

## **I - EXECUTIVE SUMMARY**

The City and County of Honolulu is generally well-managed. In fact, Honolulu's managers are among the brightest, most professional, and most service-oriented we have encountered in our many consulting engagements. There are, however, a number of opportunities to reap substantial operating efficiencies, often while enhancing the quality of service to the public. This report of our reconnaissance study of the city government outlines a number of specific steps which can be taken to achieve these efficiencies and improvements, and highlights a number of areas meriting further study. This chapter highlights the major findings and recommendations in each department reviewed, and summarizes the staffing and budget implications of the recommendations.

### **POLICE DEPARTMENT**

The Honolulu Police Department (HPD) is the primary law enforcement agency on Oahu. It provides a full range of typical police services including responding to calls for service and other incidents, performing follow-up investigations of crimes, enforcing various laws and ordinances, and working with the community to minimize crime and fear. The Department is staffed with nearly 2,500 permanent positions, including nearly 2,000 sworn police officers, and has an annual operating budget of nearly \$120 million, not including benefits.

The level of violent crime in Honolulu is very low compared with the rest of the nation and compared with other large cities. The property crime rate is higher than national averages, although the rate is inflated somewhat by Honolulu's large number of visitors. The HPD's performance according to such measures of response time, crime solution, and working relationship with the Prosecuting Attorney is generally solid.

#### **Patrol**

Regular beat patrol officers work evenly-staffed rotating shifts. The calls-for-service workload, however, is not even throughout the day. As a result, there are some times of day when not enough officers are on duty to be sufficiently responsive, and other times of day when more officers are on duty than necessary. There are similar variations in workload across patrol districts. Moreover, the average call workload per officer is somewhat lower than expected. It is recommended that patrol staff allocations be adjusted to better match the pattern of call workload throughout the day and across districts, while maintaining a high level of responsiveness to citizens and a reasonable workload for officers. A specific plan for adjusting the patrol allocation is presented in the report, along with a plan for officer shift scheduling that will continue to meet contract parameters. Annual savings of approximately \$2.2 million are possible as a result.

The HPD should also expand its successful Alternative Call Servicing (ACS) program. The program, which gives citizens the option of handling certain routine cases over the telephone rather than in person, offers a much more efficient way of handling certain calls. The program does not yet operate on weekends however, and its current cost structure is higher than necessary because it is staffed exclusively with officers and their utilization is below potential. The Department should expand ACS coverage to weekends, increase staff slightly, and change the mix of staff to include civilians. Savings of nearly \$600,000 can be achieved.

The Department's vehicle program includes a mix of 1245 unmarked subsidized cars, and approximately 110 marked cars shared by 259 patrol officers. With such a heavy reliance on unmarked cars, the HPD fails to project the visibility that such a large number of cars ordinarily would provide. Moreover, because only the marked cars have prisoner shields, there can be delays in the field in waiting for a "blue and white" to come and transport a suspect. We recommend converting to a take-home car plan featuring all marked cars purchased (or leased) by the city. Because the operating costs of a police fleet tend to be proportional to total miles driven rather than the number of cars in stock, we estimate that the city can convert to this plan at a relatively small annual cost, while achieving substantial benefits in HPD visibility and operational flexibility.

### **Community Policing and Intervention Programs**

The Department has undertaken a number of innovative programs that emphasize crime prevention, early intervention, and improved communication with the community. Unlike some other police departments who have invested inordinate resources into "innovative" programs with little to show as a result, the HPD has taken a balanced approach to investing in such programs and can demonstrate signs of success. The Department should continue to implement a community oriented policing philosophy throughout the Department, but proceed with care. In particular, it should keep its activities tied to crime and fear-related issues, maintain a focus on results, continue to leverage external resources, and set reasonable expectations for what specialized and regular beat patrol officers can accomplish.

In the area of youth programs, the HPD has been considering how best to coordinate various programs within the Juvenile Crime Prevention Division and the Community Relations Division. We encourage the Department to consolidate these programs within one division to achieve greater coordination and to achieve operating efficiencies.

### **Investigations**

The Criminal Investigations Division operates according to sound case management practices, and its staff are assigned full case workloads. If the

Department proceeds with a planned decentralization of property crime investigations, it should proceed cautiously to preserve the success that has already been attained.

The primary opportunity for efficiency within investigations is to make the rank structure more flexible. Currently, almost all criminal investigators have a rank equivalent to sergeant. The Department can reduce its costs by close to \$500,000 and achieve greater flexibility in staff assignment throughout the Department by adjusting the rank structure in investigations to include a mix of officers at the police officer and sergeant levels.

### **Other HPD Operations**

The Department spends an excessive amount of money on stand-by pay for officers who have been subpoenaed by the Prosecuting Attorney to be available to appear at court proceedings with no fixed dates. Over the long-term, the city should work with the Judiciary to determine if scheduling practices can be adjusted to achieve greater certainty and predictability in case scheduling. In the near-term, the HPD and Prosecuting Attorney should take steps to obviate the need for subpoenas, and to ensure officer attendance in court through more cost-effective means. Specifically, we have suggested establishing a court liaison unit within the HPD to ensure such attendance. If this unit can help reduce stand-by pay by just 50 percent, net annual savings will be nearly \$800,000.

The HPD's Central Receiving Unit processes and holds the majority of arrestees on Oahu. It is presently staffed almost exclusively with sworn police officers. We recommend that the HPD use primarily civilian staff in Central Receiving, either directly or under contract with the State Department of Public Safety. Annual savings are projected to be \$200,000.

### **Criminal Justice System**

There are clear indications that the criminal justice system is out of balance. Specifically, the HPD and Prosecuting Attorney have more capacity to arrest and prosecute than the state's Judiciary and Corrections operation have to judge and punish. As long as this situation continues, the HPD will be frustrated in its attempts to reduce property and other non-violent crime. The city should work with the state to move the criminal justice system into greater balance, particularly by identifying cost-effective means to expand judicial and correctional capacity.

## **FIRE DEPARTMENT AND EMERGENCY MEDICAL SERVICES**

Fire and EMS operations are discussed in the same chapter because they are both part of the same emergency medical response system, and because there is potential for greater integration of their operations.

The Honolulu Fire Department is the primary fire protection and rescue agency on the island of Oahu. Its core fire protection services are provided through 39 engine companies and 13 ladder companies (as of April 1994), along with several other specialized companies, located throughout the island. The Department is authorized 1,065 employees and has an operating budget of \$45 million, not including benefits. It responds to approximately 11,000 calls for service per year. The largest category involves "first responder" services to emergency medical calls. Just 27 percent are fire related, and just 4 percent (about one per day) involve structure fires.

Emergency medical services are provided by the EMS Division of the Health Department, under contract to the state. The Division operates 16 ambulances from sites around the island, including some co-located with fire stations. The Division is authorized 212 positions, and has an operating budget of \$10.5 million, not including benefits. The EMS Division comprises more than 90 percent of the staff and budget of the Health Department.

### **Fire Protection Concepts**

Certain basic concepts are central to considering fire suppression service and costs:

- The number of fire stations/companies should reflect a balance between the level of responsiveness expected by the community and the costs involved. The primary measure of responsiveness is the time it takes for an engine to travel from the station to the scene of a fire call.
- Small increases in response time have only a marginal impact on public safety. Engine response time is just one component of several in the response to a fire. It often takes longer to detect, call in, and dispatch a fire than to respond, so marginal reductions in response time may have minimal impacts on the overall response.
- Fire stations/companies should be located to avoid overlaps in primary coverage areas. Once one decides what the maximum acceptable response time should be, first-due boundaries for each station can be drawn based on travel speed assumptions. There is little value in enabling more than one company to respond within the first due target.

- The number of staff assigned to an apparatus is often less important than the total number responding to a fire scene. The frequency of real working fires is quite small compared with the total volume of fire calls. When working fires do occur, they are never fought by one company alone. The capacity to fight the fire is determined by the total amount of resources at the scene.

### **Station Location and Apparatus Deployment**

We conducted a thorough examination of HFD station location and apparatus deployment using a sophisticated geographic modeling tool tailored to Honolulu. The analysis assumed a maximum engine travel time of four minutes island-wide, and three minutes in selected high-density, high-value areas. The analysis assumed a maximum ladder response time of eight minutes island-wide, and 6 minutes in selected high-density, high value areas. Since these standards are maximums, most calls would be responded to in half this time. These assumptions reflect an extremely high level of service that exceeds what many other cities expect.

Our analysis shows that there are several clear areas of overlap, as well as some gaps in engine and ladder coverage under the current apparatus deployment pattern. We therefore recommend a reconfiguration of the engine and ladder deployment to eliminate most of the overlaps, and to fill the gaps. As a result, one ladder will need to be re-assigned stations, while three engines and three aerial companies can be discontinued. The new configuration will not result in any perceptible decrease in citizens' safety while enabling the city to save approximately \$4.1 million per year in operating costs.

### **Company Structure**

The Department is in the process of converting its apparatus staffing to an island-wide standard: a minimum of four fire fighters on an engine and five on a ladder (including one captain on each). Although staffing a minimum of four on an engine is quite appropriate (some cities run with three), there is no need to staff a minimum of five on a ladder. Just two fire fighters are needed to erect the ladder, with the remaining fire fighters present to provide general support at the fire scene. Moreover, at any working fire, several companies with one to two dozen (depending on location) fire fighters will be dispatched to the scene immediately; the marginal benefit of one or two extra ladder-based fire fighters is quite small. That is why many fire departments in the U.S. and Canada use a minimum of just four on a ladder, or even three. Honolulu should convert its minimum ladder staffing from five to four, saving more than \$1.3 million in annual operating costs.

## **Relief Practices**

To ensure proper minimum staff at all times on each apparatus, the Fire Department needs to employ extra fire fighters to provide relief for absences due to illness, vacation, and other reasons. The Department has chosen to provide relief by allocating one extra fire fighter per company. For example, five are assigned to an engine to ensure that four will be on duty at any one time. Although this system has the advantage of simplicity and reliability, it also provides far more relief than needed to ensure that minimum staffing standards are met. In fact, analysis of fire fighter absence statistics suggests that the department employs 94 more fire fighters than are needed to fill the number of absences. We recommend, therefore, that the Department reduce the number of staff available for relief by assigning an extra fire fighter to just over half, not 100 percent, of all fire companies. At the same time, the Department should establish a pool of trainee positions to ensure that routine turnover does not leave essential field positions vacant. Altogether, these changes will still provide a margin of 16 more fighters than strictly necessary for relief (to ensure that the recommendation is easy to manage), while saving the Department at least \$2.3 million per year.

## **Organization and Management**

The Fire Department is in the process of reorganizing at both the administrative and company levels. Aside from our recommended changes in station location, ladder deployment, and ladder staffing, we encourage this reorganization to proceed. Among other things, it will provide needed resources to Fire Prevention, and will add to the management capacity at the Battalion level.

Other improvements to Fire Department management are possible through a greater reliance on quantitative analysis. The Department would be well-served in its future planning to develop the capacity to analyze such critical issues and trends as station location, relief factors, and company responsiveness more systematically.

## **EMS Governance**

The State of Hawaii sets standards, supplies funding and training, and provides detailed operational oversight of all county EMS operations. From a financial perspective, the most distinctive feature of this approach is that it represents a subsidy by Honolulu's economy of EMS services on the less populated (and more expensive to serve) islands. From an operational perspective, it prevents Honolulu from exercising the control over EMS operations that most local governments around the country enjoy.

Given its size and competence, the city should lobby the state for more control over its EMS operations. Ideally, the state would devolve all responsibility for EMS back to the local governments, with a concurrent reduction in taxes. Realistically,

the current financial structure is likely to continue. At the very least, then, Honolulu should seek greater operational control. For example, Honolulu could receive a lump sum grant for EMS services from the state, agree to meet certain general service standards, and be free to make most critical operations decisions on such issues as staffing, scheduling, and deployment on its own. This would enable managers to better tailor the service to local needs, and more reasonably be held accountable for the quality of service.

### **Fire and EMS Integration**

The Fire Department and EMS Division are already a part of the same emergency response system. An analysis of call patterns in both departments suggests that some greater integration of the two departments could lead to substantial cost savings while maintaining a high level of service. Indeed, it is possible that some of these savings could be used to fund needed enhancements to the EMS service. Before rushing forward to integrate the departments on a mass scale, however, the city needs to confront a host of very real obstacles, which include differences in contracts, union representation and organizational culture between the two groups, as well as a fundamental concern for mutual respect and commitment to service quality objectives.

We recommend, therefore, that the city begin by experimenting with an integration of Fire and EMS companies in just seven low-volume locations. In these locations, a single Fire/EMS company with a minimum staff of five could respond to both Fire and EMS calls. Staff would be cross-trained, and projected annual savings would exceed \$1.2 million. The city would then evaluate this experiment to determine whether it makes sense to continue, and/or to expand integration more broadly. Careful planning and negotiation, including negotiation with the state, are prerequisites to making this experiment work.

### **PUBLIC WORKS DEPARTMENT**

The Public Works Department oversees the acquisition, design, construction and maintenance of the city's public infrastructure. It also provides refuse collection and disposal services, and maintains most of the city's automotive fleet. The Department has more than 1,300 authorized positions, and an annual operating budget of more than \$140 million, not including benefits. \$84 million of this budget is accounted for as "current expense," most of which support the H-Power waste to energy facility, operated under contract. Refuse Collection is the largest division, with 587 authorized positions, or 45 percent of the Department total.

## **Refuse Operations**

Refuse collection operations are far less efficient than their potential. There are four main reasons:

- The city has not implemented wide scale automation of its collection vehicles, which enables the crew size to drop from three to one, and greatly reduces stress and potential injury for the remaining operator;
- The operators' Ukupau, or task system, has been designed to allow them to work an average of just three and a half hours per day;
- The Division has not been allocated sufficient staff for relief - as a result, an excessive number of hours are logged on overtime, at time and a half;
- The city continues to offer twice a week collection despite the fact that the second pick-up of the week collects substantially less trash.

Department managers have clearly been aware of the first two problems. In fact, they have been able to establish one experimental automated route which has demonstrated its efficiency (as it has in dozens of other cities). Little progress has been made toward capturing these opportunities on a broad scale, however, largely due to the lack of agreement with the UPW on a plan of action.

We recommend that the city move forward aggressively to capture these huge efficiencies. If it makes all the recommended changes - automating all routes amenable to automation, expecting a more reasonable day's work under Ukupau, switching to once a week collection for automated routes, and providing sufficient relief - annual savings of \$9.4 million are possible.

Given the magnitude of these potential savings, the city should take steps to capture the efficiencies more aggressively than simply through attrition. We are not suggesting that staff be laid off. Rather, if the changes were implemented immediately, a pool of several hundred refuse collection staff could be created to work on other, temporary projects for the city. These might include in-house resurfacing of streets, or improvement of park facilities. The city and UPW might agree on some other set of tasks that would be even more appropriate.

## **Land Acquisition**

Staff in the Abstract Section of the Land Acquisition perform numerous title searches without the benefit of technology. They conduct their research from paper records at various state facilities. And yet, private title search companies have already invested in computerized databases of these same records, and will gladly provide title search services to the city for a fee. Our analysis of the internal



vs. contracted out costs reveals that it will be considerably less expensive for the city to contract out this research, under the coordination and review of city staff. Potential savings are approximately \$150,000.

### **Road Maintenance**

In general, the Road Maintenance Division does an excellent job at planning and implementing a program to keep Honolulu's roads in relatively good condition. It is recommended that the Division explore further certain preventive maintenance techniques that may enable the useful life of Honolulu's roads to be extended even further.

## **PARKS AND RECREATION DEPARTMENT**

The Parks and Recreation Department offers a broad array of cultural, recreational and leisure opportunities for citizens and visitors. Building on the island's foundation of natural beauty, it offers "passive" recreation at a large number of beaches, shoreline parks, and other parks, along with related water safety services; organized recreation and instruction programs; island-wide beautification projects; and special interest programs and activities at city golf courses, botanic gardens, and the zoo. The Department also serves the community through its recreation centers, which offer swimming, gyms, and spaces for gatherings. Altogether, the department maintains approximately 434 sites and nearly 6,000 acres of land.

The Department is authorized 1,161 full time permanent staff, and 339 temporary and contract positions. Its operating budget is approximately \$52 million, not counting benefits.

### **Programs, Fees, and Planning**

The Department provides a broad array of programs under a variety of fee arrangements. Although Department managers are clearly very service oriented, and there are mechanisms for both Council and community input, the Department has not had occasion to perform a systematic, comprehensive strategic review of its program mix and fee structure. Moreover, there are signs that the current mix of fees may be less than optimal. It is recommended that the Department undertake a strategic review of its programs and fees that addresses:

- Community interests and needs;
- Satisfaction and participation in current programs;
- The mix of programs and fees offered by other providers;

- Priorities for service, and how these can be reflected in consistent fee policies.

### **Parks Maintenance and Recreation**

The Department provides a high quality of maintenance service in its parks and other facilities. There is potential to maintain this high level of service while gaining greater productivity from its maintenance staff. In fact, detailed inspections of a set of sample parks suggest that staff may be operating under their capacity by as much as 30 percent.

Boosting productivity will require at least two steps: 1) increasing supervisory capacity to ensure a manageable span of control, and 2) using greater flexibility in assigning maintenance staff to multiple parks. We are confident that taking these two steps will enable the Department to achieve a near-term 10 percent increase in productivity, resulting in an annual savings of approximately \$600,000. Quality control can be further enhanced by enabling recreation staff to more formally rate the performance of maintenance staff at their parks.

Additional efficiencies may be possible by placing mowing crews on a task system. Of course, the task system would need to be calibrated to ensure that staff work a reasonably long day.

### **Maintenance Support Services and Facilities Development**

The overall record of Maintenance Support Service's (MSS) responsiveness to parks' maintenance requests appears to be a decent one. There are signs of unevenness in service by area, however, and concerns that a portion of legitimate work requests may never get completed. These problems are exacerbated by poor performance reporting and communication between MSS and other divisions of the department. As a first step, MSS and the Parks Maintenance and Recreation Division should focus on developing a work management and reporting system that will enhance communication and accountability among all staff concerned with parks maintenance. This information can then be used to address problem areas as needed, or to reorder priorities. Beyond the basic work management system, the Department should also plan to implement a paperless work ordering system. This will speed communication of maintenance needs, and make it easier to keep the work management database up to date.

Another key maintenance problem has been the Department's inability to plan and implement budgeted major maintenance programs. We recommend that the Department make a priority of ensuring that budgeted monies for these "work programs" are spent on schedule, and suggest a number of options to address the problem.

The efficiency of MSS operations can be improved by restructuring the level of staff assigned to trades crews, and the flexibility with which they are deployed. Savings from these changes are projected to be approximately \$70,000.

## **PUBLIC TRANSIT AUTHORITY**

The Honolulu Public Transit Authority (HPTA) is a semi-autonomous agency established through a recent charter amendment to oversee the city's transit operations, including TheBus, TheHandi-Van, and Private Enterprise Participation programs. The HPTA began full operation on January 1, 1992.

The HPTA administration has 27 authorized positions, and a budget of approximately \$1.7 million. The total HPTA budget, including funding to contractors, exceeds \$100 million.

Day to day operation of TheBus is managed by Oahu Transit Services (OTS), a private, non-profit company. OTS hires, trains, and schedules drivers; conducts labor relations; maintains the buses, and supervises bus operations. The city provides operational funding, buses, facilities, and other equipment and supplies to for OTS use. The HPTA provides general operational oversight and planning, and conducts marketing and community relations activities. The Department of Transportation Services, in conjunction with others, manages citywide transportation planning, and handles development of required plans and reports to the Federal Transit Administration. The City Council retains overall policy control through its control of bus fares and the HPTA budget.

### **Operations**

By many measures, TheBus is already operating quite efficiently. The primary operational need is to expand system capacity to provide more adequate levels of service: there are many examples of overcrowding. The city therefore needs to consider the best way to provide a stable long term source of funding that can support such growth. The report explores several alternatives, and concludes that, at least, the Council should establish a target percentage of revenues to come from the rider fares, and to rely primarily on fares to fund system enhancement.

### **Organization and Governance**

The creation of the HPTA generated some controversy, and we have been asked to consider its organization and governance. The report explores the advantages and disadvantages of the current structure and several alternatives.

It is clear that in its first two years of existence, the HPTA has attained a number of accomplishments in planning, analysis, operational improvement, and public participation. It has also helped to promote a much-needed fare increase.

We are not convinced, however, that the HPTA structure is necessary to make such accomplishments happen. Indeed, such accomplishments ought to be possible within a regular department structure. Moreover, the HPTA structure has contributed to a fragmentation of transportation planning, organizational friction with DTS, and slightly higher administrative costs.

Alternatives to consider include, on the one hand, a strengthening of the HPTA roles to include authority over fares and budgets; and, on the other hand, an elimination of the HPTA altogether. We view the first alternative as inappropriate for Honolulu. General fund revenues provide such a high proportion of the funding that Council, not an unelected authority, is the more rightful source of control. Moreover, Honolulu does not contain multiple jurisdictions that would make an inter-jurisdictional authority a necessity. We therefore conclude that the transit system would be best overseen within a regular department structure, such as DTS, and that the city should consider reverting to this arrangement over the long term. Of course, given the effort and resources that have gone into establishing the HPTA, it would be understandable if the city deferred action on this recommendation.

## **OTHER DEPARTMENTS AND ISSUES**

### **Transportation Planning**

In the wake of the demise of the Rapid Transit Project, the Department of Transportation Services has re-assigned some of its rapid transit development staff to perform transportation planning. The new unit is authorized 16 positions, and its roles are still being defined. Based on a reconnaissance-level analysis of plans for this group, we believe that excessive resources have been devoted to this function, particularly in light of possible overlaps in responsibility with other groups both within and outside of DTS. The size and role of the Transportation Planning Group should be reviewed in more detail, with the intention of streamlining this group and its functions.

### **Motor Vehicle Licensing**

There are opportunities to reduce costs within motor vehicle licensing through changes in state laws that require unnecessarily frequent renewals for young drivers, and excessive written testing for drivers renewing their licenses. Applying technology to the written testing will also enhance efficiency.

## **Safety and Worker's Compensation**

The city already has the elements of a sound program to address safety and worker's compensation issues. The primary potential for improvement in this area involves more creative operational approaches that can improve safety and reduce costs, and, most importantly, changes in the state legal framework which contribute to the high costs.

### **IMPLICATIONS**

Implementing all the recommendations outlined in this report will enable the city to eventually achieve annual savings of more than \$23 million, and to discontinue 545 positions. At least as important, these savings can occur without diminishing the quality of services citizens receive, and, in many cases, will enhance the level of services provided.

It is not our intention or the city's that these recommendation result in layoffs. Rather, through managed attrition, the city can reap substantial savings while treating its workers equitably.

A summary of the recommendations' staffing and budget implications, as well as suggestions for implementation, are presented in chapter X. The chapter presents our recommendations as to priorities for additional attention and study. In our view, the city would be best served by focusing first on ways to achieve implementation of the major recommendations in this report, and then turning to the potential for improvement in other departments.

Full implementation of all this report's recommendations will take several years. What is critical to long term success is gaining broad agreement soon to move forward with these changes, and to begin the path of action.