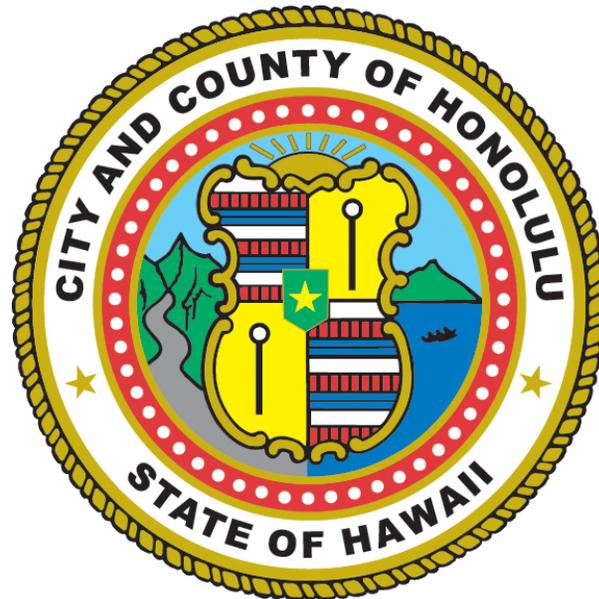


Chapter 1 - Overall Spending, Staffing and Accomplishment of City Priorities

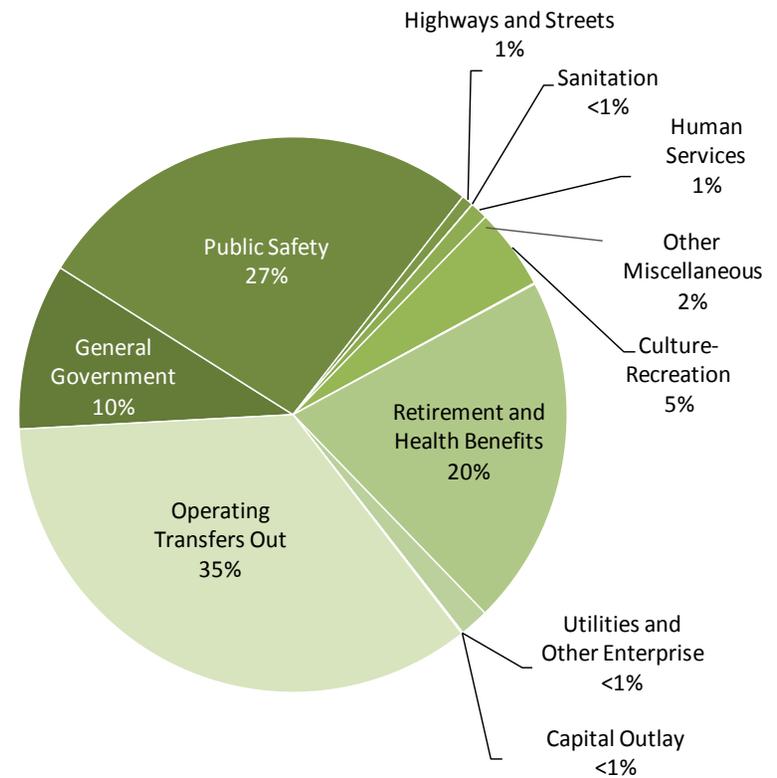


Overall Spending

Honolulu, like other cities, uses various funds to track specific activities. The General Fund is designated for all general revenues and governmental functions including public safety, human services, and highways and streets. Community and customer services, design and construction, emergency management and emergency services, fire, information technology, parks and recreation, police, and legislative and support services are also supported by general city revenues and program fees.

The pie chart to the right shows where a General Fund dollar goes. Total General Fund spending increased 30% over the last five years. In the past five years the largest increases were attributed to highways and streets, human services, and retirement and health benefits, which increased 335%, 236%, and 50%, respectively. The largest decreases in the past five year were to sanitation (94%), and capital outlay (70%).

General Fund¹



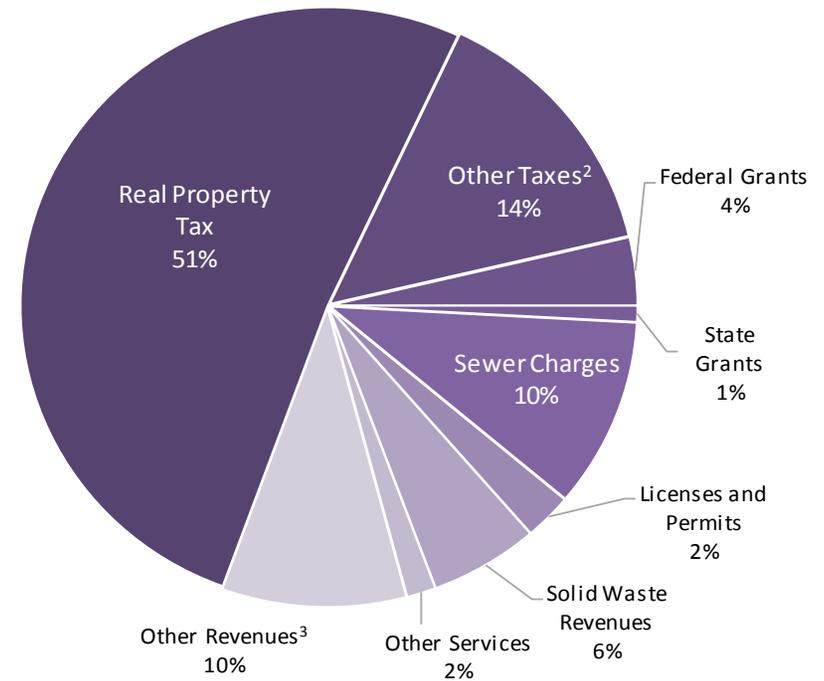
	General Fund (\$ millions)												Total
	General Government	Public Safety	Highways and Streets	Sanitation	Human Services	Culture-Recreation	Utilities and Other Enterprise	Retirement and Health Benefits	Other Miscellaneous	Debt Service	Capital Outlay	Operating Transfers Out	
FY 2015	\$135.01	\$365.20	\$2.59	\$3.82	\$5.08	\$62.01	--	\$222.86	\$23.79	\$0.92	\$3.97	\$432.80	\$1,258.05
FY 2016	\$137.77	\$380.88	\$4.52	\$3.48	\$13.89	\$67.94	--	\$246.13	\$25.01	\$0.55	\$4.90	\$508.89	\$1,393.95
FY 2017	\$149.84	\$409.08	\$7.55	\$1.01	\$14.36	\$67.91	\$0.08	\$261.14	\$28.26	--	\$8.49	\$485.66	\$1,433.30
FY 2018	\$152.49	\$421.92	\$10.17	\$0.15	\$15.76	\$72.74	\$0.01	\$287.68	\$32.31	--	\$1.49	\$494.56	\$1,489.27
FY 2019	\$158.38	\$437.24	\$11.27	\$0.24	\$17.09	\$77.56	\$0.95	\$334.13	\$27.95	--	\$1.20	\$567.01	\$1,632.06
Change from last year	4%	4%	11%	56%	8%	7%	13400%	16%	-14%	--	-20%	15%	10%
Change over last 5 years	17%	20%	335%	-94%	236%	25%	--	50%	17%	--	-70%	31%	30%

Source: Honolulu Comprehensive Annual Financial Reports (FY 2015-2019) ¹Percentages do not total 100% due to rounding.

The primary sources of operating revenues used to support city functions include real property tax, federal and state grants, sewer charges, charges for licenses and permits, solid waste revenues, charges for other services, and other revenues. Various other taxes, including the fuel tax and motor vehicle tax, are also sources of revenue.

The city’s financial policy regarding revenues requires the city to maintain a very high tax collection rate (over 98%) and places emphasis on user fees to finance municipal services. This policy also requires the city to review all revenue schedules and maintain an adequate sewer fee structure. Moreover, the city must make every effort to maximize investment income and diligently seek federal, state and other revenues to fund current and new programs. City revenues are diversified to reduce dependency on property tax and temporary revenues.

Funding Sources¹



	Operating Resources (\$ million)									
	Real Property Tax	Other Taxes ²	Federal Grants	State Grants	Sewer Charges	Licenses and Permits	Solid Waste Revenues	Other Services	Other Revenues ³	Total ⁴
FY 2015	\$951.78	\$327.39	\$87.64	\$8.75	\$317.00	\$54.05	\$122.70	\$34.35	\$238.06	\$2,141.73
FY 2016	\$1,007.14	\$317.73	\$82.76	\$10.91	\$350.90	\$55.20	\$113.44	\$32.44	\$139.28	\$2,109.81
FY 2017	\$1,089.86	\$305.42	\$82.83	\$11.58	\$335.84	\$56.32	\$136.38	\$34.22	\$147.81	\$2,200.26
FY 2018	\$1,178.60	\$320.93	\$95.49	\$11.49	\$284.12	\$56.34	\$131.66	\$37.30	\$163.04	\$2,278.97
FY 2019	\$1,276.14	\$356.22	\$90.91	\$21.31	\$254.55	\$62.20	\$141.93	\$37.61	\$240.62	\$2,481.49
Change from last year	8%	11%	-5%	85%	-10%	10%	8%	1%	48%	9%
Change over last 5 years	34%	9%	4%	143%	-20%	15%	16%	9%	1%	16%

Source: Executive Operating Program and Budget (FY 2019-2021). ¹Percentages do not total 100% due to rounding. ²Other Taxes includes Fuel Tax, Motor Vehicle Weight Tax, Public Utility Franchise Tax, Excise Tax Surcharge (Transit), Transient Accommodations Tax, and Public Service Company Tax. ³Other Revenues includes Bus Transportation Revenues. ⁴Not including Carry-Over revenues.

Per Capita Spending

Based on the U.S. Census Bureau estimates, Honolulu has a population of 980,080 residents.

Proprietary Funds are used for services such as sewer, public transportation, solid waste, highways, and housing. These services are generally supported by charges paid by users.

Other funds are for services such as highway, bikeway, parks and playgrounds. Additional funds include liquor commission, post-employment benefits reserves, affordable housing, and rental assistance funds. Other funds are allocated for zoo animal purchase, the Hanauma Bay Nature Preserve, and fiscal stability reserve funds. There are also funds for land conservation, clean water and natural lands, and community development. Additional funds cover golf, special events, special projects, and farmers' home administration loan funds.

Funds also exist for general improvement bonds, highway improvement bonds, sewer revenue bonds, capital projects, and municipal stores. Federal grants, housing and community development, and Section 8 funds contain federal grants.

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

Source: Department of Budget and Fiscal Services, Legislative Branch

	Per Capita Cost by Function ¹												
	General Government	Public Safety	Highways & Streets	Sanitation	Human Services	Culture-Recreation	Utilities & Other Enterprises	Retirement & Health Benefits	Other Miscellaneous	Debt Service	Capital Outlay	Operating Transfers Out	Total
FY 2015	\$136.57	\$369.42	\$2.62	\$3.87	\$5.14	\$62.73	--	\$225.43	\$24.06	\$0.93	\$4.02	\$437.79	\$1,272.58
FY 2016	\$138.72	\$383.50	\$4.55	\$3.50	\$13.98	\$68.41	--	\$247.82	\$25.18	\$0.55	\$4.93	\$512.39	\$1,403.54
FY 2017	\$150.96	\$412.12	\$7.60	\$1.02	\$14.47	\$68.41	\$0.08	\$263.08	\$28.47	--	\$8.56	\$489.28	\$1,444.05
FY 2018	\$154.24	\$426.77	\$10.28	\$0.16	\$15.94	\$73.57	\$0.07	\$290.99	\$32.68	--	\$1.51	\$500.24	\$1,506.44
FY 2019	\$161.60	\$446.13	\$11.50	\$0.25	\$17.44	\$79.13	\$0.96	\$340.92	\$28.51	--	\$1.22	\$578.53	\$1,666.19
Change from last year	5%	5%	12%	60%	9%	8%	1262%	17%	-13%	--	-19%	16%	11%
Change over last 5 years	18%	21%	339%	-94%	239%	26%	--	51%	18%	--	-70%	32%	31%

Source: Honolulu Comprehensive Annual Financial Reports (FY 2015-FY 2019) and Hawai'i State Data Book (2018). ¹Per Capita spending is the total operating expenditures of each department divided by the population of the City and County of Honolulu.

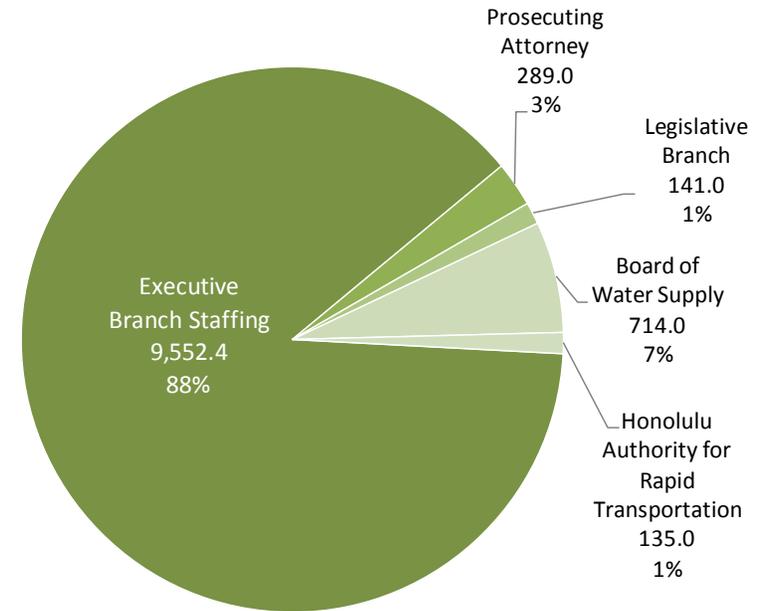
Authorized Staffing

City staffing is measured in full-time equivalent staff, or FTEs. In FY 2019, there were a total of 10,832 authorized FTE citywide¹. Citywide filled positions totaled 9,051 FTE and vacant positions were 1,781 FTEs.

The executive branch was authorized 9,552 FTE and filled 8,060 FTE positions. The executive branch vacancy rate was 15.6% or 1,493 FTE in FY 2019. The legislative branch was authorized 141 FTE and filled 136 FTE positions. The legislative branch vacancy rate was 3.5% or 5 FTE in FY 2019.

Over the last five years, total citywide FTE (including authorized temporary positions) increased 4% and the vacancy rate increased 2%. In the executive branch, authorized FTE staffing increased 1% and vacant FTE increased 18% between FY 2015 and FY 2019.

Authorized Full-Time Equivalent Staffing^{1,2,3} (FY 2019)



	City Staffing Total Authorized (FTE)											
	Total Citywide (FTE) ¹				Executive Branch (FTE) ²				Legislative Branch ³ (FTE)			
	Total City FTE	FTE Filled	Vacant	Vacant (Percent)	Total	Filled	Vacant	Vacant Percent	Total	Filled	Vacant	Vacant Percent
FY 2015	10,446.9	8,913.6	1,533.3	14.7%	9,456.9	8,195.6	1,261.3	13.3%	137.0	131.0	6.0	4.4%
FY 2016	10,475.9	9,034.5	1,441.4	13.8%	9,191.9	8,046.5	1,145.4	12.5%	142.0	136.0	6.0	4.2%
FY 2017	10,576.3	8,981.7	1,594.6	15.1%	9,283.3	7,973.7	1,309.6	14.1%	145.0	138.0	7.0	4.8%
FY 2018	10,768.2	8,907.0	1,861.2	17.3%	9,482.2	7,907.0	1,575.2	16.6%	141.0	136.0	5.0	3.5%
FY 2019	10,831.5	9,050.8	1,780.6	16.4%	9,552.4	8,059.8	1,492.6	15.6%	141.0	136.0	5.0	3.5%
Change from last year	1%	2%	-4%	-1%	1%	2%	-5%	-1%	0%	0%	0%	0%
Change over last 5 years	4%	2%	16%	2%	1%	-2%	18%	2%	3%	4%	-17%	-1%

Source: Department of Budget and Fiscal Services. ¹FTE excludes personal services contract staff. Percentages do not total 100% due to rounding. ²See PAT, HART and BWS chapters for agency FTE information. ³Legislative Branch includes the Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor.

Overtime Expenditures

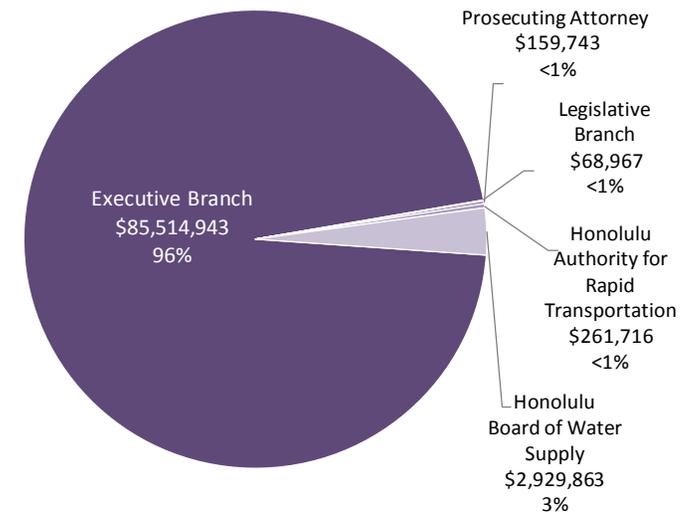
Over the last five years, total city overtime expenditures increased by 61% and non-holiday overtime expenditures increased 83%. In the executive branch, total overtime expenditures increased 62% and non-holiday expenditures increased 75%. In the legislative branch, total overtime expenditures increased 45% and non-holiday expenditures increased 55%.

Over the last five years, total overtime expenditures for the Honolulu Board of Water Supply increased 33% from \$2.20 million in FY 2015 to \$2.93 million in FY 2019.

In FY 2019, total overtime expenditures for the Honolulu Authority for Rapid Transportation were \$261,716 an increase of 75% over \$149,855 in FY 2018.

Total overtime expenditures for the Prosecuting Attorney’s Office increased 1,158% over the last five years from \$12,700 in FY 2015 to \$159,743 in FY 2019.

Overtime Expenditures^{1,2} (FY 2019)



	City Overtime Expenditures					
	Citywide (\$ millions)		Executive Branch (\$ millions) ²		Legislative Branch ³	
	Total Overtime Expenditures	Non-Holiday Expenditures	Total Overtime Expenditures	Non-Holiday Expenditures	Total Overtime Expenditures	Non-Holiday Expenditures
FY 2015	\$55.15	\$39.08	\$52.76	\$39.04	\$47,577	\$40,370
FY 2016	\$58.80	\$42.88	\$56.29	\$42.85	\$9,758	\$9,505
FY 2017	\$66.41	\$47.79	\$63.58	\$47.69	\$51,680	\$46,814
FY 2018	\$73.34	\$55.25	\$69.70	\$54.67	\$13,493	\$13,493
FY 2019	\$88.94	\$71.63	\$85.51	\$68.48	\$68,967	\$62,669
Change from last year	21%	30%	23%	25%	411%	364%
Change over last 5 years	61%	83%	62%	75%	45%	55%

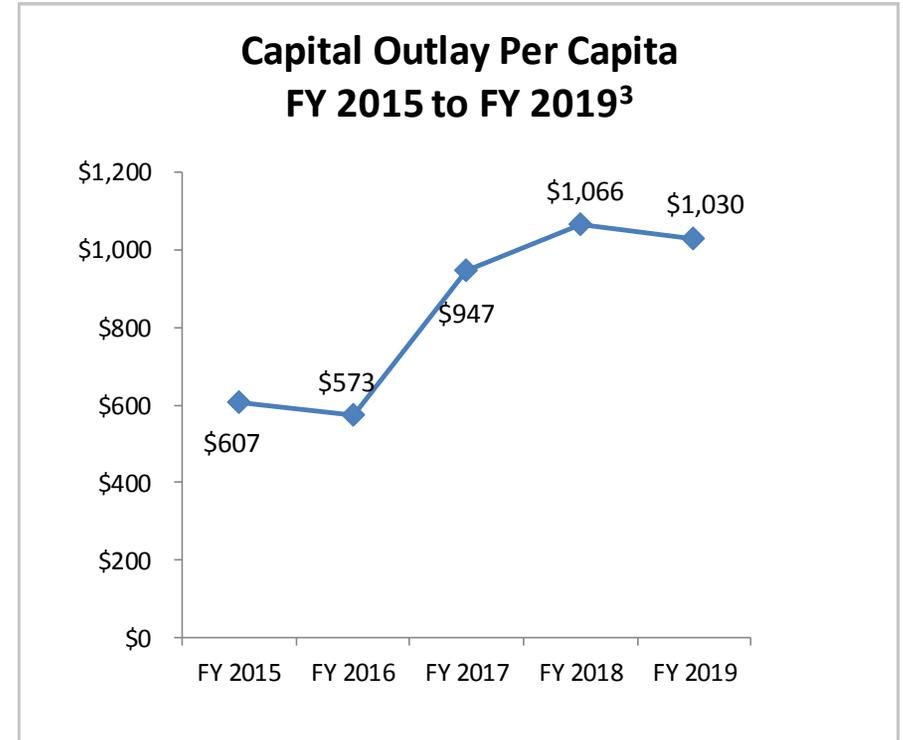
Source: Department of Budget and Fiscal Services, Legislative Branch, Honolulu Authority for Rapid Transportation, and Honolulu Board of Water Supply. ¹Percentages do not total 100% due to rounding. ²See PAT, HART, and BWS chapters for agency overtime expenditures. ³Legislative Branch includes Honolulu City Council, Office of the City Clerk, Office of Council Services, and Office of the City Auditor.

Capital Spending

The Capital Improvement Program (CIP) budget focuses on core capital programs that maintain and upgrade essential infrastructure. Significant focus is on roads, sewers, refuse facilities, and transportation improvements.

In FY 2019, capital spending totaled \$1,009 million. General government projects totaled \$136.87 million. Over the past five years the largest increases in capital spending went towards public safety (336%), general government (217%), and culture-recreation (76%).

As shown in the chart to the right, capital outlay per capita increased 70% from \$607 in FY 2015 to \$1,030 in FY 2019.



Source: Executive Operating Program and Budget (FY 2019-FY 2021) and State of Hawai'i Data Book (2018)

	Capital Spending (\$ millions)							Total
	General Government	Public Safety	Highways and Streets	Sanitation	Human Services	Culture-Recreation	Utilities and Other Enterprises ²	
FY 2015	\$43.21	\$23.27	\$144.14	\$261.11	\$51.44	\$37.53	\$39.83	\$600.53
FY 2016	\$5.98	\$36.69	\$140.04	\$233.45	\$55.49	\$45.36	\$52.17	\$569.18
FY 2017 ¹	\$51.73	\$54.40	\$171.61	\$511.42	\$45.63	\$75.22	\$30.02	\$940.04
FY 2018	\$58.87	\$38.31	\$74.22	\$683.01	\$72.25	\$101.14	\$38.97	\$1066.77
FY 2019	\$136.87	\$101.55	\$125.37	\$450.82	\$85.36	\$66.22	\$43.58	\$1009.78
Change from last year	133%	165%	69%	-34%	18%	-35%	12%	-5%
Change over last 5 years	217%	336%	-13%	73%	66%	76%	9%	68%

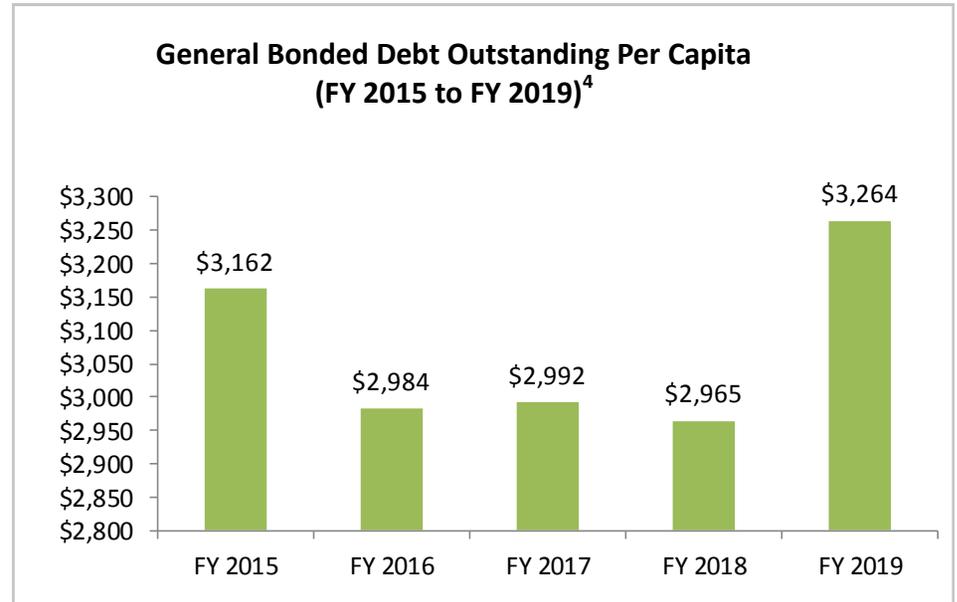
Source: Executive Operating Program and Budget (FY 2019-FY 2021). ¹FY 2016-FY2017 Appropriated Capital Expenditures. ²Includes mass transit. ³Per Capita spending is the total operating expenditures of each department divided by the population of the City and County of Honolulu.

City Debt

The city issues general obligation bonds for the construction of major capital facilities. General obligation bonds cover governmental activities that are direct obligations of the city for which its full faith and credit is pledged. General obligation bonds in the city’s business-type activities are expected to be paid from their respective revenues. These instruments are also direct obligations of the city for which its full faith and credit is pledged.

Since FY 2015, the city’s general bonded debt outstanding per capita has increased 3%.

The city’s general obligation bond rating remained high at AA+ under the Fitch Ratings system and at Aa1 under Moody’s Investors Service. The Aa1 ratings is reflective of the city and county’s large and growing tax base and economy, supported by the tourism industry, large private and public construction projects, and military presence. Moody’s Investors Service identifies three credit challenges for the city and county. These include economic weakness leading to protracted declines in assessed values, material decline in the city and county’s financial profile, and inability to manage growing fixed costs.



Source: Comprehensive Annual Financial Report FY 2019

	Proposed Debt Service Expenditures (\$ millions) ¹	Proposed Operating Expenditures (\$ millions)	Estimated General Fund Revenues (\$ millions)	Total Self Supported Debt (\$ millions) ²	Debt Service Expenditures Less Total Self-Supported Debt (\$ millions)	Debt Service as a Percentage of Operating Budget ³
FY 2015	\$253.07	\$2,147.85	\$1,165.96	\$50.61	\$355.54	11.8%
FY 2016	\$293.33	\$2,280.59	\$1,257.17	\$56.21	\$237.12	12.9%
FY 2017	\$283.61	\$2,326.51	\$1,302.70	\$56.69	\$226.91	12.2%
FY 2018	\$315.42	\$2,451.31	\$1,305.09	\$48.69	\$266.72	12.9%
FY 2019	\$356.59	\$2,607.02	\$1,329.98	\$51.97	\$304.62	13.7%
Change from last year	13%	6%	2%	7%	14%	1%
Change over last 5 years	41%	21%	14%	3%	-14%	16%

Source: Executive Operating Program and Budget (FY 2019-FY 2021), FY 2019 Honolulu Comprehensive Annual Financial Report, and Department of Budget and Fiscal Services. ¹Proposed Debt Service Expenditures is the amount of principal, interest and related costs. ²Self supported debt are repaid exclusively from specified pledged revenues. ³Debt ratio computation/formula(s) provided by the Department of Budget and Fiscal Services. ⁴Per Capita spending is the total operating expenditures of each department divided by the population of the City and County of Honolulu.

Accomplishment of City Priorities

In FY 2019, the mayor's priorities that would be the focus for his administration were:

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

Restoring Bus Service

The mayor's commitment to restore bus service consisted of a number of initiatives including initiated use of the HOLO card, increased service on local and state holidays, additional service, and service modifications to better accommodate ridership on TheBus including:

- Additional service for Routes: C (Country Express/Kapolei/Makaha), 23 (Hawai'i Kai/Sea Life Park), 40 (Honolulu/Makaha), and 503 (Mililani/Launani).
- Modified service for Routes: 92 (Makakilo City Express) and 411 (Makakilo Heights) to address traffic safety concerns, continued ongoing systemwide service planning, and initiated review of all peak period routes and redesign of Routes 4 (Nuuanu/Punahou), 19 (Waikiki/Airport/Hickam), 20 (Waikiki/Airport/Pearlridge), 31 (Tripler/Mapunapuna), and 32 (Kalihi/Pearlridge). In addition, 40 bus stop and transit facilities were improved, including construction or repair of 10 bus shelters and 11 bus stop sites and design enhancements for 15 bus stops to improve ADA access or site conditions.

Honolulu residents were asked to rate the quality of bus and transit services. 58% rated the service *excellent or good* which was higher than the national benchmark. Honolulu ranked third among 15 cities with over 300,000 residents.

In 2019, 28% of Honolulu residents reported they used public transportation instead of driving, which is similar to both the national benchmark and for cities with more than 300,000 residents.



TheBus Honolulu Area Transit Map. Photo courtesy: City and County of Honolulu.

Repaving roads

The mayor has committed to repave and preserve city roads. In FY 2019, the city:

- Repaved 141 lane miles
- Applied crack seal to 52 linear miles of roadway, slurry seal to 21 lane miles of roadway, and seal coat to 3 lane miles of roadway
- Completed 15.6 lane miles of in-house resurfacing on various city roads

The mayor releases a quarterly status report on road repaving projects to help the public and the city council track roadwork and how funds are being spent. The road repaving update is found on the Department of Design and Construction's webpage at the following link:

http://www.honolulu.gov/rep/site/ddc/Street_List_Web_Layout_Report_20190205.pdf

In the 2019 National Community Survey, Honolulu residents' ratings for quality of street repairs as *excellent or good* was 9%, which is much lower and lower than the national benchmark and for cities with more than 300,000 residents, respectively.

Accomplishment of City Priorities

Improving Our Sewer System, Infrastructure Repair, and Maintenance

In FY 2019, the city:

- Completed construction on the Kailua Regional Wastewater Treatment Plant (WWTP) Tunnel Influent Pump Station, Mini-Kailua Influent Pump Station, and converted the Kaneohe Pre-treatment Facility into a gravity tunnel
- Upgraded the Laie Water Reclamation Facility Supervisory Control and Data Acquisition system and built a new satellite facility for collection system maintenance at Kailua Regional Wastewater Treatment Plant

In the 2019 National Community Survey, 54% of residents rated sewer services as *excellent or good*. This rating was lower than the national benchmark, but similar when compared to cities with more than 300,000 residents.

Caring for Our Parks

In FY 2019, under the mayor's *Kākou for Parks* (Caring for our parks, together!) initiative, the city:

- Improved 156 different parks islandwide, including 110 new and refurbished play apparatus, 85 renovated comfort stations, 317 resurfaced play courts at 77 parks, and 74 lined pickleball courts
- Expanded park security initiatives resulting in reduced illegal activity based on in-house repair reports
- Attracted more than 470,000 visitors to the five botanical garden sites, an estimated 12.5% increase over FY 2018

In the 2019 National Community Survey, ratings for city and county parks as *excellent or good* by 40% of residents was much lower and lower than the national benchmark and for cities with more than 300,000 residents, respectively. About 77% of survey participants reported using city and county parks which was similar to the national benchmarks and for cities with populations over 300,000.



Kailua Regional Wastewater Treatment Plant

Source: Hawai'i Water Environment Association



Kapi`olani Park

Source: City and County of Honolulu

Building Rail Better

In FY 2019:

- The Honolulu Authority for Rapid Transportation (HART) revised a recovery plan and delivered it to the Federal Transit Administration (FTA). The plan was approved by the FTA in September 2019, which allowed HART to draw down the federal grant funding.
- HART's airport section contractor continues work building the five miles of guideway and four stations between Aloha Stadium and Middle Street. As of the end of FY 2019, the contractor had manufactured more than 60 percent of the pre-cast segments, built nearly 50% of the columns, and had stressed more than 20% of the spans.

Homelessness

In FY 2019, the city reported:

- The total homeless count once again decreased from the previous fiscal year of 4,495 persons to the current figure of 4,453 persons. From 2017-2019, the overall homeless population declined by 10% or 506 persons, which are the first declines since 2009.
- 432 veterans were moved to permanent housing, a 9% increase over FY 2018. Since January 2015, a total of 1,937 homeless veterans on O`ahu have been moved into permanent housing.
- Decreased the number of homeless children under 18 years of age by 12% or 106 children, from 899 to 793, in 2018. From 2015-2019, there has been a 40% decrease, or 526 children, in the number of homeless children, from 1,319 in 2015.
- During the Annual Meeting of the United States Conference of Mayors, the Office of Housing (HOU) worked with the United States Interagency Council on Homelessness to draft Mayor Caldwell's proposed resolution, *Address the Crisis of Homelessness and Housing Affordability*, which was adopted.



Rail columns erected toward the airport

Photo: Honolulu Civil Beat



Homeless encampment in Kakaako

Source: Hawaii News Now

Accomplishment of City Priorities

Affordable Housing

In FY 2019, the city:

- Decreased the number of individuals in homeless families from 1,590 in FY 2018 to 1,357, which coincided with the advent of Housing ASAP, the city's focus on affordable housing targeting homeless and formerly homeless persons.
- Issued *Affordable Rental Housing Report and Ten-Year Plan*, to the Hawai'i State Legislature and Governor David Ige.

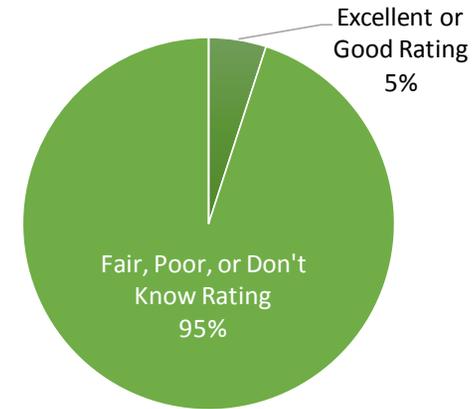
In the 2019 National Community Survey, residents' *excellent or good* ratings for the availability of affordable quality housing (5%) and variety of housing options (10%) were much lower than the benchmarks nationally and for cities with more than 300,000 residents.

Planning for Climate Resilience

In FY 2019, the city:

- Remained committed to the Paris Climate Accord by transitioning city vehicles to 100% renewable fuel by 2035, planting 100,000 trees by 2025, and reducing plastic in our waste stream.
- Established the Office of Climate Change, Sustainability and Resiliency (CCSR) to conduct research, draft policy, conduct public education, and serve as a hub for the city's climate resilience effort.
- Secured \$1,533,333 in external grant funding from the Rockefeller Foundation's 100 Resilient Cities grant, Bloomberg Philanthropies American Cities Climate Challenge, Hawai'i Community Foundation, Funders' Network, Oak Foundation, Silicon Valley Community Foundation, and Ulupono Initiative.
- Hosted the second annual Climate Mayors Summit, which included 60 mayors, their sustainability staff, and thought leaders.

National Community Survey Availability of Affordable Quality Housing



Source: 2019 National Community Survey



Photo: Title Page of Annual Sustainability Report

Source: City and County of Honolulu of Climate Change, Sustainability and Resiliency