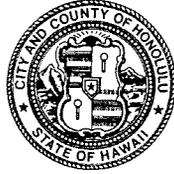


DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU
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2010 MAY 12 P 3:45

GAIL Y. HARAGUCHI
DIRECTOR

CITY COUNCIL
HONOLULU, HAWAII

SANDRA SAGISI
DEPUTY DIRECTOR

May 12, 2010

The Honorable Nestor R. Garcia, Chair
and Members of the Budget Committee
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

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Dear Chair Garcia and Councilmembers:

Subject: Budget Communication No. 15
Impacts of additions and deletions proposed in Bill 15, CD 1

As requested in the Budget deliberations held April 12, 2010, attached is our written response to the specific impacts each of the additions and deletions in the Operating budget, Bill 15 CD 1, will have on our operations and the services we provide to the taxpayers of the City and County of Honolulu.

Sincerely,

Gail Y. Haraguchi, Director
Customer Services

APPROVED:

Rix Maurer III, Director
Budget and Fiscal Services

APPROVED:

Kirk W. Caldwell
Managing Director

Proposed Bill 15, List of CD 1 Amendments Affecting Customer Services Department

Administration, Reduces funding for Vacant Positions, (\$2,775) S, GN

Administration, 1.5% cut of operating expenses, (1,069) CE, GN

Public Communication, Reduces funding for Vacant Positions, (\$8,500) S, GN

Public Communication, 1.5% cut of operating expenses, (\$5,260), CE, GN

Satellite City Hall, Reduces funding for Vacant Positions, (\$27,331) S, GN

Satellite City Hall, 1.5% cut of operating expenses, (\$9,815) CE, GN

Satellite City Hall, Line Item Reduction, 3302 Electricity, (\$7,886) CE, GN

Motor Vehicles, Licensing and Permits, Reduces funding for Vacant Positions, (40,106)
S, GN, (\$11,013) S, HB

Motor Vehicles, Licensing and Permits, 1.5% cut of operating expenses, (\$101,930) CE,
GN

Customer Services Department's Response to CD 1

The City Council proposes to (i) reduce salary funding for vacant positions (which is approximately \$89,725), and (ii) cut 1.5% of CSD's operating expenses (which is approximately \$125,960).

The services provided by CSD generally are non-discretionary and must somehow be performed. The bulk of the programs within CSD are either:

- (i) mandated by federal or state law (e.g., Real I.D., Removal of Abandoned and Derelict Vehicles Program under HRS 286-51),
- (ii) involve the administration of our motor vehicle licensing laws,
- (iii) involve the administration of City programs mandated by City law (e.g., Spay and Neuter Program, Animal Care and Control Program),
- (iv) involve the handling of public complaints, inquiries and payments (Satellite City Hall).

CSD has foregone all new programs, except for the future implementation of the Real I.D. Program which is mandated by federal law. The implementation of the Real I.D. Program is being accomplished through the reassignment and filling of vacant positions rather than through the creation of totally new positions within CSD. We

understand and have been doing our best to fulfill new responsibilities through current authorized resources.

CSD was also concerned that there is a possibility of other new services that may be imposed upon CSD by the State which now is reality. House Bill 134, now Legal Presence Act 038, will require CSD to increase processing at the SCHs and centralize issuance of driver's licenses. This increase will require the public to provide additional information to verify that they are legally in the United States. Act 038 is effective July 1, 2010. CSD is not requesting additional funds for new positions; however, CSD is looking to fill current vacant-funded clerical positions to meet these needs.

The vetting of the employees will be a costly endeavor and CSD is still working out the details with the State DOT. Unfortunately, at this time the cost is unknown.

Impacts of Reducing Salary Funding for Vacant Positions

The reduction of salary funding for vacant position will prevent CSD from hiring a Senior Clerk Typist, the Printing Services Officer, a clerical position in the Satellite City Halls program, and two clerical positions in the Motor Vehicles, Licensing and Permits Division ("MVLDP").

Regarding the \$40,106 cut in the MVLDP, this will restrict the filling of two vacant Clerk positions in the Driver License Branch and the closure of the Waianae and Koolau Driver License ("DL") Substations. CSD anticipates a ~~10X~~ ^{ten times} increase in driver license renewals, plus additional increases in workload from increased driver license processing requirements of the Real I.D. Act. If the two vacant positions are not filled and the Waianae, and Koolau DL offices close, the public will go to the nearest locations which would be Kapolei DL, Windward SCH, and City Square DL. The impact will be longer lines, increased customer complaints, compounded by two furlough days occurring per ^{each} month.

Regarding the vacant positions in the Satellite City Halls, the Senior Clerk Typist position has been vacant since April 2, 2007. The impact of not filling this position will be continued staff shortages leading to customer complaints and hinder City revenue collections. This position should be funded in preparation for the additional increases in workload that will result from increased driver license processing requirements of the Real I.D. Act. Taking into consideration two furlough days per month and significantly longer wait times by the public due to increased processing time for each driver license transactions, we need to be sure we are adequately staffed. Therefore, the offering of driver licensing services will cease at Hawaii Kai Satellite City Hall.

The Printing Services Officer position only became vacant on December 31, 2009 when our PSO retired. This is an essential position since this person provides overall supervision of the CSD's print shop. Currently, the tasks of this position are being served through a temporary assignment and the "doubling-up" of the temporary assignment's

chores and responsibilities. While temporary assignment may be a short-term remedy, in the long term it leads to employee burn-out.

The Senior Clerk Typist position only became vacant on December 31, 2009. This position sits in the front of the CSD office and handles the clerical responsibilities.

The tasks of this position currently are being served through a personal services contract; however, we are falling behind in secretarial services because of the delay to hire the secretary and another is on family leave.

Impacts of 1.5% Cut of Current Expense

- Administration - \$1,069: CSD will have to reduce the Honolulu City Lights budget.
- SCH - \$9,815: CSD can live with this cut by not purchasing office supplies and equipment maintenance.
- SCH - \$7,886 (electricity): CSD currently is short \$7,000 in FY10 because of anticipated increases in electricity rates. Cutting an additional \$7,886 is unrealistic.
- MVLP - \$101,930: \$63,388 in non-personnel savings (i.e., rent, utilities and courier services) can be achieved with the closure of the driver license offices in Waianae, Koolau and Wahiawa.

CSD's budget is "lean without fat" and any further cuts "will be into the meat" that will impact operations. CSD will have no choice but to close offices which will affect how we service the public.