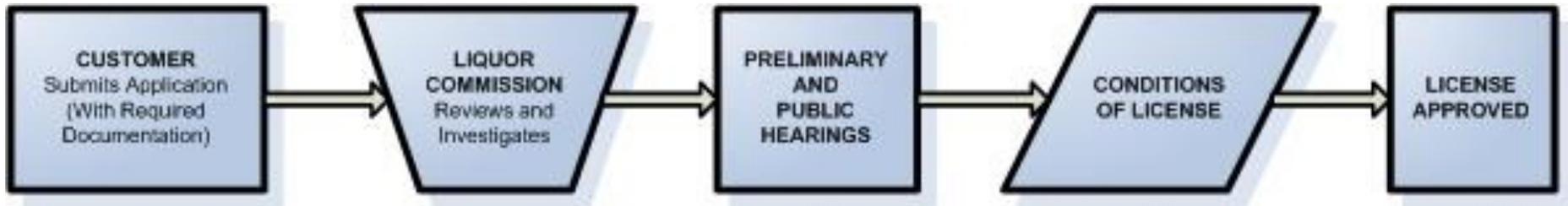


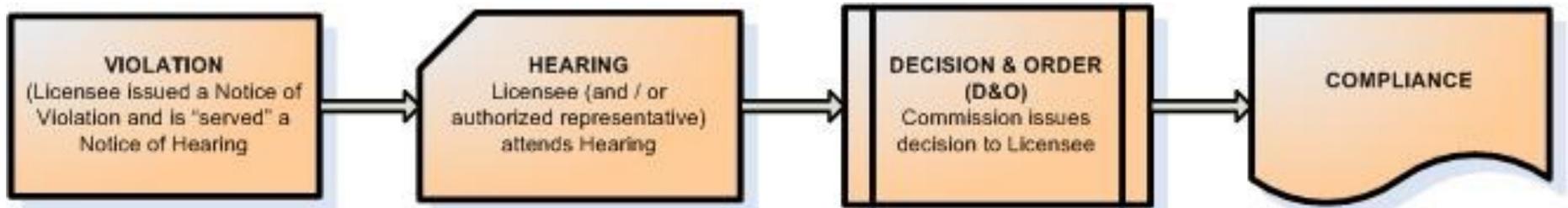
## Chapter 2 - Honolulu Liquor Commission

The Honolulu Liquor Commission has sole jurisdiction, power, authority, and discretion to grant, refuse, suspend, and revoke any license for the manufacture, importation, or sale of liquor within the City and County of Honolulu. The commission is administratively attached to the Department of Budget and Fiscal Services but is wholly funded through revenues generated from liquor licenses and fees deposited into the Liquor Commission Special Revenue Fund.

### Liquor License Process



### Violation Process



Source: Honolulu Liquor Commission website.

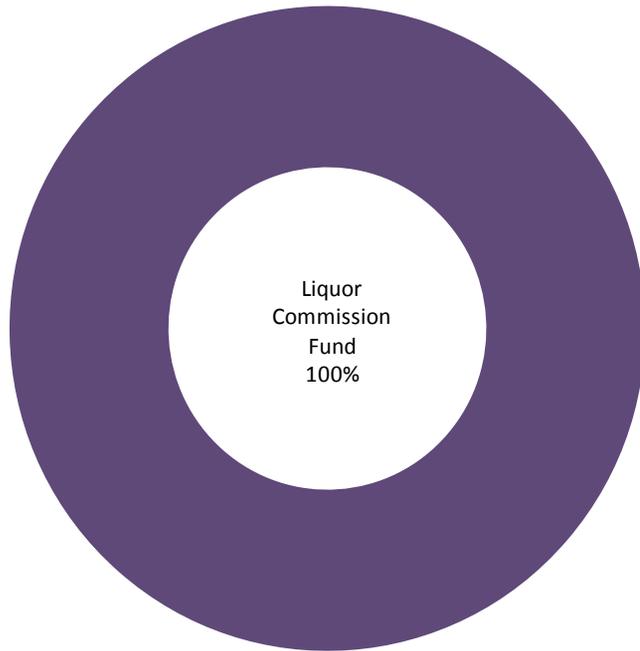


*We, the men and women of the Honolulu Liquor Commission, are firmly committed to provide outstanding regulatory services to enhance the quality of life in the City and County of Honolulu, and to create a safe and healthy environment for the public.*

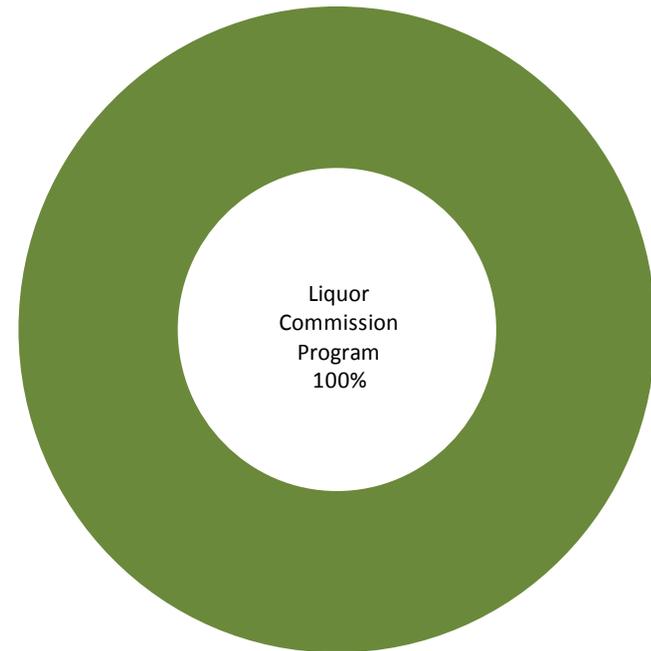
*Mission Statement*

# Spending and Staffing

## Fund Sources



## Fund Uses



	Operating Expenditures (\$ millions)	Liquor License Revenues (\$ millions)	Staffing		Cost Per FTE <sup>1</sup>	Overtime Expenditures <sup>2</sup>	
			Total Authorized FTE	Total Vacant FTE		Total	Non-Holiday
FY 2015	\$3,084,172	\$4,658,273	50	13	\$61,683	\$88,777	\$87,337
FY 2016	\$3,060,409	\$5,103,055	50	17	\$61,208	\$82,305	\$81,577
FY 2017	\$3,000,440	\$5,061,012	52	20	\$57,701	\$84,643	\$84,402
FY 2018	\$3,282,722	\$5,795,794	52	18	\$63,129	\$105,654	\$105,654
FY 2019	\$3,491,500	\$6,540,169	55	19	\$63,482	\$127,438	\$125,873
Change from last year	6%	13%	6%	6%	1%	21%	19%
Change over last 5 years	13%	40%	10%	46%	3%	44%	44%

Source: Honolulu Liquor Commission and Department of Budget and Fiscal Services. <sup>1</sup>Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. <sup>2</sup>Overtime pay is established by bargaining unit agreement, as applicable.

## Spending and Staffing



### Operating Expenditures

**\$3.49 M ▲ 6%**

The commission's operating expenditures increased 6% over the last year. The department attributes the increased expenditure to the Liquor Commission's prevention of underage drinking campaign, *Don't Drown Your Future*, and the continued development of the new Liquor Commission Information System.



### Overtime Expenditures

**\$127,438 ▲ 21%**

Total overtime expenditures increased 21% over the last year. The commission attributes this increase to an increase in special enforcement operations, with an emphasis on working with law enforcement agencies to continue to address sales to persons under the age of 21, underage drinking, and human trafficking.

## Five Year Trends



- The commission's Liquor License revenues increased 40% from \$4.66 million to \$6.54 million over the last five years.



- Total Vacant FTE Increased 46% from 13 to 19 over the last five fiscal years. The commission attributes this to the fluidity of the vacancy situation and trying to find qualified personnel.

## FY 2019 ACCOMPLISHMENTS

- Initiated the *Don't Drown Your Future* campaign to educate the public regarding the dangers and repercussions of underage drinking and serving liquor to minors
- Launched the initial phase of the new Liquor Control Information System, which allows licensees online access to renew their liquor license, file their gross liquor sales report, and submit payment

## CHALLENGES MOVING FORWARD — FY 2020

- *Finding qualified personnel to enforce state liquor laws and the rules of the Liquor Commission*
- *Working with our law enforcement partner agencies to deal with the issue of unlicensed dispensers*

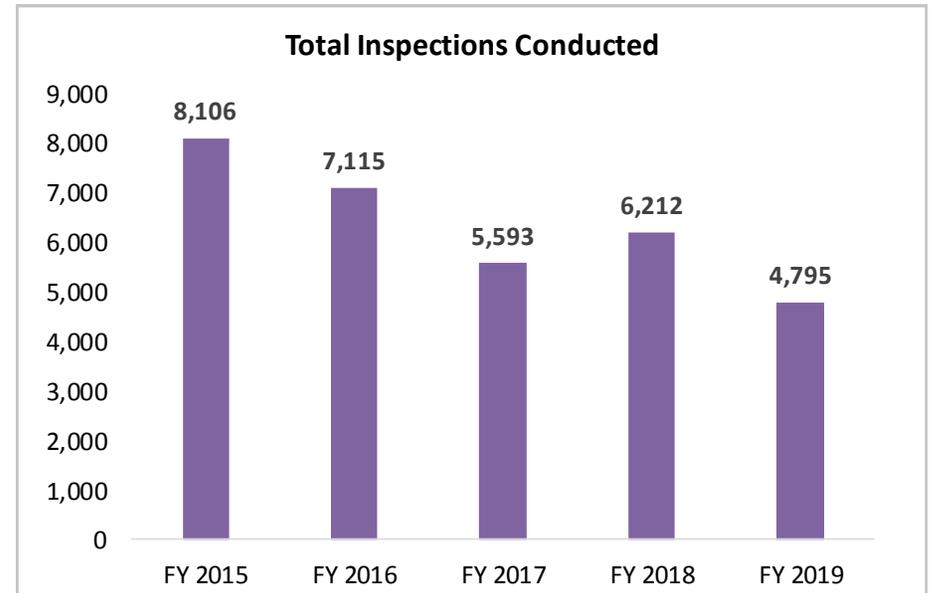
## Field Services

Over the past five years, total inspections conducted decreased by 41% from 8,106 to 4,795. According to the commission, the decrease in the number of inspections made are directly related to the decrease in staffing for FY 2019. The commission is actively recruiting to fill investigator positions.

The number of public complaints increased 5%, from 207 complaints in FY 2018 to 218 in FY 2019. The commission notes that while there is a small increase in the number of public complaints last year, there has been a decrease in the past five years due to increased compliance by licensees and heightened enforcement vigilance and response.

In FY 2019, the commission adjudicated 418 violations. This was a 1% increase from the prior year's 412 violations. The commission attributes this to the Alcohol Compliance and Enforcement (ACE) project, in which staff conduct compliance checks using minor decoys at all Class 4 Retail Dealer licensees. The ACE project is a joint effort with the University of Hawai'i's Office of Public Health Studies and the Honolulu Police Department.

In FY 2019, the division continued to work with law enforcement agencies to address human trafficking and underage drinking.



Source: Honolulu Liquor Commission

	Total Inspections Conducted	Total Public Complaints	Total Violations Adjudicated	Liquor Licenses in Effect
FY 2015	8,106	298	396	1,480
FY 2016	7,115	318	261	1,477
FY 2017	5,593	334	286	1,495
FY 2018	6,212	207	412	1,493
FY 2019	4,795	218	418	1,480
Change from last year	-23%	5%	1%	<-1%
Change over last 5 years	-41%	-27%	6%	0%

Source: Honolulu Liquor Commission