

Introduction

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

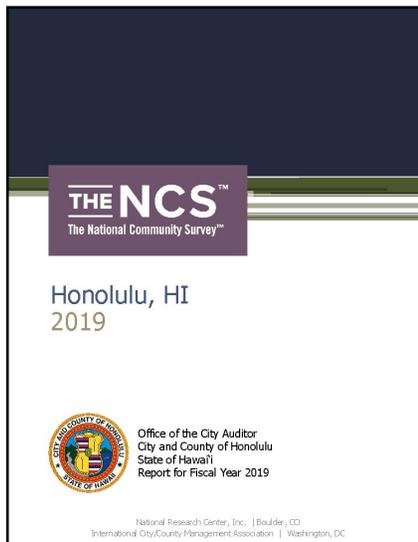
- Provide consistent, reliable information on the performance of city services;
- Broadly assess trends in government efficiency and effectiveness; and
- Improve city accountability to the public.

The report contains summary information on spending and staffing, workload, and performance results for the fiscal year ended June 30, 2019 (FY 2019)¹.

Its companion report, the 2019 National Community 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 2015 through 2019
- Selected comparisons to other cities



There are many ways to look at services and performance. This report examined 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 city priorities. Chapters 2 through 25 present the mission statements, description of services, background information, workload, performance measures, agency observations and survey results for:

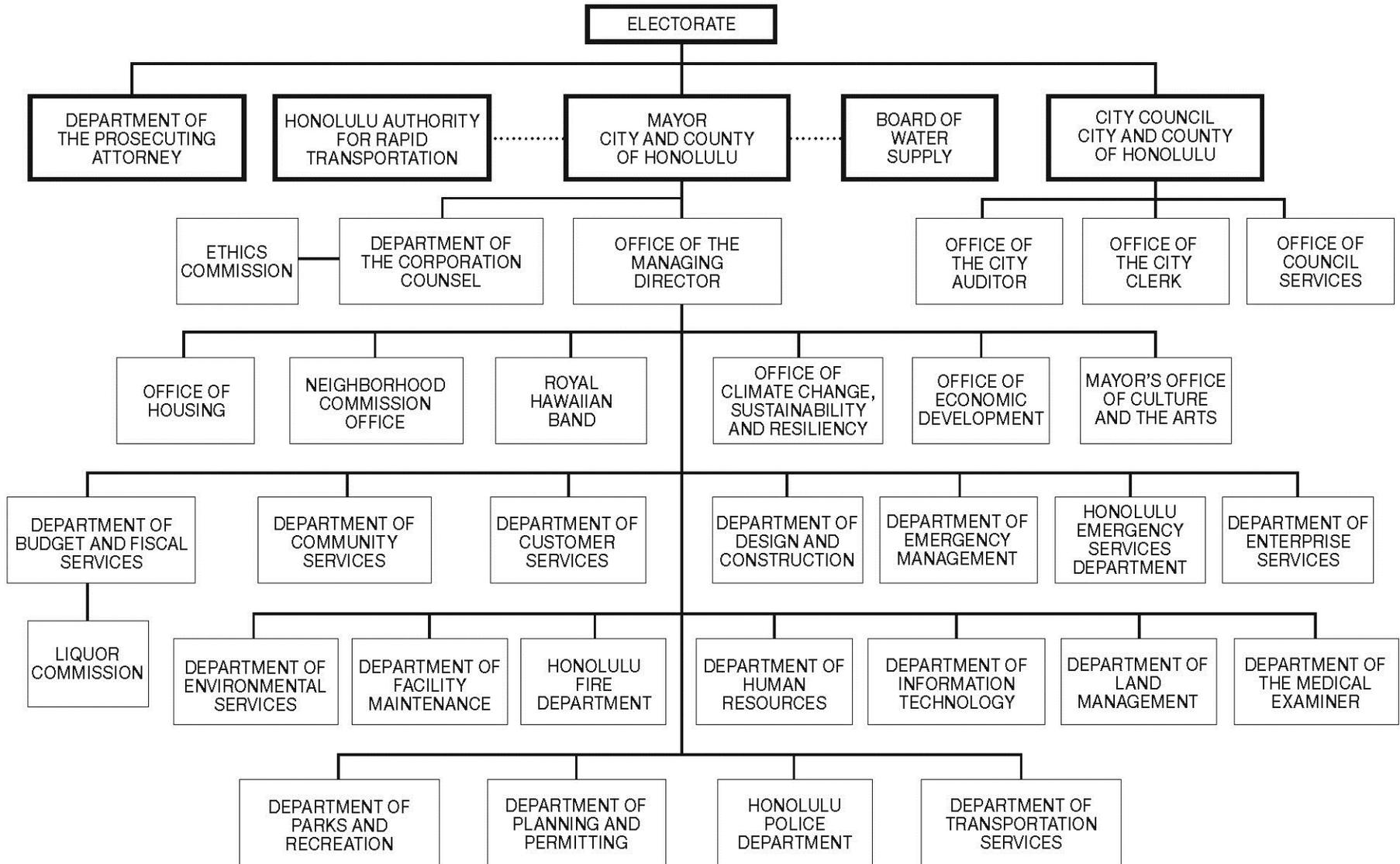
- Budget and Fiscal Services/Honolulu Liquor Commission
- Community Services
- Corporation Counsel/Honolulu Ethics Commission
- Customer Services
- Design and Construction
- Emergency Management
- Emergency Services
- Enterprise Services
- Environmental Services
- Facility Maintenance
- Honolulu Fire Department
- Human Resources
- Information Technology
- Land Management
- 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
- Transportation Services
- Honolulu Board of Water Supply

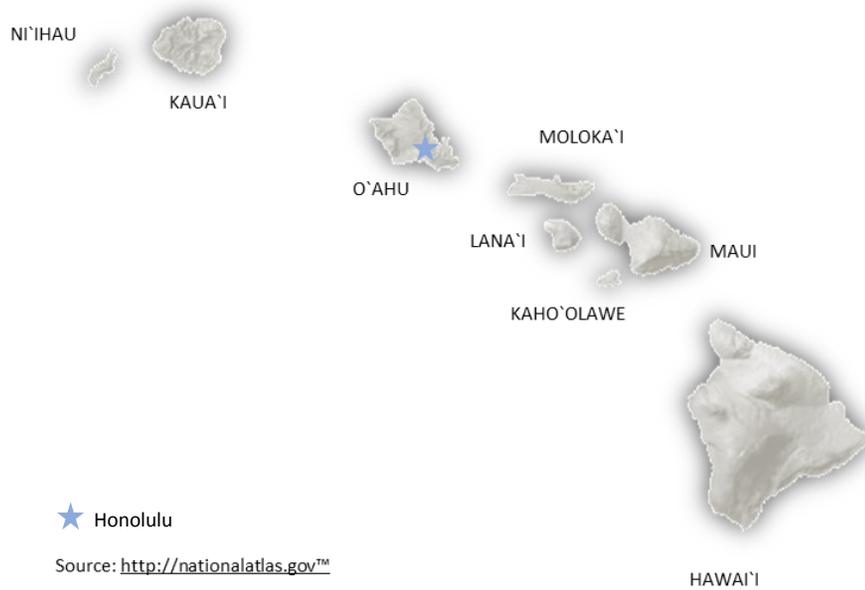
¹The City and County of Honolulu Comprehensive Annual Financial Report (CAFR) was released in January 2020. The City and County of Honolulu Executive Budget was released on March 2, 2020.

Organizational Chart

CITY AND COUNTY OF HONOLULU ORGANIZATIONAL CHART

FISCAL YEAR 2019





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 Bureau² statistics, the city and county covers almost 600 square miles and has 980,080 residents. This is about 70% of the state's total population of 1,415,872 people. Of the total Honolulu population, 17.7% were 65 years and over. Population density is 1,586.7 persons per square mile. Tourism is the city's principal industry, followed by federal defense expenditures and agricultural exports. Tourism increased the de facto population to 1,595,186.

Demographics

The population of Honolulu is diverse and multi-cultural. According to census statistics, the population for the City and County of Honolulu was 980,080 as of July 1, 2019. The major ethnic groups were Asian³ (43.0%), White (21.7%), and Native Hawaiian and Other Pacific Islander⁴ (9.6%).

²The US Census Bureau continuously updates its statistics, so data may not match prior SEA information.

Foreign-born persons were 19.5% of the population and 28.0% reported a language other than English was spoken at home. In this reporting period, 91.7% had at least a high school diploma or its equivalent. Of these, 34.3% had a bachelor's degree or higher.

According to the U.S. Census Bureau *Quickfacts*, Honolulu had 311,525 households with an average of 3.05 persons per household. Median household income was \$82,906 per year and per capita personal income was \$35,202. Persons below the poverty level were estimated at 7.7%. Mean travel time to work was 29.1 minutes.

Race-Ethnicity	Percent ⁵
Asian	43.0%
White	21.7%
Two or More Races	22.6%
White alone, not Hispanic	18.0%
Hispanic or Latino (of any race)	10.0%
Native Hawaiian/Other Pacific Islander	9.6%
Black or African American	2.8%
American Indian/Alaska Native	0.3%

Source: US Census QuickFacts (Honolulu)

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

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

⁵Percentages add up to more than 100% due to those who may identify as more than one race.

Community Profile

Housing units totaled 352,527, of these, the owner-occupied housing unit rate was 55.8%. The median value for owner-occupied housing units was \$649,800.

The following table shows population by age as of July 1, 2018:

Age	Population	Percent
Under 18 years	207,777	21.2%
18 to 64 years	598,829	61.1%
65 years and over	173,474	17.7%

Source: Source: US Census QuickFacts (Honolulu)

National Ranking

According to the State of Hawai'i, the City and County of Honolulu ranked as the 56th largest metropolitan statistical area and the 48th largest county in the nation.

According to the U.S. Census Bureau, Hawai'i is one of the most diverse states in the United States as the minority population makes up 78.2% of the state population. In addition, 24.0% of the population living in Hawai'i identify as multi-racial as opposed to only 2.7% of the U.S. population identifying as multi-racial. Nationally, Hawai'i's population is aging faster than the U.S. population as a whole, and Hawai'i ranked 7th among the 50 states and the District of Columbia in terms of the percentage of the population aged 65 and over.

Other national rankings included Hawai'i as number one for having the highest well-being. Hawai'i also placed first for its career, social, and financial well-being scores. Hawai'i was also ranked among the top five states for physical and community well-being. Hawai'i further ranked number one for public health and employment, which includes the states' job growth, unemployment rates, and labor force participation rates.



Quality of Life In Honolulu

Great communities are partnerships of the government, private sector, community based organizations, and residents. The National Community 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 Profile

Community Characteristics

Overall quality of community life represents the natural ambience, services and amenities that make for an attractive community. A majority of Honolulu residents (65%) rate Honolulu as an *excellent* or *good* place to live. Nearly three-quarters (73%) rated their neighborhoods as *excellent* or *good* places to live. Residents gave *excellent* or *good* ratings to air quality (65%); drinking water (68%); and safety in their neighborhood during the day (46%).

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. This year, residents' ratings for customer services provided by city employees as *excellent* or *good* (31%) decreased 9% from last year.

Community Quality Ratings	Percent Rating <i>Excellent or Good</i>	300,000+ Cities Ranking	Honolulu Percentile ⁶
A place to live	65%	28/30	7%
Neighborhood	73%	15/22	33%
Overall quality of life	54%	25/29	14%
Place to raise children	53%	25/27	8%
Overall image	44%	16/22	29%
Place to retire	39%	23/25	8%
Overall appearance	33%	20/21	5%
Air quality	65%	7/16	60%
Drinking water	68%	5/17	75%
Overall feeling of safety in your neighborhood during the day	46%	19/24	22%

Community Characteristics	Percent Rating <i>Excellent or Good</i>	300,000+ Cities Ranking	Honolulu Percentile ⁶
Services provided by city	30%	30/31	3%
Overall customer service by city employees	31%	25/25	0%
Federal government services	30%	11/14	23%
Welcoming citizen involvement	20%	20/20	0%
Overall direction	14%	21/21	0%
Value of services for taxes paid	16%	25/25	0%
Fire services	82%	15/24	39%
Ambulance or emergency medical services	80%	12/21	45%
Police services	51%	25/31	20%
Street repair	9%	19/20	5%
Bus or transit services	58%	3/15	86%

Source: 2019 National Community Survey (Honolulu) ⁶Honolulu's percentile reflects Honolulu residents' ratings in comparison with the National Community Survey's database of more than 500 communities nationwide. Comparisons were also made to a subset of over 40 communities with populations of at least 300,000 residents.

Community Profile

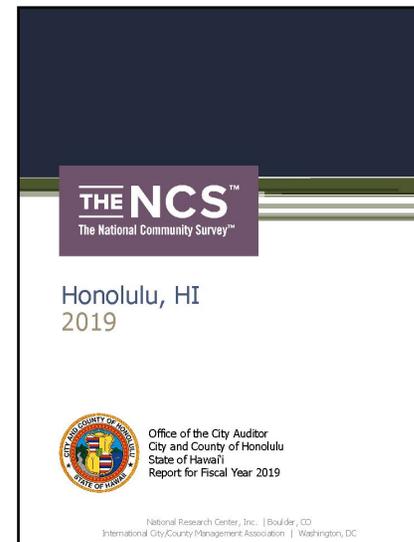
Participation

An engaged community harnesses its most valuable resource, its residents. The connections and trust among residents, government, businesses, and other organizations help create a sense of community. Almost three-quarters reported they are likely to remain in Honolulu for the next five years.

Community Characteristics	Percent Rating <i>Excellent or Good</i>	300,000+ Cities Ranking	Percentile
Will remain in Honolulu for the next 5 years	74%	16/17	6%
Recommend living in Honolulu to someone	55%	17/18	6%
Sense of community	43%	13/18	29%
Contacted the city for help or information	42%	12/18	35%
Talked to or visited with immediate neighbors	85%	11/13	17%
Recycle at home	89%	7/14	54%
Made efforts to conserve water	89%	3/14	85%
Visited a neighborhood or city park	77%	15/17	13%
Made efforts to make home more energy efficient	80%	3/13	83%
Not experiencing housing cost stress	51%	13/14	8%
Watched (online or on television) a local public meeting	30%	5/14	69%

Special Topics

Residents were asked to indicate their level of support for several items, even if it involved raising taxes, or fees. About 96% of residents *strongly* or *somewhat support* protecting our water resources from contamination. A total of 91% *strongly* or *somewhat support* protecting and preparing infrastructure for climate change threats. At least 84% support providing 24/7, real-time traffic incident information to assist drivers and reduce traffic congestion, and 80% support establishing resiliency and sustainability programs through dedicated funding resources.



Residents also rated the importance of several city and county issues for the city to address in the next two years. The impact of the homeless population on the community (95%), protecting Honolulu’s drinking water aquifers from the Navy’s fuel storage leaks, (90%) and strengthening ethics, transparency, and accountability in city government (85%) were rated as *essential* or *very important* for the city to address in the next two years.

Residents were also asked to rate to what degree several issues were problems in the city and county of

Honolulu: Shoreline erosion and loss of beaches (89%), the city’s bulky item trash program (78%), and individual preparedness for natural disasters and other large scale threats (58%), were each rated as a *moderate* or *major* problem by almost 60% or more of residents.

Source: 2019 National Community Survey (Honolulu)

Community Profile

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, Human Development and Citizen Participation
- General Government Operations

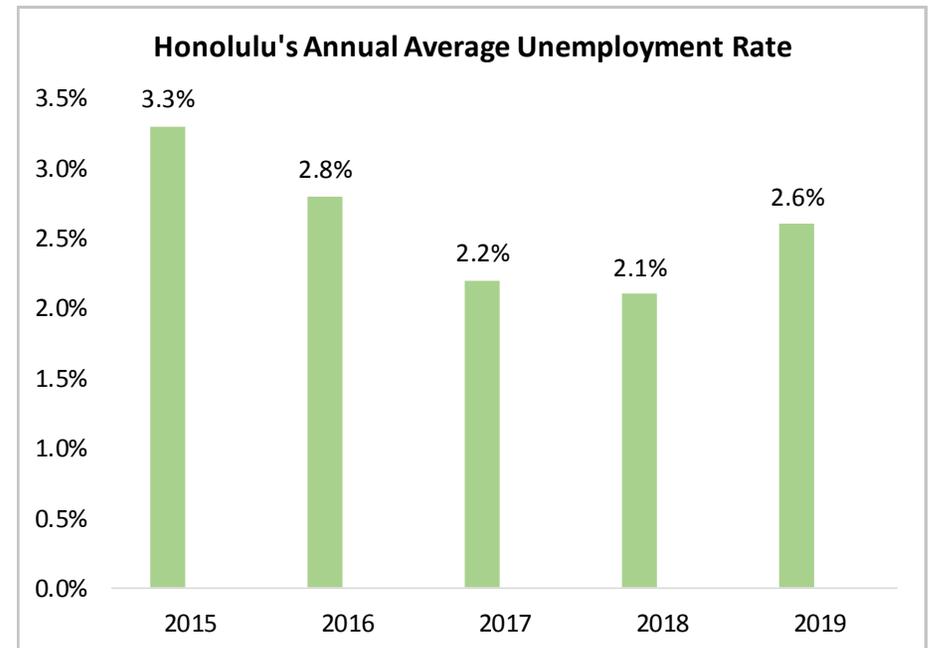
The city charter, adopted in 1959, was cited by the United States Conference of Mayors as a model for modern American metropolitan area government.⁷

Economy

In FY 2019, Honolulu's economy benefited from a strong tourism industry and the United States military. Economic indicators such as visitor arrivals, defense spending, home resale prices, agricultural jobs, low unemployment, personal income growth, and proprietors' income suggest that the local economy has been performing favorably overall.

The FY 2019 executive operating budget increased 6.5% from the previous year. The city's \$1.01 billion capital improvements budget emphasized maintaining and improving parks and park facilities, enhancing bus and Handi-van services, integrating bus, rail, and transit oriented development, meeting mandated sewer improvement deadlines, continuing to invest in road rehabilitation and maintenance, and addressing chronic homelessness.

Unemployment in the City and County of Honolulu:⁸



Sources: Hawai'i Department of Labor and Industrial Relations and Hawai'i Department of Business Economic Development and Tourism ⁸2019 data are preliminary.

⁷In 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.

Community Profile

City Priorities

The mayor, in his second term as Chief Executive Officer of the City and County of Honolulu, pledged to continue working on his major priorities that focus on providing essential city services, maintaining and enhancing the multitude of city assets, addressing mandated requirements and establishing the foundation for a better future for the residents of O`ahu.

During FY 2019, the mayor's priorities included:

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

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 city priorities based on 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

Scope and Methodology

The Office of the City Auditor prepared this report in accordance with the City Auditor's FY 2019 Work Plan. The scope of our review covered information and results for the city's departments for the fiscal year beginning July 1, 2015 (FY 2015) and ending June 30, 2019 (FY 2019).

The Office of the City Auditor compiled, examined, and reviewed sources of departmental data in order to provide reasonable assurance that the data compiled is 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 presents a picture of the efforts and accomplishments of 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 insight 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.

We conducted the FY 2019 Service Efforts and Accomplishments (SEA) Report, 2019 National Community Survey of Honolulu residents, and 2019 Citizen Centric Report 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 Government Accounting Standards Board's (GASB) Suggested Guidelines for Voluntary Reporting for Service Efforts and Accomplishments (SEA) Performance Information, June 2010. This audit was performed from September 2019 to March 2020.

Service Efforts And Accomplishments Reporting

In 1994, the Governmental Accounting Standards Board (GASB) issued *Concepts Statement No. 2, Service Efforts and Accomplishments Reporting*.⁹

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.

⁹On 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>.

Scope and Methodology

In 2003, GASB issued a special report on *Reporting Performance Information: Suggested Criteria for Effective Communication*¹⁰ 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.

Our report implements this national program. The City and County of Honolulu has reported various performance indicators for a number of years.



Source: GASB Special Report Summary

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.

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 documents¹¹, performance measures from other jurisdictions, and other professional organizations. We used audited

information from the Comprehensive Annual Financial Reports for the City and County of Honolulu (CAFRs).¹² We cited departmental mission statements and performance targets¹³ 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.

¹⁰A summary of the GASB special report on reporting performance information is online at http://www.seagov.org/sea_gasb_project/criteria_summary.pdf. ¹¹The budget is on-line at <http://1.honolulu.gov/budget/excgbt/index1.htm>. The operating budget includes additional performance information. ¹²The CAFR is on-line at <http://www1.honolulu.gov/budget/cafr.htm>. ¹³The operating budget may include additional performance targets for the budget benchmarking measures.

The National Community Survey™

The National Community Survey (NCS) is a collaborative effort between the National Research Center, Inc. (NRC), and the International City/County Management Association (ICMA).¹⁴ 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 community survey is redesigned into five reports, *Community Livability Report*, *Dashboard Summary of Findings, Trends Over Time*, *Technical Appendices*, and *Online Supplemental Results*.

NCS customized the survey in close cooperation with 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 1,700 Honolulu households in November 2019. Completed surveys were received from 376 residents, for a response rate of 23%. Of the 376 completed surveys, 36 were completed online.

Typical response rates obtained on community 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 1,700 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 600 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.

¹⁴The full report of Honolulu's survey results can be found on-line at <http://www.honolulu.gov/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.¹⁵

Year	Population
FY 2015	989,438
FY 2016	993,716
FY 2017	992,761
FY 2018	988,650
FY 2019	980,080
Percent change over last year	-0.9%
Percent change over last 5 years	-0.9%

Source: State of Hawai'i Data Book (2018)

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 1.8% over the 5 years of financial data that is included in this report. The index changed as follows:

Annual Consumer Price Index, Honolulu, HI 2015-2019

Year	Index
2015	1.00%
2016	1.97%
2017	2.54%
2018	1.86%
2019	1.63%
Percent change over last year	-0.23%
Percent change over last five years	0.63%

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 2019 results and the State of Hawai'i Data Book issued by the Department of Business, Economic Development and Tourism.

¹⁵The US Census Bureau continuously updates its statistics, so data may not match prior SEA information.

Acknowledgements

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.

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