony without reflecting the names of the testifiers associated with a particular position. As a community-based organization, we believe that it is important that the meeting minutes reflect the names of individuals and the views they express.

In addition to rendering an opinion on neighborhood board meeting minutes' content, the office of information practices also opined that in light of the statute's purpose to open up the governmental process to public scrutiny and participation, the office interprets the statute to require that the meeting agenda be sufficiently detailed to allow members of the community to understand what the board intends to consider so that they can reasonably decide whether to participate in the meeting. Accordingly, agenda items such as "Rule Revisions" or "Resolution—drainage," without any further detail about the specific rules to be reviewed or the specific resolution, are insufficient.

To determine compliance with sunshine law public notice provisions, we reviewed a statistically valid, random sample of 41 neighborhood board meeting minutes, 41 neighborhood board meeting agendas, and viewed a random sample of three videotaped neighborhood board meetings between FY2002-03 and FY2004-05. We found two potential sunshine law violations in our sample review of board meeting minutes, four potential violations in our sample review of board meeting agendas, and nine potential violations in our review of videotaped neighborhood board meetings.

Neighborhood commission office cannot assure compliance with public notice requirements for board meeting minutes

The sunshine law requires that neighborhood boards keep written minutes of all regularly scheduled meetings and make them available to the public within 30 calendar days after the meeting. We examined a statistically valid, random sample of 41 neighborhood board meeting minutes to determine if they were available for public review within 30 calendar days from the date of the board meeting. We could not determine the neighborhood commission office's compliance with the sunshine law provision because the office does not formally log or time-stamp the meeting minutes as they become available.

According to a neighborhood commission office administrator, since the board minutes of a particular month are mailed together with the agenda for the preceding month, the minutes are deemed available. For example, the meeting minutes for an April 2004 board meeting will be appended to the agenda of the May 2004 meeting when mailed to designated recipients. However, this becomes problematic when there is a recess between meetings and the minutes do not get mailed until two months later. To date, the office has not received any formal complaints about the availability of board meeting minutes.

An additional problem with the neighborhood commission's current maintenance of board meeting minutes is that the minutes posted on the commission's website and made available to the public are not the corrected minutes as adopted by the board. According to a neighborhood commission office administrator, the minutes that are available to the public and posted on each board's website are the minutes drafted by the neighborhood assistant and approved by the board chair. The published minutes are not updated if corrections, additions, or deletions are made by the board at regularly scheduled meetings, are not reprinted to reflect any changes made by the board, and the neighborhood commission office files do not contain the various drafts of the minutes as they are amended and approved. As it currently stands, members of the public would have to research neighborhood board meeting minutes of subsequent meetings to see if changes were made to a prior month's minutes.

The neighborhood commission office administrator we spoke with acknowledged that the posting of uncorrected minutes was problematic. The office is suggesting to neighborhood assistants to append corrections made to the original meeting minutes as reflected in subsequent meeting minutes. While the entire minutes would not be re-drafted, the file would contain all drafts and pertinent information as required by the sunshine law.

In our view, many of these sunshine law compliance lapses appear to be careless errors, lapses in accurate note-taking by the neighborhood assistant, and lax office procedures. While we do not see any evidence to suggest willful violation of the public notice requirements, neighborhood assistants should ensure that neighborhood board meeting agendas and minutes comply with sunshine law requirements and the office of information practices' guidelines. The neighborhood commission office should continue to develop neighborhood assistants' skills by offering quality training at appropriate intervals. The office should also implement a system to ensure that neighborhood board meeting minutes are available within 30 calendar days and maintain files that reflect all amendments made to board meeting minutes.

Conclusion

Under its current structure and practices, the neighborhood board system is not fully achieving its mission. The lack of measurable goals and objectives prevents the neighborhood commission from determining whether the system is operating efficiently and meeting its overall mission.

The system also lacks clear lines of authority and accountability. The patronage-based staffing of the neighborhood commission office does not assure continuity or appointment of qualified staff. Conflicts in the sunshine law training requirements fails to ensure that neighborhood commissioners and board members are fulfilling their public disclosure duties. The neighborhood plan needs to be strengthened to provide better guidance to the boards and commissions, and provide consequences for non-compliance. Also, the mayor and council should consider providing the neighborhood commission and commission office with more operational autonomy to ensure compliance with its charter-mandated mission.

Operationally, the neighborhood board system is hampered by non-compliance or inadequate practices and oversight by the neighborhood commission, neighborhood commission office, and neighborhood boards. The neighborhood commission failed to review and revise the neighborhood plan in a timely manner and does not actively evaluate and report on the effectiveness of neighborhood boards. Instead, it takes a reactive approach in exercising its review powers by relying on complaints filed against neighborhood boards. Additionally, the commission's complaint hearing process is inefficient.

The neighborhood commission office, under the direction of the executive secretary, also falls short in several operational areas. The office lacks a formal training program and does not enforce or effectively apply pre-employment requirements. The office's methodology for establishing neighborhood board budgets and approving expenditures is lax.

Neighborhood boards, too, experience operational deficiencies. Some neighborhood boards are unable to field candidates to fill all seats and suffer from year-round vacancies. Boards occasionally are unable to meet quorum requirements that prevent them from conducting board business. Board agendas do not always reflect board vacancies, preventing potential candidates from filling those seats. Boards do not always effectively utilize their budgets and publicize board meetings. Some board members lack decorum, but most others generally follow parliamentary procedures. Improvements in complying with sunshine law public notice and meeting agenda and minutes' content requirements could be improved.

Recommendations

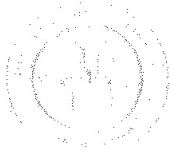
1. The mayor should:
 - a. Establish a city-wide sunshine law training program as required by city ordinance.
 - b. Consider separating the neighborhood commission and neighborhood commission office from the managing director's office and administratively attaching it to another executive branch agency.
 - c. Work with the city council to introduce a charter amendment proposal that would collectively attach the neighborhood commission, neighborhood commission office, and neighborhood boards to another executive agency, and designate the neighborhood commission as the appointing authority for the executive secretary.
2. If the neighborhood commission and neighborhood commission office remains under the managing director's office, the managing director should:
 - a. Annually review and evaluate the neighborhood board system's operations.
 - b. Implement operational changes as appropriate, which do not conflict with the neighborhood plan.
 - c. Clarify neighborhood commission office staff roles in supporting the neighborhood commission and neighborhood boards.
3. The neighborhood commission should:
 - a. Amend the neighborhood plan to include measurable goals and objectives.
 - b. Ensure that neighborhood plan review requirements are met.
 - c. Implement a formal review and reporting process of neighborhood boards annually.
 - d. Comply with the neighborhood plan's complaint process provisions.

- e. Amend the neighborhood plan to provide penalties or consequences for violations of neighborhood plan requirements, where appropriate and enforceable.
 - f. Coordinate with the neighborhood commission office to establish a plan that encourages more people to run in neighborhood board elections.
 - g. Improve internal review process to ensure that all documents and activities meet sunshine law public notice and content disclosure requirements.
4. The executive secretary should:
- a. Establish a formal training program to:
 - i. Ensure that neighborhood board commissioners and board members meet all legal requirements, to include keeping an accurate training log.
 - ii. Ensure neighborhood commission office staff receive initial skills training and recurrent training on such topics as note taking, drafting minutes, neighborhood plan, parliamentary procedures, *Robert's Rules of Order*, and other pertinent skill areas.
 - b. Establish controls over neighborhood boards not utilizing their budgets effectively that include:
 - i. Penalties or consequences for boards that go over-budget.
 - ii. Requiring justifications from boards that do not expend publicity funds.
 - iii. Adjusting future board budgets to better match board needs.
 - c. Document board budget formation and allocation, justify funds, and report methodology to the city council.
 - d. Ensure that board expenses are paid from the proper accounts.
 - e. Work more closely with neighborhood boards in establishing budgets.

- f. Coordinate with the neighborhood commission to establish a plan that encourages more people to run in neighborhood board elections.
 - g. Coordinate with the neighborhood boards to ensure that board vacancies are properly noticed on meeting agendas and action taken at board meetings.
 - h. Improve internal review process to ensure that all documents and activities meet sunshine law public notice and content disclosure requirements.
5. Neighborhood board chairs should:
- a. Coordinate with the neighborhood commission office to ensure that board vacancies are properly noticed on meeting agendas and action taken at board meetings.
 - b. Ensure that board members receive sunshine law training and maintain a certification file.
 - c. Ensure that board members follow all neighborhood plan requirements including order and decorum, parliamentary procedures, and sunshine law requirements.
 - d. Ensure that board meeting minutes and agendas meet sunshine law public notice and content disclosure requirements.

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APPENDIX A
Neighborhood Board Member Survey



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LESLIE I. TANAKA, CPA
CITY AUDITOR

March 13, 2006

Dear Neighborhood Board Member:

The Office of the City Auditor is currently conducting an audit of the neighborhood board system. This audit is being conducted pursuant to Resolution 04-387, which was adopted by the Honolulu City Council in September 2005. The resolution directs my office to conduct a performance audit of the neighborhood board system and to make recommendations for improvement.

As part of my office's review, I am requesting your assistance in completing the enclosed survey. I would appreciate you returning the completed survey in the enclosed, self-addressed stamped envelope by **Wednesday, March 29, 2006**. To ensure anonymity, this survey contains no identifying marks or codes. My only request is that you indicate on the survey the neighborhood board on which you serve. Please be sure to complete both sides of the survey.

I thank you, in advance, for your assistance with this request. Your input is important to this audit and I hope you will take the time to complete and return the survey. If you have any questions regarding this survey, please call Troy Shimasaki, Auditor-in-Charge, at 692-5134 or e-mail to tshimasaki@honolulu.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leslie I. Tanaka".

Leslie I Tanaka, CPA
City Auditor
City and County of Honolulu

Enclosure

**Audit of the Neighborhood Board System
Neighborhood Board Member Survey
March 2006**

I am a member of Neighborhood Board No. _____

Please darken the circle that best describes your perception toward the statement made.

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Agree</u>	<u>Strongly Agree</u>
<u>Neighborhood Plan</u>				
1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Revised Neighborhood Plan of the City & County of Honolulu 1986 (1998 Edition) provides neighborhood boards with an adequate foundation to fulfill its mission.				
<u>Neighborhood Commission</u>				
2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood plan.				
3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood boards.				
4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood commission adequately assists in the formation and operation of neighborhoods and neighborhood boards.				
5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood commission has a positive working relationship with my neighborhood board.				
<u>Neighborhood Commission Office</u>				
6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board meeting agendas and minutes are drafted and submitted by neighborhood commission office staff in a timely manner.				
7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board meeting agendas and minutes are drafted and submitted by neighborhood commission staff with an acceptable number of grammatical and other errors.				
8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neighborhood Assistants are adequately trained to perform their assigned duties.				
9	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neighborhood commission staff provide adequate service to neighborhood boards.				
10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood commission office has a positive working relationship with my neighborhood board.				

**Audit of the Neighborhood Board System
Neighborhood Board Member Survey
March 2006**

	<u>Strongly Disagree</u>	<u>Disagree</u>	<u>Agree</u>	<u>Strongly Agree</u>
<u>Neighborhood Boards</u>				
11 My neighborhood board conducts its meetings in accordance with established parliamentary procedures.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12 My neighborhood board conducts its meetings in accordance with "Sunshine Law" requirements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13 Training sessions offered by the city provide board members with adequate information to ensure board compliance with parliamentary procedures, Sunshine Law requirements, and Robert's Rules of Order.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14 My neighborhood board's meeting facilities are adequate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15 My neighborhood board has adequate funding to pay for meeting facilities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16 Broadcasting videotaped board meetings is the most effective way to communicate with the community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17 My neighborhood board has adequate funding to pay for videotaped board meetings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18 Community interest and participation in the neighborhood board system has increased over the past three fiscal years.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<u>Mission</u>				
19 The neighborhood board system is meeting its mission to, "increase and assure effective citizen participation in the decisions of government."	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Briefly, please share any other comments you may have about the neighborhood board system.

Comments: _____

Thank you for your participation. Please return this survey in the accompanying self-addressed stamped envelope by **Wednesday, March 29, 2006**. Surveys postmarked after March 29, 2006 will not be included in our review.

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APPENDIX B**Neighborhood Board Member Survey - Composite Scores****Audit of the Neighborhood Board System
Neighborhood Board Member Survey
Composite Scores**

Survey data was compiled using the following scale in determining a composite score:

- 1 = Strongly Disagree 2 = Disagree
3 = Agree 4 = Strongly Agree

	<u>Composite Score</u>	<u>No. of valid responses</u>	<u>No. of blank or invalid responses</u>
<u>Neighborhood Plan</u>			
1 The Revised Neighborhood Plan of the City & County of Honolulu 1986 (1998 Edition) provides neighborhood boards with an adequate foundation to fulfill its mission.	2.67	178	12
<u>Neighborhood Commission</u>			
2 The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood plan.	2.32	173	17
3 The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood boards.	2.34	174	16
4 The neighborhood commission adequately assists in the formation and operation of neighborhoods and neighborhood boards.	2.67	180	10
5 The neighborhood commission has a positive working relationship with my neighborhood board.	2.73	175	15
<u>Neighborhood Commission Office</u>			
6 Board meeting agendas and minutes are drafted and submitted by neighborhood commission office staff in a timely manner.	3.21	184	6
7 Board meeting agendas and minutes are drafted and submitted by neighborhood commission staff with an acceptable number of grammatical and other errors.	3.14	184	6
8 Neighborhood Assistants are adequately trained to perform their assigned duties.	3.17	185	5
9 Neighborhood commission staff provide adequate service to neighborhood boards.	3.08	182	8

	<u>Composite Score</u>	<u>No. of valid responses</u>	<u>No. of blank or invalid responses</u>
10 The neighborhood commission office has a positive working relationship with my neighborhood board.	3.04	176	14
<u>Neighborhood Boards</u>			
11 My neighborhood board conducts its meetings in accordance with established parliamentary procedures.	3.17	187	3
12 My neighborhood board conducts its meetings in accordance with “Sunshine Law” requirements.	3.32	186	4
13 Training sessions offered by the city provide board members with adequate information to ensure board compliance with parliamentary procedures, Sunshine Law requirements, and Robert’s Rules of Order.	2.92	180	10
14 My neighborhood board’s meeting facilities are adequate.	2.94	189	1
15 My neighborhood board has adequate funding to pay for meeting facilities.	2.76	177	13
16 Broadcasting videotaped board meetings is the most effective way to communicate with the community.	2.82	178	12
17 My neighborhood board has adequate funding to pay for videotaped board meetings.	2.27	172	18
18 Community interest and participation in the neighborhood board system has increased over the past three fiscal years.	2.62	175	15
<u>Mission</u>			
19 The neighborhood board system is meeting its mission to, “increase and assure effective citizen participation in the decisions of government.”	2.74	182	8

Survey responses ranked from **lowest** composite score to **highest** composite score:

<u>Rank</u>	<u>Question No.</u>	<u>Question</u>	<u>Composite Score</u>
1	17	My neighborhood board has adequate funding to pay for videotaped board meetings.	2.27
2	2	The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood plan.	2.32
3	3	The neighborhood commission adequately reviews, evaluates, and reports on the effectiveness of the neighborhood boards.	2.34
4	18	Community interest and participation in the neighborhood board system has increased over the past three fiscal years.	2.62
5	1	The Revised Neighborhood Plan of the City & County of Honolulu 1986 (1998 Edition) provides neighborhood boards with an adequate foundation to fulfill its mission.	2.67
6	4	The neighborhood commission adequately assists in the formation and operation of neighborhoods and neighborhood boards.	2.67
7	5	The neighborhood commission has a positive working relationship with my neighborhood board.	2.73
8	19	The neighborhood board system is meeting its mission to, "increase and assure effective citizen participation in the decisions of government."	2.74
9	15	My neighborhood board has adequate funding to pay for meeting facilities.	2.76
10	16	Broadcasting videotaped board meetings is the most effective way to communicate with the community.	2.82
11	13	Training sessions offered by the city provide board members with adequate information to ensure board compliance with parliamentary procedures, Sunshine Law requirements, and Robert's Rules of Order.	2.92
12	14	My neighborhood board's meeting facilities are adequate.	2.94
13	10	The neighborhood commission office has a positive working relationship with my neighborhood board.	3.04
14	9	Neighborhood commission staff provide adequate service to neighborhood boards.	3.08

Appendix B

<u>Rank</u>	<u>Question No.</u>	<u>Question</u>	<u>Composite Score</u>
15	7	Board meeting agendas and minutes are drafted and submitted by neighborhood commission staff with an acceptable number of grammatical and other errors.	3.14
16	8	Neighborhood Assistants are adequately trained to perform their assigned duties.	3.17
17	11	My neighborhood board conducts its meetings in accordance with established parliamentary procedures.	3.17
18	6	Board meeting agendas and minutes are drafted and submitted by neighborhood commission office staff in a timely manner.	3.21
19	12	My neighborhood board conducts its meetings in accordance with "Sunshine Law" requirements.	3.32

APPENDIX C

Neighborhood Board Member Survey Comments

Audit of the Neighborhood Board System Neighborhood Board Member Survey Comments

The following are board member survey comments. In some instances, comments were paraphrased or corrected for spelling and grammar. In other instances, comments were not included if they were illegible or were not substantively different from other survey statements.

Compliance with neighborhood board system mission

- The board system fails at “effective citizen participation in the decisions of government.” Until the board has direct influence over the budget, the board system will fail at “effective citizen participation in the decisions of government.”
- Does the neighborhood board system—mission—have a plan for effective citizen participation?
- I feel the system needs major repair and an overhaul.

Sunshine Law (too restrictive)

- Sunshine law requirement prevents much meaningful discussion.
- The neighborhood boards should be exempt like the city council to be able to speak or voice opinions at hearings.
- I don't think Sunshine Laws should apply to neighborhood board because (1) we are advisory and decision makers and (2) it limits our individual participation in community issues.
- The “sunshine law” is being used to inhibit, reduce and in some cases block community and citizen participation in government.
- The sunshine law provisions limiting board member participation in community meetings (more than 2, less than quorum) directly conflicts with ability of interested board members to be knowledgeable about community concerns before making recommendations to agencies.
- The sunshine law has destroyed the committee system of our board because of meeting notification requirements. Application of sunshine law to non-executive (advisory) boards really doesn't make much sense.
- The rules are very complicated and there is an awful lot of bureaucracy considering the purely advisory role of the boards.
- Sunshine laws prevent effective governance.
- Don't agree with the way the “Sunshine Law” is administered
- Sunshine law should not apply to neighborhood boards who are advisory and not policy makers.
- I am concerned about sunshine law requirements making it difficult for boards to function outside of monthly meetings. Seems like all the prep work needs to be done individually rather than teams or subcommittees.
- Sunshine law interpretation is unworkable—board members need to be allowed to participate in community meetings and activities. Somehow, by being on a neighborhood board our rights are limited by this interpretation. It needs to be changed.
- I believe our chair interprets the sunshine rules too strictly.

Sunshine Law (board violations)

- I receive too many comments via e-mail from other board members relating to discussion and comments on agenda items, prior to formal discussions at the meeting.
- There are many meetings that have been conducted in violation of sunshine laws.

Training

- Parliamentary procedures and Robert's Rules of Order were not part of the training I received from the city's board training in 2005.
- I have attended training session in the past. I thought they were good sessions. There needs to be more at various times to attempt to accommodate the board members.
- All board members need training in parliamentary procedures.
- New members should receive more specific training regarding laws, procedures, and participation.
- Lack of board training.
- No training or orientation (except Sunshine Law).
- Need more training on sunshine law and Robert's Rules of Order.

Voting and Quorum Requirements

- Quorum requirement is too restrictive, unhelpful.
- Voting rules make it possible, even probable, that a small minority of the board can control the agenda.
- Empty board seats are automatic no votes. If a quorum is present, the majority vote of members present should rule.
- One of the boards' biggest problems is the voting system; it takes too many votes to bind the board—a majority of all members, not a majority of those present.
- Due to a simple majority of the board, we pay to hold meetings at a high school, rather than a venue that is available for free. We cannot videotape and air on Olelo due to this decision by the simple majority of this board.

Videotape meetings (pro)

- Broadcasting videotaped meetings of each/every neighborhood meeting in the City & County of Honolulu would/can increase and assure effective citizen participation.
- I would really like to see our meetings broadcasted. I feel that it will help get the word out to our community that there is a voice, a way to get involved and be a part of the system.

Videotape meetings (con)

- Although I agree that broadcasting videotaped board meetings is the most effective way to communicate with the community, I believe most participants do not care to have complaints aired on TV because of possible retaliations from persons viewing these broadcasts.
- There is normally only one camera. Should a dispute or complaint be filed what happens in person does not always show up the same way on the videotape. Another issue is the people who use video to grandstand. They bring in their people with signs and have them stand behind speakers.
- The TV coverage is detrimental to desired quality of board members—too many are pursuing political agendas and TV star-struck.
- Video person must have more skills. There must be an audience microphone as well as two board microphones.
- Broadcasting video taping should be stopped. Wasted funds. Concerned residents should physically attend meetings to personally voice concerns.
- Video taping on Olelo cost too much. Free volunteers have been turned down. All video taping should be under the direction of the neighborhood board commission, not the board chair.
- The TV public has limited interest in watching neighborhood boards or any other board meetings when competing with "American Idol" and other TV commercially produced programs. The neighborhood commission gets better value for taxpayers with newsletters.

Publicity

- The community needs to be made aware of the TV broadcast.
- Neighborhood boards need more visibility (promotion at the city and county level). A lot of people don't know how useful a neighborhood board can be.
- Public needs to be informed more about board meetings and agenda.

Citizen participation

- Community participation directly corresponds to agendas that give the community a voice.
- The neighborhood boards are the lowest branch of government that citizens of a community can easily reach and address their concerns.
- We have an increase of community interest in our district due to a Department of Health Master Plan project.
- Citizen participation is regularly and effectively blocked in decisions of government—especially the city.
- Community interest – just awful...maybe three community members per meeting.
- I see no effort by the commission office and boards to promote citizen participation in board proceedings.
- No one comes to the meetings.
- You can lead a horse to water but you can't make him drink. Getting the public to meetings is not easy.
- You should compare with the lack of resident involvement that existed before the neighborhood board system was implemented. We were not really participating then because there was no adequate forum.

Board decorum and compliance with neighborhood plan

- There is too much bickering amongst board members at meetings not related to agenda items.
- Board argues over petty matters or matters/issues that aren't addressable by it.
- Too much grandstanding and preening for Olelo (TV broadcasts).
- Rogue members of my neighborhood board have disrupted our meetings, violated the Sunshine Law, threatened/intimidated and filed false charges against board members who have disagreed with them. This board should be investigated by the Prosecuting Attorney's Department.
- The chair of a neighborhood board campaigned for his election (he was defeated) to the Hawaii State Legislature (2004), by assaulting the incumbent legislator's record. The neighborhood board is no place for this and the chair should have stopped.
- Manoa neighborhood board has NO secretary. Therefore, the board is in non-compliance with the neighborhood board. Further, the business conducted by the board is done without the required officers. Hence of no use.
- The neighborhood plan has no meat to it. One board member was found to be crude and vulgar with evidence by the Commission. We went through a long grueling process for nothing; there was no consequence for him because the plan does not call for one.
- At a recent meeting, members and people in the audience have called others names and made personal statements. The neighborhood plan allows them to give their "community participation". This is horrible.
- One board member does not allow time for the board to do its business on time. He disrupts every meeting with his personal agenda.
- There are constant disruptions by board members speaking out of turn, causing delays in meetings. Training is requested for all members of any board.
- It's unfair to the community when one board member's only agenda is to disrupt the business of the board. Our community members stop attending because of this member's behavior.
- I am concerned with the conduct of board members. At times, they can be rude and speak out of turn. What can be done to address this behavior?
- Parliamentary procedures not followed.

Conflicts of interest

- Developers, landowners, and big business seem to control the votes on our board over the interests of our citizens.
- Special interest groups should not be allowed to monopolize the meetings and promote their beliefs as something the entire district believes. The board should project the needs and desires of the people in their area, not a particular member's own special agenda.
- I would like to see that anyone sitting on a neighborhood board should not be employed or a volunteer for any elected official. These described folks utilize neighborhood board meetings as a platform for their boss.
- The previous board chair politicized our board to the detriment of the neighborhood board system and the community. He would often use the meetings to further his political agenda.

Board effectiveness (con)

- Board needs to make ourselves more relevant and create an agenda that matters to the community.
- I am interested in the perception of, and the reality of, the "influence" of the boards on the various matters we attend to.
- St. Louis, Kapahulu, Diamond Head board is a divided board when it comes to agreeing to proper procedure for correcting minutes due to the chair and other members disagreeing.
- Most neighborhood board districts have not met its mission due to its membership that continues to violate Section 11-101 of the City Charter. We are elected as board members by the will of the public so if we are not providing for community issues, then don't run for your board.
- There is no mechanism for the board to communicate with city and county policy makers—no way to influence the budget.
- At present, we cannot get a quorum at any of the meetings. The elected members are not coming out to the meeting so we cannot elect our officers or conduct business or vote on issues. I feel members not coming out are trying to make our board fail.
- The year I have been on the board, the concerns of most board members and those attending meetings have been about bed and breakfasts. More serious matters are overlooked such as homelessness, schools, development, affordable housing, traffic, etc.
- Filling vacant positions is very important, to have complete attendance of the board members, so that every neighborhood meeting of the board members will have a quorum.
- There is a general misconception that the board can do things. We can only advise. There is a general board misconception that its members can do things as evidenced by testimonies given by developers as required. Approval of projects only requires presentation to the board...not approval by the board.
- The board has no clout and serves more as a political sounding board for politicians to sell themselves and their views.
- Citizen complaints are seldom responded to.

Board effectiveness (pro)

- The neighborhood system can provide an opportunity for community to have a forum for discussion on community issues.
- Good "grassroots" community input for interested persons to improve life.
- Keeping informed on city and state goings on.
- In spite of limited participation of residents per se, residents in general feel neighborhood boards are a definite vehicle for the public to voice their opinions and wants.
- Despite participation issues, the board remains an effective and direct communication forum with the Mayor and councilmember offices. Some state lawmakers make sincere effort to help, while others use it as *face time*.

- Best system ever established for community citizens to voice their concerns. Never let anything tear this system away from the community.
- Neighborhood boards provide a very helpful forum for discussion of issues among political and governmental representatives and the public.

Power of the neighborhood boards

- Power goes where power is. If we want more grassroots involvement in government at the local level, one way to do this successfully is by giving more power to the “elected” neighborhood boards.
- Board needs more power to address citizens’ problems and complaints.
- If the neighborhood boards are ever to be taken seriously they need some “teeth”. Agencies must be required to respond with explanations and the board must have input into projects and priorities on our community/neighborhoods that will at least be considered in the planning process.
- The neighborhood boards should have legal clout rather than being advisory.
- Since boards are only advisory in nature, we have limited influence over many events which affect our community.
- Neighborhood boards are considered by the city council and city administration as another interest group. The boards should be considered as part of the city council with some of the council’s powers.

Lack of city/state responsiveness to board issues

- For 6 months I have tried to get the city’s DOT to remark crosswalk with white paint and to place crosswalk signs at said locations. One man has been killed at one of the crosswalks I requested. Still no signs.
- The city and county of Honolulu “bureaucrats” should pay more attention to (and more closely abide by) the recommendations and suggestions (and voting results) of the various issues that come before our board. Our area, in general, is more often than not, given only “lip service” by the bureaucratic townies.
- Lots of information from city agencies is unreliable (e.g. parks and recreation).
- The neighborhood board system works only if the other parts of government take the neighborhood board seriously. Many times county departments don’t recognize the decisions of the boards or leaves the board out of the decision process.
- While the state and city representatives are usually present and responsive, the agencies working for them aren’t quite so responsive. More often than not, their answer is “no.” For example, we have repeatedly asked for a list of projects for our area by priority and it has not been forthcoming. It seems that some agencies are not willing to consider recommendations of the board and consider it just a novelty.
- It’s discouraging to wait on action requested by the neighborhood board. Sometimes the answers back from the city are non-answers.

Power of the Chair

- The agenda gets the meeting content and appeal to the community. My board interprets that the power (sole and final) of the “chair” is to get the agenda. The agenda needs to be determined by as many board members who wish to participate.
- Too much control by chair on agenda items. All this board does the past three years is give the builder our blessings on all the construction going on in Waikiki, causing us to become another NYC.
- Our board minutes very often favor the view of the chair rather than the correct record.
- The minutes are adjusted by the chair and corrections are almost never allowed. If corrections are allowed, they are not reflected on the website. Even if a board member states that he wants something included in the minutes, the NA/chair do not do it. This is illegal.

Neighborhood Commission

- Materials sent to commissioners are not received on a timely basis.

- Need more community outreach and education at the commission level to the public.
- Need professionals on commission, not home for political hacks.
- I have not seen a review by the commission of this board.
- Regarding commission reviewing and reporting on neighborhood board effectiveness...no information or evidence of this activity (I have served three years)
- The commissioners do not interact in any way with the boards. We had two visits in the last three years. The commissioner did not want to be recognized and reported later only that he attended our meeting. When asked how it went, the commissioner said, "It is my policy to only report I attended and not an opinion of what happened." What kind of training do Commissioners get?
- I felt the Commission should have been obligated to find us another meeting place when we lost use of the library at the end of 2005—but they did nothing (that I know of).
- No interaction with the neighborhood commission.
- My board really doesn't have any relationship with the commission—that is neither good nor bad—probably because we are too far and don't have any problems.
- Complaints to the commission were dismissed without resolution and some complaints were never heard.

Neighborhood Commission Office

- The Honolulu Neighborhood Commission Office and Neighborhood Assistants should request Hawaii Neighborhood Boards (32) to organize their city and county neighborhood board agenda reports with NB member reports by the NB member upon his/her proposed request in consideration of public interest.
- The Neighborhood Commission Office needs a new name to distinguish itself from the Neighborhood Commission.
- I believe with a new Executive Secretary (Joan Manke) that things will get better.
- Try again to grant commission office staff civil service status through charter amendment election.
- Avoid counter-productive cost-cutting (economy) and promote team work and camaraderie in the office. I hope the new executive secretary is the catalyst for this revolution and restoration.
- In the past there were times when the minutes were done at the last minute—just in time to be sent out to meet the deadline. More recently, the minutes have been timely.
- The interim commission executive secretary is changing our neighborhood assistant after the previous executive secretary promised this would not happen. This has hurt our support posture. Our old assistant has been with NB #22 for years and provided superior error-free service.
- We have had limited contact with the commission office.
- Neighborhood commission office does not provide proper updating of website or paper archives.
- People in local communities are not being made aware of how their concerns on various issues need to be taken to the neighborhood boards. This is the responsibility of the Neighborhood Commission staff. They get paid, we don't.
- NCO par service.
- Moving to Kapolei Hale was a bad move. The staff needs to be in Honolulu Hale to have access to all departments and city council persons.
- When the current mayor made appointments of the Executive Secretary and neighborhood assistants, there was a corporate loss of over 15 years of experience in the neighborhood commission office. The former executive secretary had been appointed after a long delay and many of the former neighborhood assistants had been let go in favor of mayoral appointments.
- NCO support is in a wait and see stage due to a new executive secretary. Prior unilateral, uninformed management decisions caused confusion and disruption.
- Executive secretary should not be appointed by the mayor—and must have some neighborhood board background.

Neighborhood Assistants

- Staff is sometimes assigned to non-neighborhood board duties, taking away needed support.
- Our assistant is in Kapolei; we are downtown. Staff is supposed to be assigned based on where boards are. All his (neighborhood assistants) boards are from downtown to Koko Head, why is he in Kapolei? Very inefficient.
- Our last NA was extremely knowledgeable and knew her assigned duties. In the past, we have had both well-trained and not so well trained NAs.
- It's a hit and miss with NAs. Some are qualified and some try hard, but miss the point. It seems that every time we get settled with one, that person is moved elsewhere. No continuity for the board chairs. Also, what kind of training do they receive, if any? Also we do not know what the role of the NA is to the board.
- Timeliness of agendas good, but minutes are not.
- I commend our current NA for her hard work, always on time, dedication, and positive attitude.
- Our neighborhood assistant is a definite asset to our board. With him around, things run smoothly.
- Our neighborhood assistant is doing a fantastic job for us, going the extra mile to assure our board is functioning well.
- NA's should, but don't, have professional clerical skills. NA's should be directed to take minutes at special and committee meetings.
- NAs need training.
- Neighborhood Assistants are not using tape recorders, are not taking minutes that reflect the meeting, and draft minutes that need corrections. Other boards laugh at our minutes.
- NA's need writing skills training.
- Neighborhood assistants' work schedules can be adjusted to better serve boards without using overtime. Two hour meetings are not realistic if boards are to encourage citizen participation.
- The neighborhood assistants should be enabled to follow-up with issues raised by board members.

Meeting facilities

- Cannot have at least water at my table as the Ala Wai building does not allow it so the hardwood floors are not damaged.
- We need the facility to be cleaned-up, retrofitted, and refurbished. We need tables and chairs.
- We need free or cheap (affordable) meeting places that are conveniently located in our neighborhood (with free parking) so we can stay as long as needed to effectively receive citizen comments.
- Parking is very bad at our meeting site. Nearby park activities make a lot of noise and disrupt board meeting.
- Our meeting room is too small as our neighborhood board meetings have been getting larger in attendance each year. On several occasions, community members had to wait outside of the building.

Length of meetings

- Our meetings sometimes last 2 ½ hours.
- This board runs meetings too late.
- If we cut off debate/citizen input for the sake of saving time and leaving the facility on time, we defeat some of the purposes of the meeting.
- Agendas too long and meetings are too long.
- The meetings are too long due to reports that could be shorter and should be handed out.

Funding

- Not certain about adequate funding for video of meetings for neighborhood community.
- Need to have more money for communication to the public.

- Due to location at a library, a librarian has to be paid to allow access to handicapped restroom—this cuts into our budget.
- More funding needed for floral leis for community recognition.
- Because our board has to pay for our meeting room, there is no money for broadcasting left in our budget. Budget constraints force boards to choose between meeting rooms or videotaping.
- Need more money for videotaping—costs have increased.
- I think all neighborhood boards should receive enough funds to be televised.
- Funding for videotaping of neighborhood board meetings have been inadequate and poorly handled for the last 2-3 years.

Other

- Neighborhood boards should mirror city council: 9 members only.
- Should have term limits.
- Web site is negligent in providing pictures of current boards. Pictures on site are from previously elected board. Also, minutes of meetings of the commission are not found for December '05, and January and February '06.
- Some members stay too long on the board.
- There needs to be emphasis on the obligation of each sub-district member to put forward (1) project and (1) problem, from that subdistrict.
- I wish to receive my Treasurer's Report via email or mail before the monthly meeting without asking every month.
- Funding that was going to so-called "vision teams" should be going to individual neighborhood boards to do positive things in the community.
- I would like to see board meetings held on weekends and day time for better citizen participation.
- Regarding videotaped board meetings, the time on the channel of the meeting (Ch. 49) are not listed in the TV Guide that I receive on Sunday (newspaper). If we got a little more money, the channel could be changed.
- Need policies and procedures for the impeachment of a board member and/or community member.
- Present plan has too many ambiguities and must be clarified to layman's terminology.
- It is my expectation that the neighborhood board be my voice within the government. I expect honesty, integrity and truth. I do not want to hear nonsense talk...because the government is hiding a lie. I expect the board members to speak in truth.
- Study the constitution more. Neighborhood boards are complaining too much to OIP—wasted state money and everyone's time.
- City and County of Honolulu (Honolulu Hale) should add more Oahu-at-Large seats or vacancies for all Oahu and Honolulu neighborhood boards.

Response of Affected Agency

Comments on Agency Response

We transmitted a draft of this report to the neighborhood commission's executive secretary for review. A copy of the transmittal letter is included as Attachment 1. We informed the executive secretary that a written response to our draft was due on Monday, July 24, 2006. On July 20, 2006, the executive secretary requested an extension to submit its response. The city auditor granted the executive secretary an extension to August 7, 2006 to submit a response. The executive secretary submitted a written response to the draft report on August 7, 2006, which is included as Attachment 2.

In a written response, the executive secretary expressed general agreement with our audit findings, noted several steps the office has already taken, or will be taking, to address some of the issues raised, and viewed the audit as a positive baseline from which the neighborhood commission can measure progress and gauge success. We commend the executive secretary and the neighborhood commission for the initiatives they have already taken to address problems within the neighborhood board system and for their willingness to consider our audit recommendations in making future changes. In addition, the executive secretary provided clarifying comments on certain issues raised in our audit and disagreement with one of our audit recommendations, some of which we discuss below.

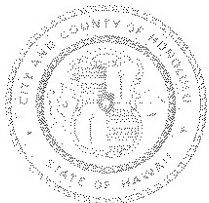
First, the executive secretary states that the revised neighborhood plan is made up of rules which have the force and effect of law and, therefore, would not be an appropriate tool in which to measure goals and objectives. While we disagree with the executive secretary's contention that the revised neighborhood plan has the force and effect of law, we leave it to the executive secretary's discretion as to where measurable goals and objectives should be established. We emphasize that merely establishing goals and objectives does not go far enough. The executive secretary and the neighborhood commission must actively assess and evaluate their efforts based on those goals and objectives in order to better measure their achievement.

Second, the executive secretary strongly disagreed with our recommendation to move the neighborhood commission office out of the managing director's office. In explaining this disagreement, the executive secretary first commented that the charter mandates that appointed staff

fall within the managing director's office. We acknowledge that a charter amendment would be in order. In fact, we recommended that the mayor work with the council to introduce a charter amendment that would attach the neighborhood commission and its staff to another city agency. The executive secretary also commented that the issue of converting neighborhood commission staff to civil service positions was decided by voters twice before and denied. We acknowledge these prior efforts, but would suggest that as presented to the electorate, the issue was simply to make the positions civil service rather than a fundamental change in the neighborhood board system's operations. We believe that a charter amendment that proposes a fundamental change in the governance and operations of the neighborhood board system, as opposed to simply conferring civil service status on employees, may be more appropriate.

Third, the executive secretary disagreed with our audit recommendation to attach neighborhood boards to another city agency instead of continuing to keep them directly under the neighborhood commission. The intent of our recommendation was not to split the neighborhood commission, neighborhood commission office, and neighborhood boards, and attach them, individually, to another city agency or agencies. Rather, we proposed to attach all three entities, collectively, to another agency for administrative purposes only. By administratively attaching the neighborhood board system to another agency and giving the neighborhood commission actual oversight powers, the commission may be empowered to more effectively oversee the operations as well as assume the accountability that goes with that oversight. We amended the report to clarify this intent.

Lastly, we made other non-substantive amendments for purposes of clarity and style.



OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU
1000 ULUOHIA STREET, SUITE 120, KAPOLEI, HAWAII 96707 / PHONE: (808) 692-5134 / FAX: (808) 692-5135

LESLIE I. TANAKA, CPA
CITY AUDITOR

July 10, 2006

COPY

Ms. Joan Manke, Executive Secretary
Neighborhood Commission
530 South King Street, Room 400
Honolulu, Hawaii 96813

Dear Ms. Manke:

Enclosed for your review are two copies (numbers 12 and 13) of our confidential draft audit report, *Audit of the Neighborhood Board System*. If you choose to submit a written response to our draft report, your comments will generally be included in the final report. However, we ask that you submit your response to us no later than 12:00 noon on Monday, July 24, 2006.

For your information, the mayor, managing director and each councilmember have also been provided copies of this **confidential** draft report.

Finally, since this report is still in draft form and changes may be made to it, access to this draft report should be restricted to those assisting you in preparing your response. Public release of the final report will be made by my office after the report is published in its final form.

Sincerely,

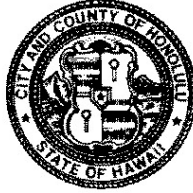
Leslie I. Tanaka, CPA
City Auditor

Enclosures

NEIGHBORHOOD COMMISSION OFFICE
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 400 * HONOLULU, HAWAII 96813
PHONE: (808) 527-5749 * FAX: (808) 527-5760 * INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



JOAN MANKE
EXECUTIVE SECRETARY

August 7, 2006

'06 AUG -7 A11 :45

Mr. Leslie I. Tanaka, CPA
City Auditor
1000 Uluohia Street, Suite 120
Kapolei, Hawaii 96707

C & C OF HONOLULU
CITY AUDITOR

Dear Mr. Tanaka:

Thank you for copies of your confidential draft audit report of the Neighborhood Board System received on July 10, 2006 and for providing an extension to respond by August 7, 2006. I appreciate the opportunity to provide comments relative to your findings and recommendations.

I note that your audit focused on operations and activities of the neighborhood commission, neighborhood commission office, and neighborhood boards from July 1, 2002 through June 30, 2005, which represents six months of the Hannemann administration. Your summary of findings points to the disjointed structure of the neighborhood board system and its operational deficiencies. Many systemic issues were identified, including the need for a Neighborhood Plan that would support the foundation of the board system and provide guidance in the operations of the neighborhood commission office and neighborhood boards. It is also noted that some of the recommendations are not within our authority to change, but would require action by the Honolulu City Council or the voters of the City and County of Honolulu.

Having joined the Neighborhood Commission Office six months ago as the Executive Secretary, I have already begun to take steps to address some of the issues raised in your findings and to open dialogue with board members and commissioners to bring about needed changes.

Many issues relate directly to the Revised Neighborhood Plan (RNP) and the inability of the Commission and our office to act on issues. In June 2006, the Commission formed a permitted interaction group to meet to conduct a line-by-line review of the draft RNP. These Saturday meetings began on July 1, 2006. It should be noted that in 2002 there was a review of the RNP and proposed amendments were made by a working group at that time. Some of these individuals continue to participate in the review process today, and their previous work deserves full consideration. Under the leadership of Chair Grant Tanimoto, newly appointed in May 2006, the Commission has adopted an ambitious timeline for public hearings by the end of this calendar year. In my view, the RNP will serve as the most critical tool in our efforts to deal with flaws and shortcomings of the neighborhood board system.

Mr. Tanaka
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August 7, 2006

It is important to recognize, however, that the RNP is made up of rules which have the force and effect of law and would not be the appropriate tool in which to measure goals and objectives. I believe that a separate document would be more appropriate and would allow for flexibility as goals and measures change over time.

We have already begun discussion with the commission to address budgetary issues. In the past, while neighborhood boards have been allowed to transfer funds between operating, publicity or refreshment accounts, it should be noted that boards rarely expended more than their total appropriated funds. At its meeting held on June 26, 2006, the commission reactivated its budget committee and many of the issues identified in your report will be reviewed.

With reference to the recommendation to move the neighborhood commission office out from the Managing Director's Office, we strongly disagree. The charter mandates that appointed staff fall within the office of the Mayor or Managing Director. And, it should be noted that the recommendation to change staff positions to civil service positions was put to the voters of the City and County of Honolulu twice before and was denied. I believe that the voters have made their opposition very clear in this matter.

In addition to general concerns about moving the neighborhood commission office by charter amendment, we disagree specifically with the audit's recommendation to attach neighborhood boards to another city agency instead of continuing to keep them directly under the neighborhood commission. Neighborhood boards are unique entities within the city that serve in an advisory capacity to the city and also serve as a forum for the public, independent of the city. Neighborhood boards are also uniquely different from other city boards and commissions because neighborhood board members are elected. Neighborhood boards were created to serve their respective constituencies. Attaching the neighborhood boards directly to a city agency may arguably make the neighborhood boards more like general city entities, may jeopardize their independence and would be contrary to the purpose of their creation to serve their neighborhoods.

Formal training programs for commissioners, board members and neighborhood commission staff are a high priority. Discussions have already begun with the commission to reactivate its standing committee to focus on training programs.

As mentioned on page 30 of your report, "the city (under Mayor Hannemann's administration) has made a good faith effort to ensure that the neighborhood commission and board members have necessary training to comply with the state's sunshine law requirements...". With the absence of any specific penalty for non-compliance, it is difficult for the city to ensure that all members are trained. The city, however, will continue its efforts to train the neighborhood commissioners and board members in the sunshine law.

The managing director's office, after monitoring the neighborhood commission office, has made operational changes. The evaluation process will be ongoing to measure its performance.

Lastly, I am pleased to note that the composite scores for the board member survey specifically relating to the neighborhood commission office are within the "agree to strongly agree" range. I have tasked my staff with a higher level of standards, with greater expectations, and with challenges that will utilize their strengths and overcome complacency and status quo.

Mr. Tanaka
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I welcome the results of your audit and view it as a positive baseline from which we can measure our progress and from which we can only succeed. I look forward to working together with the mayor, the managing director, the neighborhood commission and the neighborhood board chairs to "increase and assure effective citizen participation in the decisions of government."

Sincerely,


JOAN A. MANKE
Executive Secretary

cc: Wayne M. Hashiro, P.E., Managing Director
Grant Tanimoto, Chair, Neighborhood Commission