

Chapter 9 - Department of Enterprise Services

The Department of Enterprise Services (DES) operates and maintains the Neal S. Blaisdell Center, the Tom Moffatt Waikiki Shell, the Honolulu Zoo, and six municipal golf courses. The department also coordinates the preparation, administration, and enforcement of concession contracts as well as maintenance activities at several concessions. This is the only city department whose operating budget is primarily funded by user fees from public events and activities.

The department's goals are to:

- Develop new services and lines of business in order to reduce the dependency on General Fund subsidies;
- Provide excellence in service and facilities; and
- Increase public awareness of departmental programs and services via marketing, public relations, and social media.

The department's administration directs and coordinates the programs and operations through its four divisions:

Building Services

- Provides facilities support to the Blaisdell Center, Tom Moffatt Waikiki Shell, Honolulu Zoo, six municipal golf courses, and designated concessions

Customer Services

- Plans, develops, markets, and rents out the Blaisdell Center (Concert Hall, Exhibition Hall, and the Arena) and Tom Moffatt Waikiki Shell facilities

Golf Course

- Operates and maintains six municipal golf courses

Honolulu Zoo

- Operates and maintains the city's 42-acre zoological park

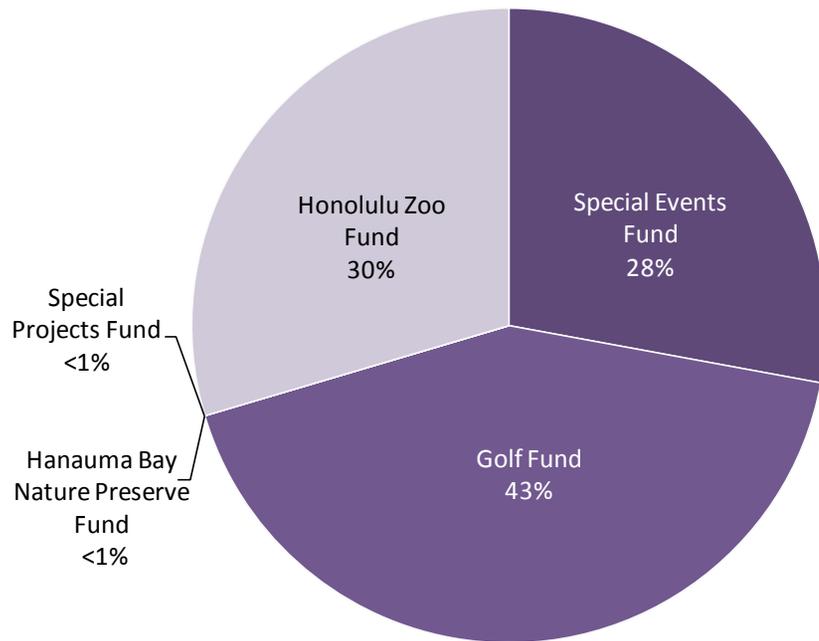


To manage and market a diversity of community-oriented facilities and services for the use and benefit of the public, supporting cultural, recreational, and educational opportunities and events on a self-supporting basis.

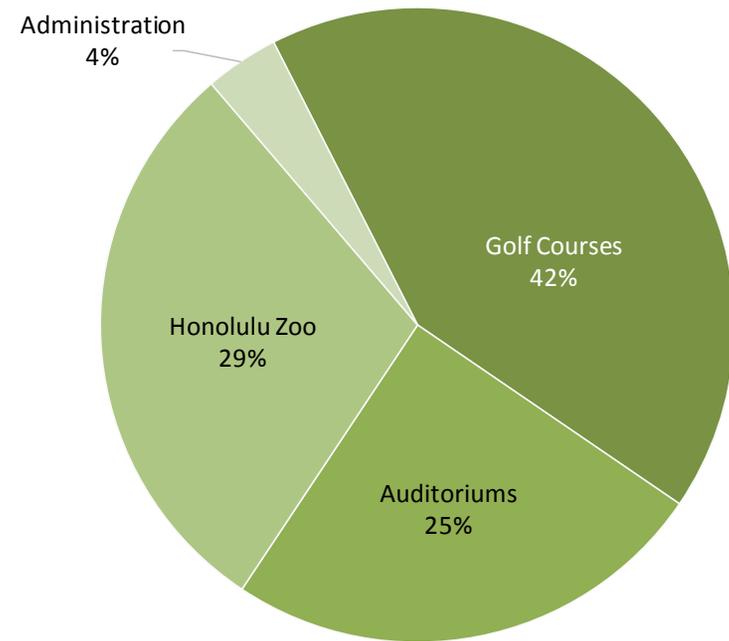
Mission Statement

Spending and Staffing

Fund Sources¹



Fund Uses²



	Total Operating Expenditures (\$ millions)	Total Revenues (\$ millions)	General Fund Subsidy			Staffing			Overtime Expenditures ⁵	
			Golf Fund (\$ millions)	Special Events Fund (\$ millions)	Honolulu Zoo Fund (\$ millions) ³	Total		Cost Per FTE ⁴	Total	Non-Holiday
						Authorized FTE	Total Vacant FTE			
FY 2015	\$21.78	\$23.48	\$9.81	\$11.95	--	265.9	34.5	\$81,907	\$615,893	\$369,102
FY 2016	\$22.36	\$23.96	\$10.04	\$12.30	--	265.9	25.4	\$84,071	\$628,824	\$387,394
FY 2017	\$24.20	\$25.11	\$9.68	\$14.42	--	275.1	37.2	\$87,973	\$672,101	\$396,270
FY 2018	\$24.78	\$26.23	\$9.99	\$6.77	\$7.85	275.9	36.1	\$89,828	\$666,129	\$428,272
FY 2019	\$24.33	\$27.28	\$10.34	\$6.78	\$7.19	276.9	39.3	\$87,852	\$588,577	\$359,551
Change from last year	-2%	4%	4%	<1%	-8%	<1%	9%	-2%	-12%	-16%
Change over last 5 years	12%	16%	5%	-43%	--	4%	14%	7%	-4%	-3%

Source: Department of Budget and Fiscal Services. ¹Percentages do not total 100% due to rounding. ²The Auditoriums Program is comprised of Building Services. ³Honolulu Zoo Fund was established by Charter Amendment 9, effective July 1, 2017. ⁴Cost Per FTE = Total Operating Expenditures/Total Authorized FTE. ⁵Overtime pay is established by bargaining unit agreement, as applicable.

Spending and Revenues



Overtime Expenditures

\$589 K ▼ **12%**

Overtime expenditures have decreased 12% from FY 2018 to FY 2019. The department attributes the decrease to the teamwork between Customer and Building Service divisions allowing for better manpower planning and lower overall attendance at events which required less staff.



Revenues

\$27.28 M ▲ **4%**

Revenues have increased 4% from \$26.23 million in FY 2018 to \$27.28 million in FY 2019.

Five Year Trends



- The Honolulu Zoo’s revenues increased 30% from \$4.81 million to \$6.25 million over the last five years. The department attributes the increase to increased revenues from the Zoo’s concessions: parking lot, gift shop, and food & beverage.



- The Blaisdell & Tom Moffatt Waikiki Shell’s total performances increased 47% from 471 to 693 over the last five years. The department attributes the increase to the number of overall bookings the department received in each venue: Arena, Exhibition Hall, Concert Hall, Pikake Suites, Waikiki Shell, and meeting rooms.



- The Golf Course Division’s number of rounds played decreased 8% from 400,869 in FY 2015 to 368,335 in FY 2019. The department attributes the decrease to the overall downward trend in the number of rounds of golf played in 2019 nationwide.

FY 2019 ACCOMPLISHMENTS

- Successful breeding and birth of several animals, all which support Zoo conservation and species survival efforts
- Sold out shows including Lionel Richie, Johnny Mathis, Thomas Rhett, and Def Leppard, in addition to attracting new nationally recognized tenant, Bellator Sport Worldwide

CHALLENGES MOVING FORWARD — FY 2020

- *The acquisition and transportation of animals into Hawai`i*
- *Maintaining an aging facility while keeping pace with future demands*

Administration and Building Services

Administration focuses on maximizing revenues, optimizing fiscal and manpower resources in support of the department’s and the mayor’s fiscal sustainability goal by reducing the General Fund subsidies for the Special Events Fund, and Golf Fund. It also directs and coordinates the programs and activities of the Blaisdell Center, Tom Moffatt Waikiki Shell, Honolulu Zoo, and municipal golf courses; and coordinates the preparation, administration, and enforcement of citywide concession contracts.

Over the last five years, the administration’s operating expenditures increased 16% from \$787,821 in FY 2015 to \$916,851 in FY 2019. The department attributes this to increases in administrative salaries.

Over the last five years, total concession revenues increased 54% from \$6.52 million in FY 2015 to \$10.03 million in FY 2019. DES reports that the increase in revenues is primarily due to increased parking fees at the Honolulu Zoo and Blaisdell Center. In addition, a new contract for beach stands generated higher monthly payments.

In FY 2019, the department awarded concession contracts for Kapiolani Beach Park food concession, Blaisdell Center and Tom Moffatt Waikiki Shell novelties concessions, Hanauma Bay Gift Shop concession, and ATM services at the Blaisdell Center, Hanauma Bay, and Honolulu Zoo.



Waikiki Surfboard Racks

Source: Department of Enterprise Services



Waikiki Beach Food Concession

Source: Department of Enterprise Services

	Operating Expenditures		DES Concessions	
	Administration	Auditoriums (\$ millions)	Total	Revenues (\$ millions)
FY 2015	\$787,821	\$5.84	33	\$6.52
FY 2016	\$792,276	\$5.48	30	\$8.00
FY 2017	\$925,939	\$6.51	29	\$9.07
FY 2018	\$909,309	\$6.02	30	\$9.35
FY 2019	\$916,851	\$6.03	29	\$10.03
Change from last year	1%	<1%	-3%	7%
Change over last 5 years	16%	3%	-12%	54%

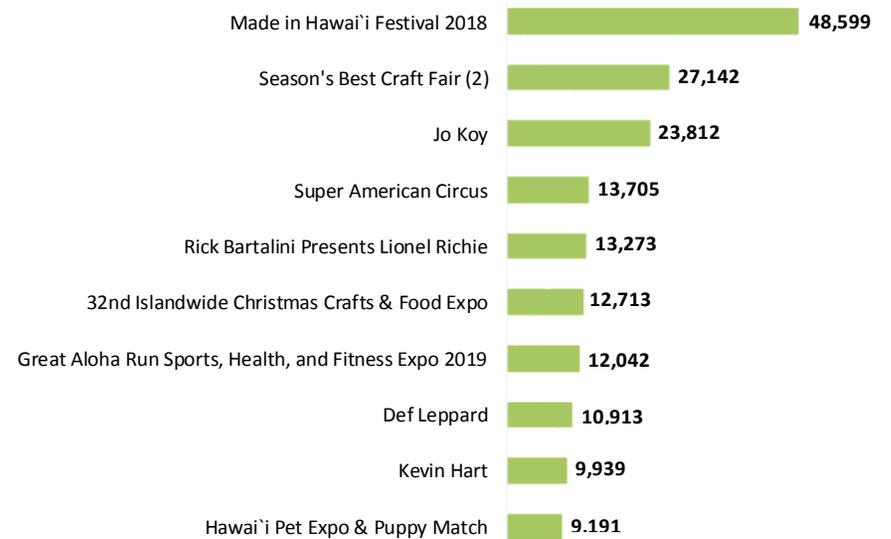
Source: Department of Budget and Fiscal Services and Department of Enterprise Services.

The Customer Services Division manages the business, tenant, and guest services of the Blaisdell Center and the Tom Moffatt Waikiki Shell. It encourages extensive and varied entertainment choices and community events while maximizing revenues to support operations at these venues. The division consists of three sections: Sales and Marketing, Productions, and the Box Office.

Some of the highlights of FY 2019 include major events and concerts: Lionel Richie, Thomas Rhett, Def Leppard, Made in Hawai'i Festival, The Great Aloha Run, and the first Netflix comedy special filmed in the Blaisdell arena for Jo Koy. In addition, there were seasonal performances of local arts groups such as Hawai'i Opera Theatre, Hawai'i Symphony Orchestra, Ballet Hawai'i, and Hawai'i Youth.

In FY 2019, 696,002 people attended 693 performances at the Blaisdell Center and the Tom Moffatt Waikiki Shell, compared to an attendance of 802,077 at 663 performances in FY 2018. Although there was an increase in performances, there was a decrease in attendance. The increased number of performances does not correlate with an increase in attendance as the attendance is based on the size of the venue.

Attendance for Top Ten Blaisdell Center Events in FY 2019



Source: Department of Enterprise Services

	Blaisdell & Tom Moffatt Waikiki Shell Performances			
	Total Performances	Revenues (\$ millions)	Total Attendance	Total Expos, Trade Shows, and Job Fairs ¹
FY 2015	471	\$5.52	678,862	55
FY 2016	574	\$6.73	729,654	45
FY 2017	591	\$6.98	745,727	59
FY 2018	663	\$6.88	802,077	58
FY 2019	693	\$6.38	696,002	61
Change from last year	5%	-7%	-13%	5%
Change over last 5 years	47%	16%	3%	11%

Source: Department of Budget and Fiscal Services and Department of Enterprise Services. ¹Excludes small shows in the Hawai'i Suite meeting rooms.

Golf Course

The Golf Course Division’s mission is to operate and maintain municipal golf courses which provide affordable golf opportunities for the city’s recreational golfers. Golf courses are constantly evaluated for quality of playing conditions and facilities, along with concession performance for food operations, pro shops, and a driving range.

The six municipal courses include:

- Ala Wai
- Ewa Villages
- Kahuku
- Pali
- Ted Makalena
- West Loch

The division’s operating expenditures increased 7% over the past five years from \$9.57 million in FY 2015 to \$10.22 million in FY 2019. The department attributes the increase to collective bargaining agreement salary increases, utility rate escalations, and increased costs for fertilizer and maintenance equipment parts.

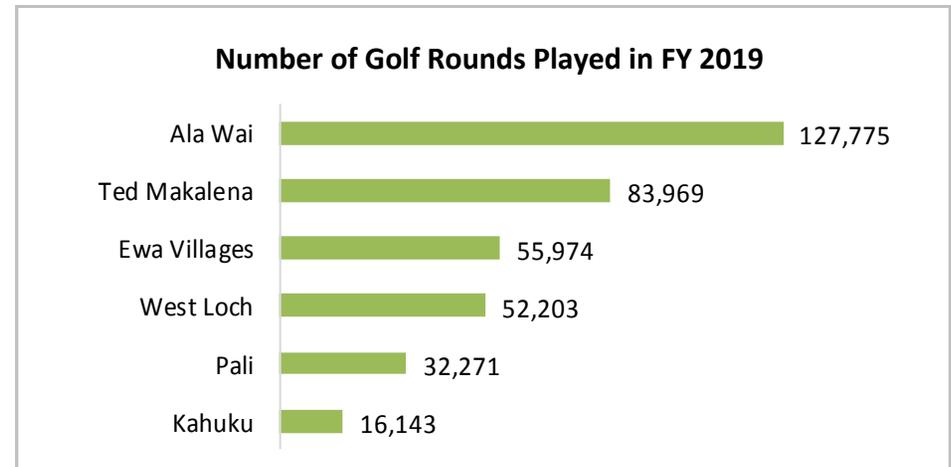
In FY 2019, the department completed the fourth phase of the cart path reconstruction project at Ted Makalena Golf Course, which involved replacing existing asphalt cart paths with concrete cart paths. In addition, new golf tournaments for Chaminade University’s Athletic Department and St. Theresa School were held at the Ala Wai Golf Course resulting in a total of 10 annual tournaments.



West Loch Golf Course



Ala Wai Golf Course



Source: Department of Enterprise Services

	Golf Course Division		
	Operating Expenditures (\$ millions)	Revenues (\$ millions)	Number of Rounds Played
FY 2015	\$9.57	\$9.48	400,869
FY 2016	\$10.02	\$8.74	373,710
FY 2017	\$9.66	\$8.84	371,744
FY 2018	\$9.88	\$9.12	376,895
FY 2019	\$10.22	\$9.20	368,335
Change from last year	3%	1%	-2%
Change over last 5 years	7%	-3%	-8%

Source: Department of Budget and Fiscal Services and Department of Enterprise Services.

The Honolulu Zoo Division plans, operates, and maintains a 42-acre zoological park and botanical garden located within Queen Kapi`olani Park in Waikiki. The Honolulu Zoo’s mission statement focuses on Pacific tropical island ecosystems and traditional values of *malama* (caring) and *ho`okipa* (hospitality).

The division’s operating expenditures increased 28% over the last five years from \$5.59 million in FY 2015 to \$7.15 million in FY 2019. The increase is attributed to collective bargaining agreement salary increases, increases in utilities, and food and costs for professional services to address maintenance and animal welfare needs.

In FY 2019, the Honolulu Zoo completed various construction projects and facility upgrades, including a new viewing area for the sun bear exhibit, a renovated keiki zoo barn, a renovated wart hog exhibit and sleeping quarters, and new zoo perimeter fencing and exhibit guardrails.



Ectotherm Complex
Source: Office of the City Auditor



Green Iguana Two-Toed Sloths Lemur

Photos Courtesy of the Department of Enterprise Services

	Operating Expenditures (\$ millions)	Revenues (\$ millions)	Zoo Visitor Attendance
FY 2015	\$5.59	\$4.81	592,780
FY 2016	\$6.06	\$4.78	565,000
FY 2017	\$7.10	\$5.24	554,416
FY 2018	\$7.97	\$5.93	579,302
FY 2019	\$7.15	\$6.25	565,049
Change from last year	-10%	5%	-2%
Change over last 5 years	28%	30%	-5%

Source: Department of Budget and Fiscal Services and Department of Enterprise Services.

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