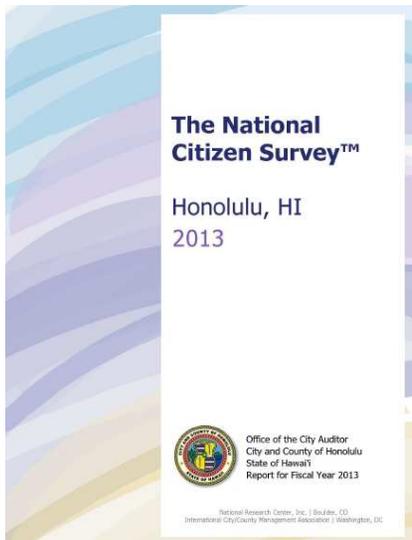


## Introduction

This is the fourth report on the City and County of Honolulu's Service Efforts and Accomplishments (SEA). The purpose of the report is to:

- Provide consistent, reliable information on the performance of city services,
- Broadly assess trends in government efficiency and effectiveness, and
- Improve city accountability to the public.

The report contains summary information on spending and staffing, workload, and performance results for the fiscal year ended June 30, 2013 (FY 2013)<sup>1</sup>.



Source: 2013 National Citizen Survey (Honolulu)

Its companion report, the 2013 National Citizen Survey of Honolulu residents presents the results of a resident survey rating the quality of city services.

The report provides two types of comparisons:

- Five-year historical trends for Fiscal Years 2009 through 2013
- Selected comparisons to other cities.

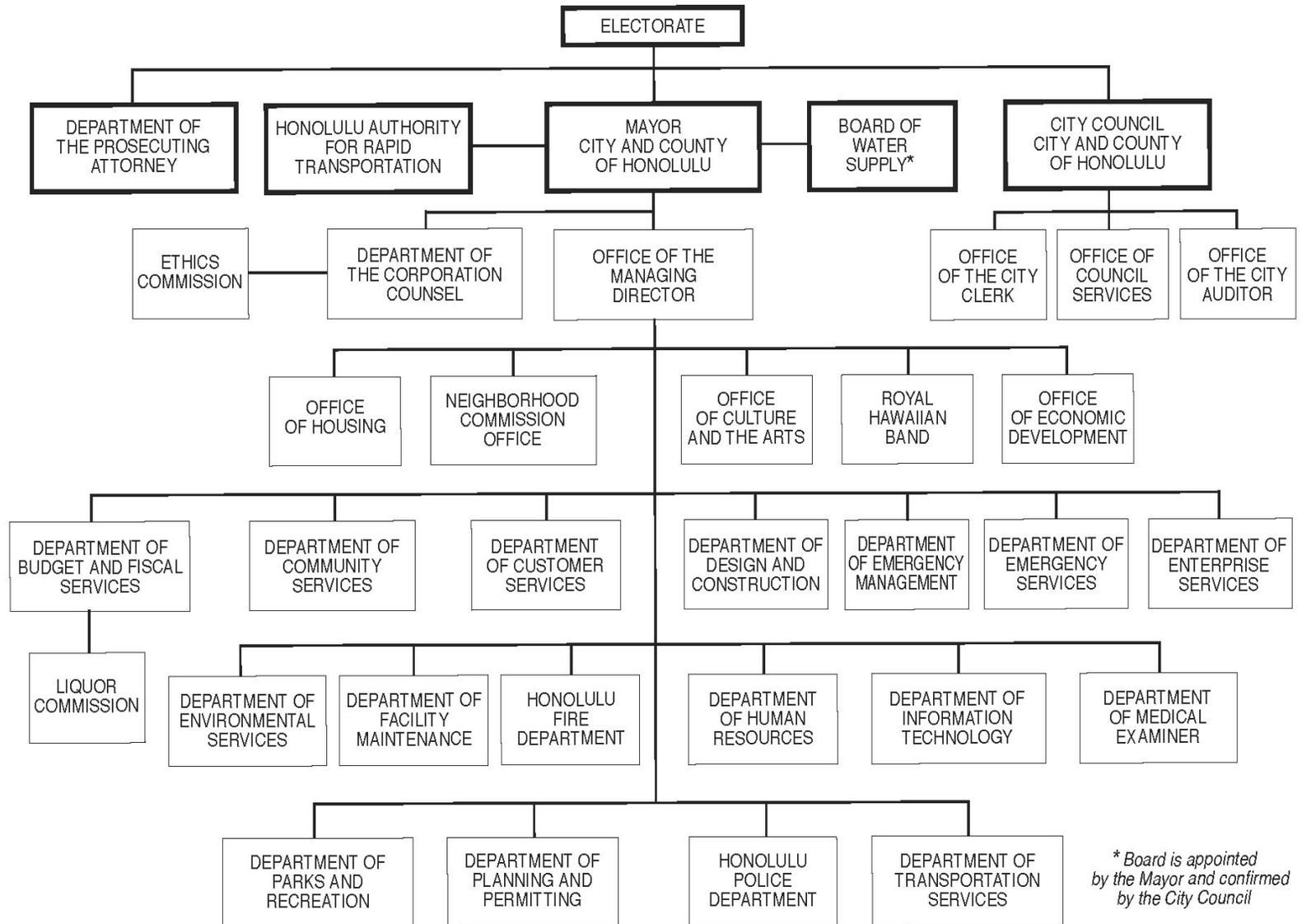
There are many ways to look at services and performance. This report looks at services on a department-by-department basis. All city departments are included in our review.

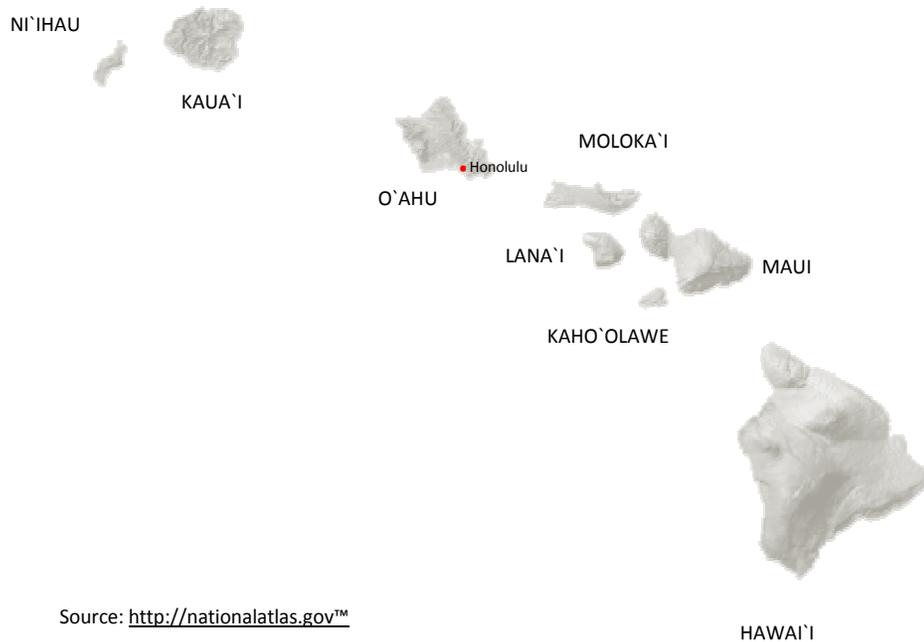
Chapter 1 provides a summary of overall spending and staffing over the last five years, as well as an overall description of the city's accomplishments in meeting the city priorities. Chapters 2 through 25 present the mission statements, description of services, background information, workload, performance measures, agency observations and survey results for:

- Budget and Fiscal Services
- Community Services
- Corporation Counsel
- Customer Services
- Design and Construction
- Emergency Management
- Emergency Services
- Enterprise Services
- Environmental Services
- Facility Maintenance
- Honolulu Fire Department
- Human Resources
- Information Technology
- Legislative Branch
- Office of the Mayor and the Managing Director
- Medical Examiner
- Parks and Recreation
- Planning and Permitting
- Honolulu Police Department
- Prosecuting Attorney
- Honolulu Authority for Rapid Transportation
- Royal Hawaiian Band
- Transportation Services
- Honolulu Board of Water Supply

<sup>1</sup>The City and County of Honolulu Comprehensive Annual Financial Report (CAFR) was released at the end of calendar year 2013. The City and County of Honolulu Executive Budget was released in March 2014.

## CITY AND COUNTY OF HONOLULU ORGANIZATION CHART





Source: <http://nationalatlas.gov><sup>TM</sup>

Hawai`i is located in the central Pacific Ocean about 2,400 miles from San Francisco. The Republic of Hawai`i was annexed as a territory of the United States in 1898 and attained statehood in 1959. Its capital, Honolulu, was incorporated as a city in 1907. The City and County of Honolulu covers the entire island of O`ahu and is the largest city in Hawai`i.

According to the latest U.S. Census Bureau<sup>2</sup> statistics, the city and county covers almost 600 square miles and has 976,372 residents. This is about 70% of the state's total population of 1,390,090 people. Of the total Honolulu population, 147,432 (15.1%) was 65 years and over. Population density is 1,625 persons per square mile. Tourism is the city's principal industry, followed by federal defense expenditures and agricultural exports. Tourists increased the de facto population.

<sup>2</sup>The U.S. Census Bureau continuously updates its statistics, so data may not match prior SEA information.

**Demographics**

The population of Honolulu is diverse and multi-cultural. According to census statistics, the population for the City and County of Honolulu was 976,372 as of 2012. The major ethnic groups were white (22.4%), Asian<sup>3</sup> (43.3%), and Native Hawaiian and Pacific Islanders<sup>4</sup> (9.6%).

Race-ethnicity	Percent*
White	22.40%
Asian <sup>3</sup>	43.30%
Black or African American	2.80%
Native Hawaiian and Other Pacific Islander <sup>4</sup>	9.60%
American Indian/Alaska Native	0.30%
Hispanic or Latino (of any race)	8.80%
White person, not Hispanic	19.40%
Other/Two or more races	21.60%

\*Percentages add up to more than 100% due to those who may identify as more than one race.

Foreign born persons were 19.7% of the population and 28.1% reported a language other than English was spoken at home. 90.4% had at least a high school diploma or its equivalent. Of these, 31.5% had a bachelor's degree or higher.

According to the U.S. Census Bureau Quickfacts, Honolulu had 308,490 households with an average of 2.98 persons per household. Median household income was \$72,292 per year and per capita personal income was \$30,219. Persons below the poverty level were estimated at 9.6%. Mean travel time to work was 27 minutes.

<sup>3</sup>Asian includes Asian Indian, Chinese, Filipino, Japanese, Korean, Laotian, Thai, Vietnamese among other Asian races.

<sup>4</sup>Native Hawaiian and Other Pacific Islander includes Samoan, Tongan, Guamanian, and Fijian were selected, but other Pacific Island races were excluded from this census comparison.

## Community Profile

Housing totaled 339,391 units, of these, 44.4% were in multi-unit structures. Homeownership was 56.4%. The median value for owner-occupied housing units was \$557,800.

The following table shows population by age as of 2013:

Age	Population	Percent
Under 18 years	209,920	21.50%
18 to 64 years	619,020	63.40%
65 years and over	147,432	15.10%

Source: U.S. Census Bureau (2013)

### National Ranking

According to the State of Hawai`i, the City and County of Honolulu ranked as the 53<sup>rd</sup> largest metropolitan statistical area and the 43<sup>rd</sup> largest county in the nation.

According to the U.S. Census Bureau, Hawai`i ranked number one in the percentage of Asian population and had the largest percentage of Native Hawaiians and other Pacific Islanders in the nation. Nationally, Hawai`i ranked number one for the percentage of mixed ethnic population; number two for households with elderly persons over 65 years old; and number four for the percent of households with retirement income. Hawai`i ranked the highest for multigenerational households.

Other national rankings included number one for percentage of workers who carpooled to work and number seven for using public transportation to go to work. Hawai`i ranked number two for the number of workers in the service sector. Hawai`i had the highest median housing value in the nation and ranked in the bottom five for home ownership. Hawai`i's cost of living was one of the highest in the nation.



Photo Courtesy of Department of Community Services

### Quality of Life In Honolulu

Great communities are partnerships of the government, private sector, community based organizations, and residents. The National Citizen Survey captures residents' opinions on the three pillars of a community--community characteristics, governance, and participation. The pillars involve eight community facets:

- Safety
- Mobility
- Natural environment
- Built environment
- Economy
- Recreation and wellness
- Education and enrichment
- Community engagement

### Community Characteristics

A community that is livable and attractive is a place where people want to live. Honolulu residents (71%) rate their quality of life as *excellent* or *good*, and 76% would recommend Honolulu as a place to live. Residents gave *excellent* or *good* ratings to air quality (69%); drinking water (74%); and safety in their neighborhood during the day (93%).

Community Quality Ratings	Percent Rating <i>Excellent</i> or <i>Good</i>	300,000+ Cities Ranking	Percentile
A place to live	76%	23/28	19%
Neighborhood	74%	9/18	53%
Overall quality of life	71%	17/30	45%
Place to raise children	63%	20/27	27%
Overall image	59%	10/22	57%
Place to retire	52%	16/22	29%
Overall appearance	50%	14/19	28%
Air quality	69%	2/18	94%
Drinking water	74%	5/18	76%
Overall feeling of safety in your neighborhood during the day	93%	11/22	52%

Source: 2013 National Citizen Survey (Honolulu)

### Governance

Residents rated the overall quality of the services provided by the city and the manner in which these services were provided. The ratings indicate how well the city government is meeting the needs and expectations of the residents. Residents (40%) rated city services *excellent* or *good*; and 36% rated federal government services as *excellent* or *good*.

Community Characteristics	Percent Rating <i>Excellent</i> or <i>Good</i>	300,000+ Cities Ranking	Percentile
Services provided by city	40%	33/34	3%
Overall customer service by city employees	37%	27/27	0%
Federal government services	36%	5/13	67%
Welcoming citizen involvement	30%	15/18	18%
Overall direction	25%	21/22	5%
Value of services for taxes paid	24%	28/28	0%
Fire services	85%	17/22	24%
Ambulance or emergency medical services	85%	14/20	32%
Police services	53%	26/29	11%
Street repair	11%	26/26	0%
Sidewalk maintenance	20%	10/10	0%

**Participation**

An engaged community is a livable community. The connections and trust among residents, government, businesses, and other organizations help create a sense of community.

Community Characteristics	Percent Rating <i>Excellent or Good</i>	300,000+ Cities Ranking	Percentile
Will remain in for the next 5 years	77%	13/14	8%
Recommend living in Honolulu to someone	68%	14/14	0%
Sense of community	51%	7/17	63%
Contacted the city for help or information	43%	9/15	43%
Talked to or visited with immediate neighbors	89%	N/A	N/A
Recycle at home	89%	5/12	64%
Made efforts to conserve water	87%	N/A	N/A
Visited a neighborhood or city park	86%	8/12	36%
Made efforts to make home more energy efficient	78%	N/A	N/A
Not experiencing housing cost stress	48%	12/13	8%
Watched (online or on television) a local public meeting	43%	4/11	70%

Source: 2013 National Citizen Survey (Honolulu)



Source: City Photobank

**Special Topics**

Residents were asked to indicate their support for several items, even if it involved raising taxes, fees, or fares. Residents identified homeless and/or homelessness as a major problem for the city to address. 87% of the respondents rated homelessness as an essential or very important problem to be addressed in the next two years.

Residents also identified the following as important items the city should address over the next two years - traffic congestion (93% essential or very important issue), more affordable housing (79%), and the impact of Central O`ahu development plans on city services and traffic congestion (78%).

### City and County of Honolulu Government

In 1959, the Honolulu City Charter established a mayor-council form of government for Honolulu. The legislative function consists of nine city council members elected by districts. Under the charter, the council has legislative and investigative power. The mayor is the chief executive officer assisted by a managing director who is the second ranking executive and is appointed by the mayor with council approval. All elective positions have four-year terms elected on a nonpartisan basis.

According to the city charter, the purposes of the city and county government are to serve and advance the general welfare, health, happiness, safety and aspirations of its residents, present and future, and to encourage their full participation in the process of governance. To achieve these purposes, city departments and agencies can be categorized into four groups:

- Public Safety and Welfare
- Culture and Recreation
- Community and Human Development and Citizen Participation
- General Government Operations

The city charter adopted in 1959 was cited by the United States Conference of Mayors as a model for modern American metropolitan area government.<sup>5</sup>

### Economy

Hawai'i's economy continued to expand until 2007. When the U.S. economy experienced a downturn, Honolulu also was hit hard by the recession and recovery has been very slow, but fairly steady. To mitigate the economic downturn and maintain a balanced budget, the city raised certain rates and fees, restricted agency budgets, and implemented spending restrictions.

The latter included a freeze on hiring; restrictions on reorganizations that result in cost increases; and restrictions on purchases and travel. The city focused on basic city services, on maintaining existing facilities and advancing facilities that are mandated, required or essential, such as the sewer and wastewater collection systems. Given uncertainties in the global economy, rising energy, debt service and employee costs, the city's philosophy is to continue to make every effort to contain costs while maintaining the expected level of public services.

Unemployment in the City and County of Honolulu was:

Year	Unemployment Rate
2009	5.80%
2010	5.80%
2011	5.70%
2012	5.30%
2013	4.20%

Source: U.S. Bureau of Labor Statistics, State of Hawai'i

<sup>5</sup>In 1998, major changes in the government organization consolidated services, streamlined operations and processes, and emphasis was placed on customer service. Several services are contracted out to businesses or private nonprofit organizations, including the operation and maintenance of the bus system, the refuse incinerator/power generating plant (H-POWER), refuse landfill and convenience centers, and animal control services. The Honolulu Board of Water Supply is an independent, semi-autonomous entity.

### City Priorities

The city continues to focus on fiscal stability while attempting to maintain municipal services and minimizing increases in fees and taxes. For this report, the mayor's priorities (designated with this symbol ☒<sup>6</sup> were:

- ☒ Restoring Bus Service
- ☒ Repaving Roads
- ☒ Improving our Sewer System and Infrastructure Repair and Maintenance
- ☒ Re-establishing Pride in our Parks
- ☒ Build Better Rail

Some city priorities, missions, goals, and objectives are mandated by the city charter. Honolulu residents also help determine city priorities by making inputs through the city's 33 neighborhood boards, testimony at public hearings, communications to department heads and elected officials, and testimony at city council meetings. Department heads synthesize resident inputs; city charter requirements; and operational and mission needs to develop goals, objectives, and performance measures for their respective departments. The city council influences city priorities based on these inputs and information from other sources. The mayor establishes the city priorities based his or her analysis of these inputs, State of Hawai'i and federal government requirements, and priorities determined appropriate for the city and county.



Source: City Photobank

<sup>6</sup>Design Courtesy of <http://www.kahiko.com/petroglyph.htm>

The Office of the City Auditor prepared this report in accordance with the City Auditor's FY 2013 Work Plan. The scope of our review covered information and results for the city's departments for the fiscal year beginning July 1, 2008 (FY 2009) and ending June 30, 2013 (FY 2013).

We conducted the 2013 Service Efforts and Accomplishments (SEA) Report and 2013 National Citizen Survey of Honolulu residents in accordance with modified Generally Accepted Governmental Auditing Standards (GAGAS) compliance requirements. The SEA report is a limited scope audit because it does not include the city auditor's findings, conclusions or recommendations. The reason for modified GAGAS compliance is for consistency with the Governmental Accounting Standards Board's guidance (*Suggested Guidelines for Voluntary Reporting for Service Efforts and Accomplishments (SEA) Performance Information, June 2010*).

The Office of the City Auditor compiled, examined, and reviewed sources of departmental data in order to provide reasonable assurance that the data we compiled are accurate, however we did not conduct detailed testing of that data. Our staff reviewed the data for reasonableness, accuracy, and consistency, based on our knowledge and information from comparable sources and prior years' reports. These reviews are not intended to provide absolute assurance that all data elements provided by management are free from error. Rather, we intend to provide reasonable assurance that the data present a picture of the efforts and accomplishments of the city departments and programs.

When possible, we have included in the report a brief explanation of internal or external factors that may have affected the performance results. However, while the report may offer insights on service results, this insight is for informational purposes and

does not thoroughly analyze the causes of negative or positive performance. Some results or performance changes can be explained simply. For others, a more detailed analysis by city departments or performance audits may be necessary to provide reliable explanation for results. This report can help focus research on the most significant areas of interest or concern.

### **Service Efforts And Accomplishments Reporting**

In 1994, the Governmental Accounting Standards Board (GASB) issued *Concepts Statement No. 2, Service Efforts and Accomplishments Reporting*.<sup>7</sup>

The statement broadly describes *why external reporting of SEA measures is essential to assist users both in assessing accountability and in making informed decisions to improve the efficiency and effectiveness of governmental operations*. According to the statement, the objective of SEA reporting is to provide more complete information about a governmental entity's performance than can be provided by the traditional financial statements and schedules, and to assist users in assessing the economy, efficiency, and effectiveness of services provided.

Other organizations, including the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA), have long been advocates of performance measurement in the public sector. For example, the ICMA Performance Measurement Program provides local government benchmarking information for a variety of public services.

<sup>7</sup>On December 15, 2008, GASB issued Concepts Statement No. 5, Service Efforts and Accomplishments Reporting, which amended Concepts Statement No. 2. Further information is on-line at <http://www.gasb.org/st/index.html>.

In 2003, GASB issued a special report on *Reporting Performance Information: Suggested Criteria for Effective Communication*<sup>8</sup> that describes 16 criteria that state and local governments can use when preparing external reports on performance information. Using the GASB criteria, the Association of Government Accountants (AGA) initiated a Certificate of Excellence in Service Efforts and Accomplishments Reporting project in 2003.



Source: GASB Special Report Summary

Our report implements this national program. The City and County of Honolulu has reported various performance indicators for a number of years. In particular, the city's budget document includes *output measures*. Benchmarks include input, output, efficiency, and effectiveness measures. This report builds on existing systems and measurement efforts by incorporating benchmarking measures included in the city's executive program and budget documents.

### Selection of Indicators

We limited the number and scope of workload and performance measures in this report to items where information was available, meaningful in the context of the city's performance, and items we thought would be of general interest to the public. This report is not intended to be a complete set of performance measures for all users.

<sup>8</sup>A summary of the GASB special report on reporting performance information is online at [http://www.seagov.org/sea\\_gasb\\_project/criteria\\_summary.pdf](http://www.seagov.org/sea_gasb_project/criteria_summary.pdf)

From the outset of this project, we decided to use existing data sources to the extent possible. We reviewed existing benchmarking measures from the city's adopted budget documents<sup>9</sup>, performance measures from other jurisdictions, and benchmarking information from the ICMA<sup>10</sup> and other professional organizations. We used audited information from the Comprehensive Annual Financial Reports for the City and County of Honolulu (CAFRs).<sup>11</sup> We cited departmental mission statements and performance targets<sup>12</sup> that are taken from the city's annual operating budgets where they are subject to public scrutiny and city council approval as part of the annual budget process. We held numerous discussions with city employees to determine what information was available and reliable, and best summarized the services they provide.

Wherever possible we have included five years of data. Generally speaking, it takes at least three data points to show a trend. Honolulu's size precludes us from significantly disaggregating data (such as into districts). Where program data was available, we disaggregated the information. For example, we have disaggregated performance information about some services based on age of participant, location of service, or other relevant factors.

Consistency of information is important to us. We will occasionally add or delete information that is considered irrelevant or unimportant to the discussion.

We will continue to use city council, public, and employee feedback to ensure that the information items that we include in this report are meaningful and useful. We welcome your input. Please contact us with suggestions at [oca@honolulu.gov](mailto:oca@honolulu.gov).

<sup>9</sup>The budget is on-line at <http://1.honolulu.gov/budget/execbgt/index1.htm>. The operating budget includes additional performance information.

<sup>10</sup>International City/County Management Association (ICMA), *Comparative Performance Measurement FY 2005 Data Report*. This report summarizes data from 87 jurisdictions.

<sup>11</sup>The CAFR is on-line at <http://www1.honolulu.gov/budget/cafr.htm>.

<sup>12</sup>The operating budget may include additional performance targets for the budget benchmarking measures.

**The National Citizen Survey™**

The National Citizen Survey (NCS) is a collaborative effort between the National Research Center, Inc. (NRC), and the International City/County Management Association (ICMA).<sup>13</sup> The NCS was developed to provide a statistically valid survey of resident opinions about community and services provided by local government.

The NCS captures residents' opinions within the three pillars of a community--Community Characteristics, Governance, and Participation, and across eight facets of community--Safety, Mobility, Natural Environment, Built Environment, Economy, Recreation and Wellness, Education and Enrichment, and Community Engagement. This year's citizen survey is redesigned into four reports, Community Livability Report, Dashboard Summary of Findings, Trends Over Time, and Technical Appendices. NCS customized the survey in close cooperation with the Office of the City Auditor staff to provide useful information that may be used by city staff, elected officials, and other stakeholders for community planning and resource allocation, performance measurement, and program and policy evaluation.

The results may also be used for program improvement, policy making, and to identify community and service strengths and weaknesses. Respondents in each jurisdiction are selected at random. Participation is encouraged with multiple mailings and self-addressed, postage-paid envelopes. Surveys were mailed to a total of 1,200 Honolulu households in October 2013. Completed surveys were received from 352 residents, for a response rate of 29%.

Typical response rates obtained on citizen surveys range from 25% to 40%. Results are statistically re-weighted, if necessary, to reflect the proper demographic composition of the entire community. It is customary to describe the precision of estimates made from surveys by a *level of confidence* (or margin of error). The 95% confidence level for this survey of 1,200 residents is no greater than plus or minus 5 percentage points around any given percent reported for the entire sample.

The scale on which respondents are asked to record their opinions about service and community quality is *excellent, good, fair, and poor*. Unless stated otherwise, the survey data included in this report displays the responses only from respondents who had an opinion about a specific item – *don't know* answers have been removed. This report contains comparisons of survey data from prior years. Differences from the prior year can be considered *statistically significant* if they are greater than 7 percentage points.

The NRC has collected citizen survey data from more than 500 jurisdictions in the United States whose residents evaluated local government services and rendered opinions on the quality of community life.

NRC prepared comparisons from the most recent surveys for the City and County of Honolulu for the entire database and for a subset of jurisdictions with populations over 300,000. Where five or more jurisdictions asked similar questions, benchmark comparisons are provided throughout the report. When comparisons are available, results are noted as being *above* the benchmark, *below* the benchmark, or *similar* to the benchmark. NRC provided our office with additional data to calculate the percentile ranking for comparable questions.

<sup>13</sup>The full report of Honolulu's survey results can be found on-line at <http://www1.honolulu.gov/council/auditor>

## Scope and Methodology

The NRC notes that its benchmarking database is stable and robust. It has found some trends by population size or geographic area, and the results of those comparisons are similar whether additional characteristics are included or not. Jurisdictions that survey residents share an important characteristic - the value they place on the perspectives of residents.

### Population

Where applicable, we have used the most recent estimates of Honolulu resident population from the U. S. Census Bureau as shown in the following table.<sup>14</sup>

<u>Year</u>	<u>Population</u>
FY 2008	933,680
FY 2009	943,177
FY 2010	955,636
FY 2011	963,607
FY2012	976,372
Index change from last year	1.3%
Index change over last 5 years	4.6%

Source: U.S. Census Bureau

We used population figures from other sources for some comparisons to other jurisdictions, but only in cases where comparative data was available.

### Inflation

Financial data has not been adjusted for inflation. In order to account for inflation, readers should keep in mind that the City and County of Honolulu Consumer Price Index for All Urban Consumers

has averaged about 2.18% over the 5 years of financial data that is included in this report. The index changed as follows:

<u>Date</u>	<u>Index</u>
June 2009	0.32%
June 2010	2.52%
June 2011	3.46%
June 2012	2.79%
June 2013	1.80%
Index change from last year	-0.99%
Index change over last 5 years	1.48%

Source: Consumer Price Index

### Rounding

For readability, most numbers in this report are rounded. In some cases, tables or graphs may not add to 100% or to the exact total because of rounding. In most cases the calculated *percent change over the last 5 years* is based on the percentage change in the underlying numbers, not the rounded numbers. However, where the data is expressed in percentages, the change over five years is the difference between the first and last year.

### Comparisons To Other Cities

Where possible we included comparisons to cities with comparable population size to Honolulu. In addition, city departments suggested cities with comparable programs or organization of services. The choice of the cities that we use for our comparisons may vary depending on whether data is easily available. Regardless of which cities are included, comparisons to other cities should be used carefully. We tried to include *apples to apples* comparisons, but differences in costing methodologies and program design may account for unexplained variances between cities. Other data was extracted from the U.S. Census Bureau 2012 results and the State of Hawai'i Data Book issued by the Department of Business, Economic Development and Tourism.

<sup>14</sup>The U.S. Census Bureau periodically revises prior year estimates. Where applicable, we used their revised population estimates to recalculate certain indicators in this report.

This report could not have been prepared without the cooperation and assistance of city management and staff from every city agency. Our thanks to all of them for their help. We also want to thank the Honolulu City Council and community members who reviewed this report and provided thoughtful comments.

We would like to acknowledge our debt to Sharon Erickson and the City of Palo Alto that set several precedents for local government accountability and performance through its *Service Efforts and Accomplishments* reports.

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