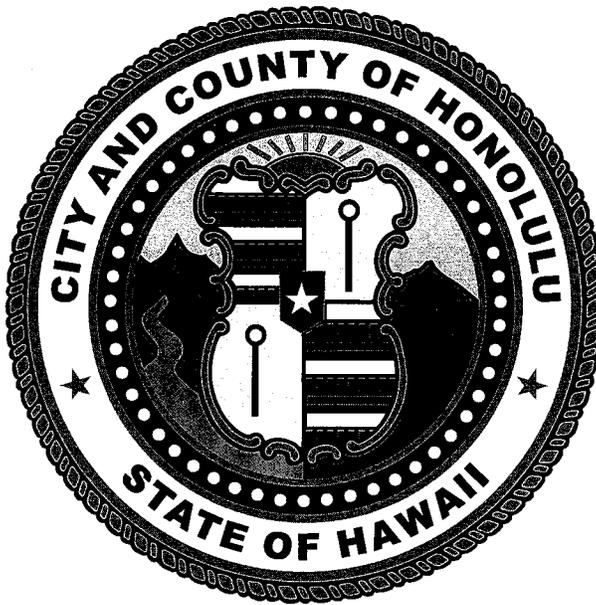


LEGISLATIVE BUDGET

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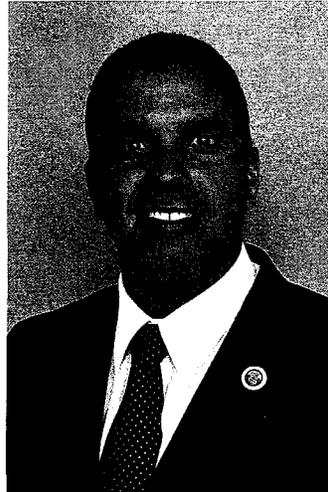
*Prepared for the Honolulu City Council
By the Office of Council Services
March 2012*



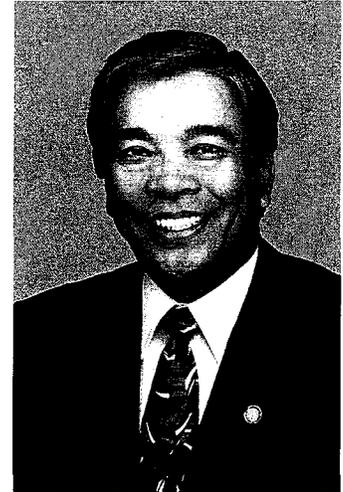
HONOLULU CITY COUNCIL



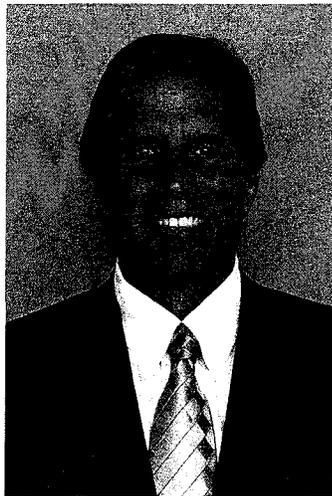
Ernest Y. Martin
Council Chair
District II



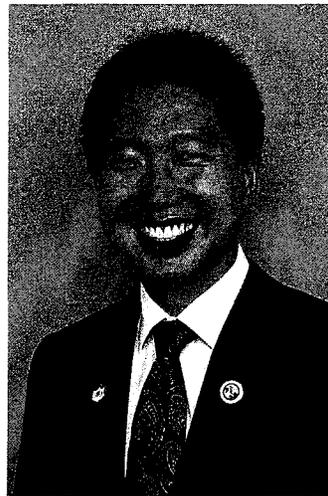
Ikaika Anderson
Vice-Chair
District III



Romy M. Cachola
Floor Leader
District VII



Tom Berg
District I



Stanley Chang
District IV



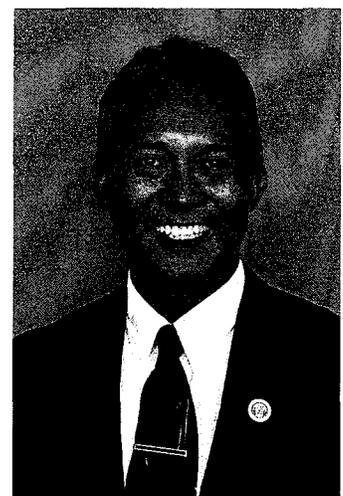
Ann H. Kobayashi
District V



Tulsi Gabbard
District VI



Breene Harimoto
District VIII



Nestor R. Garcia
District IX

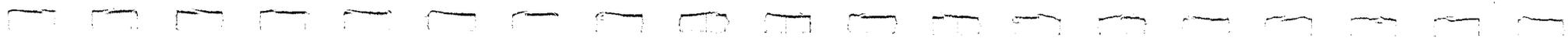


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OFFICE OF COUNCIL SERVICES

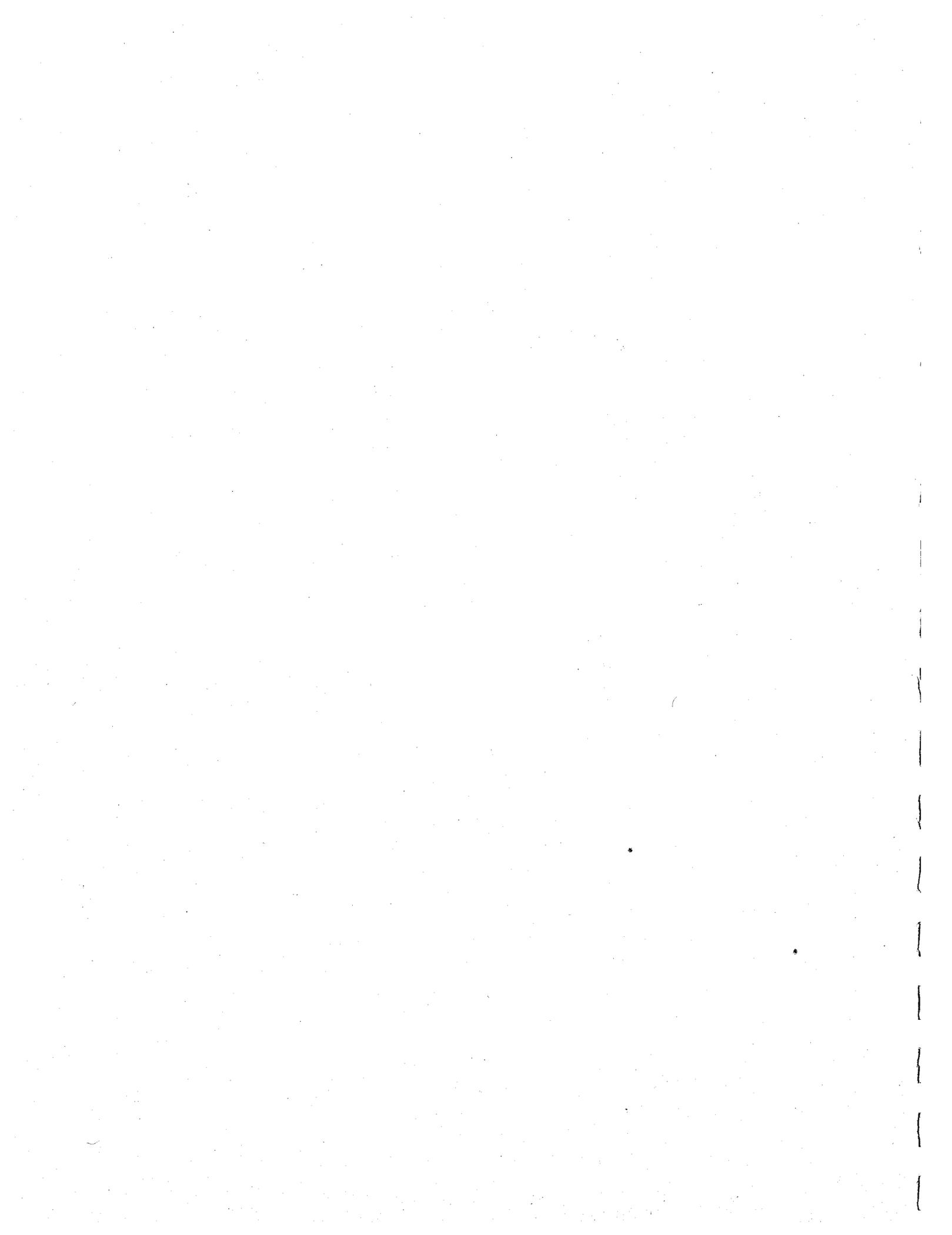
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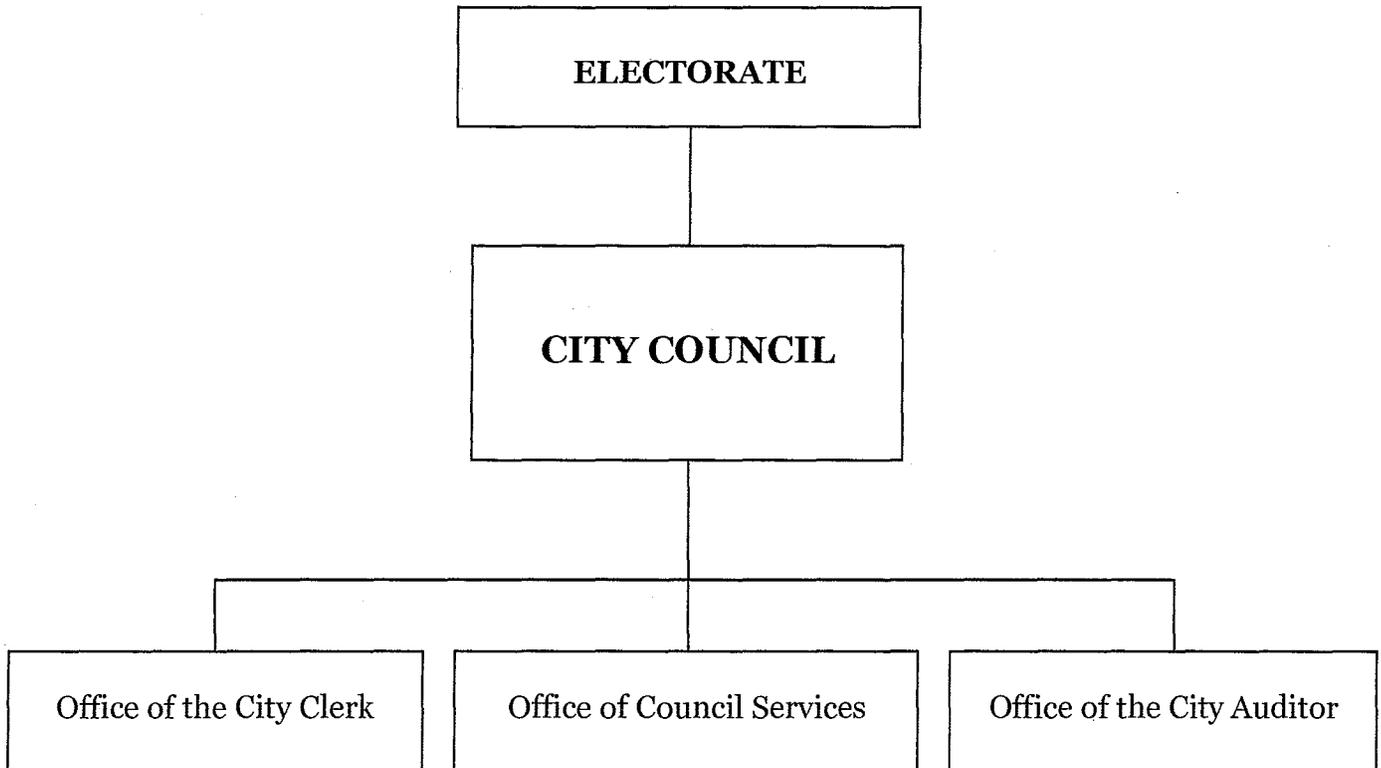
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HONOLULU CITY COUNCIL

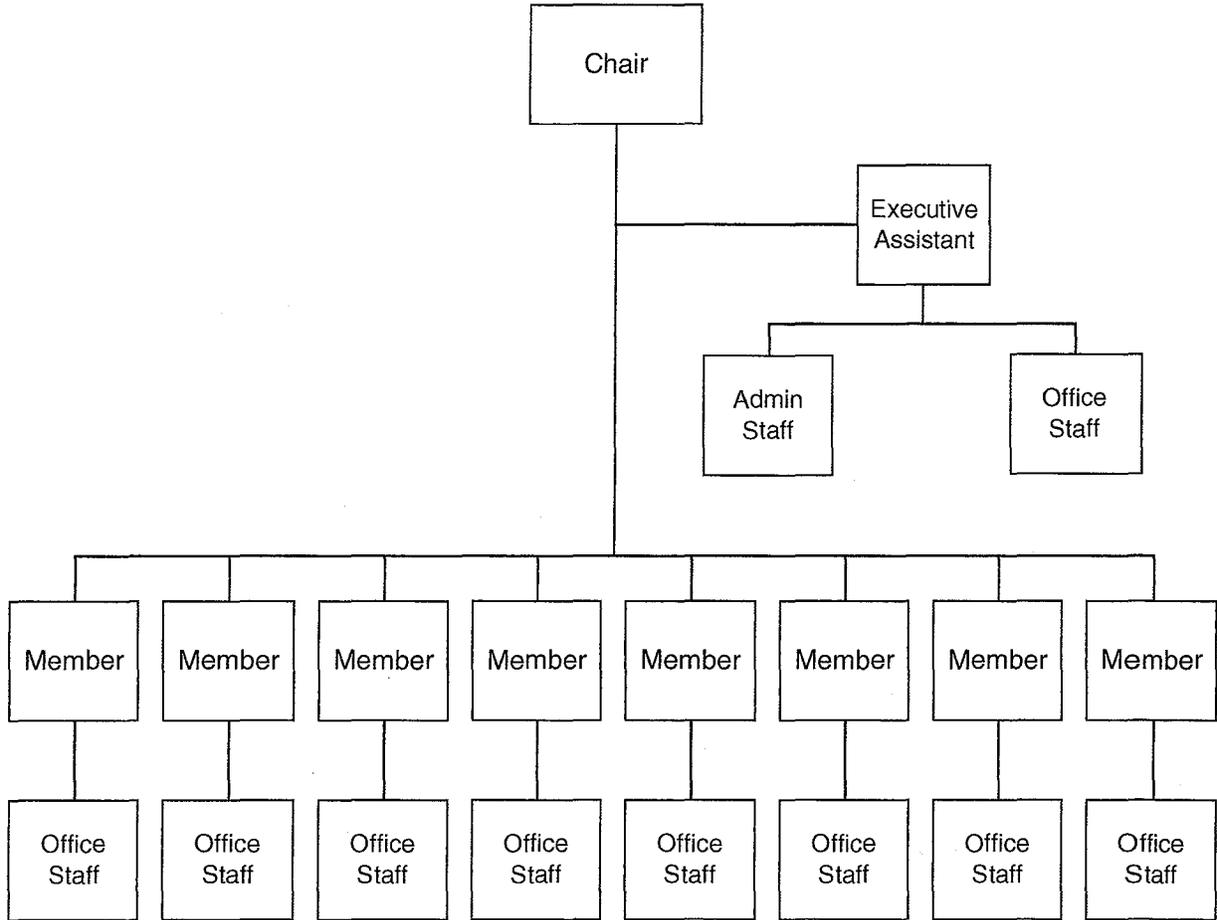


**LEGISLATIVE BRANCH
ORGANIZATION CHART**



HONOLULU CITY COUNCIL

ORGANIZATION CHART



HONOLULU CITY COUNCIL

Powers, Duties, Functions

The Charter of the City and County of Honolulu expressly establishes the Legislative Branch and vests legislative power in the City Council. As the legislative body for the city, the Council meets year round and is responsible for initiating policies to advance the general welfare, health, happiness, safety, and aspirations of the people of the City and County of Honolulu.

Major duties and functions of the Council include establishing citywide policies and new municipal programs, authorizing city audits, adopting land use and planning ordinances and policies, general obligation bonds issuances, setting real property tax rates and reviewing and adopting the annual budget for the City and County of Honolulu.

FY 2013 Budget – Legislative Branch Overview

For Fiscal Year (FY) 2013, the Legislative Branch is funded at \$13,878,060. The number of authorized Full Time Equivalent (FTE) positions is 125.5.

Salaries

Salary appropriations for the Legislative Branch total \$7,271,519. As of this writing, the final outcome of the City's negotiations with the HGEA (this organization has exercised the option of "Favored Nation Clause") is

still not yet known in its entirety. However, the Legislative Branch will adjust salaries to fulfill the terms of the final negotiated agreement. The salary appropriation in the Clerk's budget provides for an increase in staffing due to the fall 2012 elections.

Current Expenses

The Current Expenses appropriations for the entire Legislative Branch totals \$6,601,541. The Legislative Branch has embarked on the following initiatives:

- Providing funds for Council meetings outside of Honolulu Hale.
- Pursuing a video conferencing program for City Council meetings between Honolulu Hale and Kapolei Hale; also, video conferencing capability for a third floor Council conference room and room 101 for the City Clerk's Office.
- Investigating live telecasts of meetings at remote meeting sites besides Kapolei Hale.
- Streamlining the amount of hard copies via a "paperless" operation.
- Implementing a safety program to provide a secure office environment including card readers for the current identification badges assigned to personnel in the City Council, the Office of Council Services, and the City Clerk.

The City Clerk's Current Expenses reflect an increase due to the cost of the fall 2012 elections. The City Clerk will continue to advocate for absentee and permanent absentee ballots for Oahu voters. This will reduce the need for absentee walk-in sites and the rental of office space.

Legislative appropriations provide support to continue program and operational activities including: general protocol, contingency allotments, the 2013 Council inauguration, Salary Commission, professional services, equipment rental and maintenance, office rentals, subscriptions, publications, advertising, personnel training and required audit activities.

Provisional

Provisional funding is \$3,294,000 for FY 2013 and covers the following line items for legislative personnel: health, retirement, unemployment, vacation pay, and FICA.

**LEGISLATIVE BRANCH
FY 2010-2013
SUMMARY**

DEPARTMENT POSITIONS	FY 2010	FY 2011	FY 2012	FY 2013
Permanent FTE	121	121	120	119
Temporary FTE	7	6	6	6
Contract FTE	0	0	0	0.5
TOTAL	128	127	126	125.5

CHARACTER OF EXPENDITURES	FY 2010	FY 2011	FY 2012	FY 2013
Salaries	7,506,378	7,291,097	7,153,345	7,271,519
Current Expenses	5,889,211	6,383,954	5,609,080	6,601,541
Equipment	1,000	0	6,000	5,000
TOTAL	\$ 13,396,589	\$ 13,675,051	\$ 12,768,425	\$ 13,878,060

APPROPRIATION BY PROGRAM	FY 2010	FY 2011	FY 2012	FY 2013
City Council	4,008,281	3,785,078	4,264,317	4,019,587
Council Services	1,520,766	1,457,999	1,463,399	1,482,155
City Clerk	3,722,467	4,004,234	2,587,634	3,725,878
City Auditor	1,233,775	1,250,340	1,321,340	1,356,440
Provisional	2,911,300	3,177,400	3,131,735	3,294,000
TOTAL	\$ 13,396,589	\$ 13,675,051	\$ 12,768,425	\$ 13,878,060

**LEGISLATIVE BRANCH
FY 2010-2013
SUMMARY**

SOURCE OF FUNDS	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	13,221,589	13,485,251	12,567,825	13,742,660
Transit Fund	50,000	50,000	0	0
Solid Waste Fund	12,000	12,500	13,000	13,500
Housing Development Fund	9,000	9,300	9,600	9,900
Bus Transportation Fund	40,000	41,500	43,000	44,500
Sewer Fund	60,000	62,500	65,000	67,500
Federal Grants Fund	0	0	56,000	0
Special Projects Fund	4,000	14,000	14,000	0
TOTAL	\$ 13,396,589	\$ 13,675,051	\$ 12,768,425	\$ 13,878,060

Agency Highlights – City Council

The City Council relocated three Councilmember staff offices to the third floor of Honolulu Hale to provide a clean, healthy, and safe work environment. Additional councilmembers' staff will relocate to this floor after the 2012 fall elections. A conference room adjacent to the City Council Chamber is targeted for completion by the end of 2012 and the plan is to outfit this site with teleconferencing capability. This location will also serve as the Executive Session room during City Council meetings.

The Council Administration Services (CAS) continues to pursue cross training and develop succession planning for its staff. These programs will ensure continuity of operations during absences and after veteran staff members retire.

Equipment for the City's video control room, for the regular broadcasting of meetings and hearings (separate from teleconferencing), was acquired in the Council's efforts to improve broadcast service to the public.

The City Council conducted additional meetings in the communities to enable greater participation in the legislative process. The Zoning Committee held meetings in Haleiwa to review the North Shore Sustainable Communities plan and Nanakuli for a review of the Waianae Sustainable Communities Plan. Further, Council meetings were held in November and February at Kapolei Hale and there is a tentative meeting for April 2012 at Kapolei Hale.

The City Council also adopted an Emergency Operations Plan for the Legislative Branch which established policy and procedures to follow in times of emergencies or natural disasters.

FY 2013 Budget

For Fiscal Year 2013, the City Council's budget is \$4,019,587. The City Council's FTE count is 60.50 positions.

Salaries

Council salary appropriations total \$3,567,112. As of this writing, the final outcome of the City's negotiations with the HGEA (this organization has exercised the option of "Favored Nation Clause") is still not yet known in its entirety. However, the City Council will adjust salaries to fulfill the terms of the final negotiated agreement. Funding to support the Salary Commission activities and expenses is also included within the Council's FY 2013 budget.

Salaries also reflect the reclassification of positions and responsibilities within the Council Administration Services (CAS) office to increase efficiency and productivity. CAS will take an active role in redesigning the Legislative Branch's website to make it more user-friendly for constituents and ensure the website is up-to-date with Legislative Branch information.

Current Expenses

Funding for the Council's overall Current Expenses totals \$452,475 and includes anticipated costs for the Salary Commission, telecasting, video conferencing and web-hosting, equipment rental and maintenance, special meetings, subscriptions, professional moving services and HSAC membership. The activity "Council Allotment" is funded at \$151,400 (included in the \$452,475) and includes \$1,800 for the Council's inauguration ceremony in January 2013.

**CITY COUNCIL
FY 2010-2013
SUMMARY**

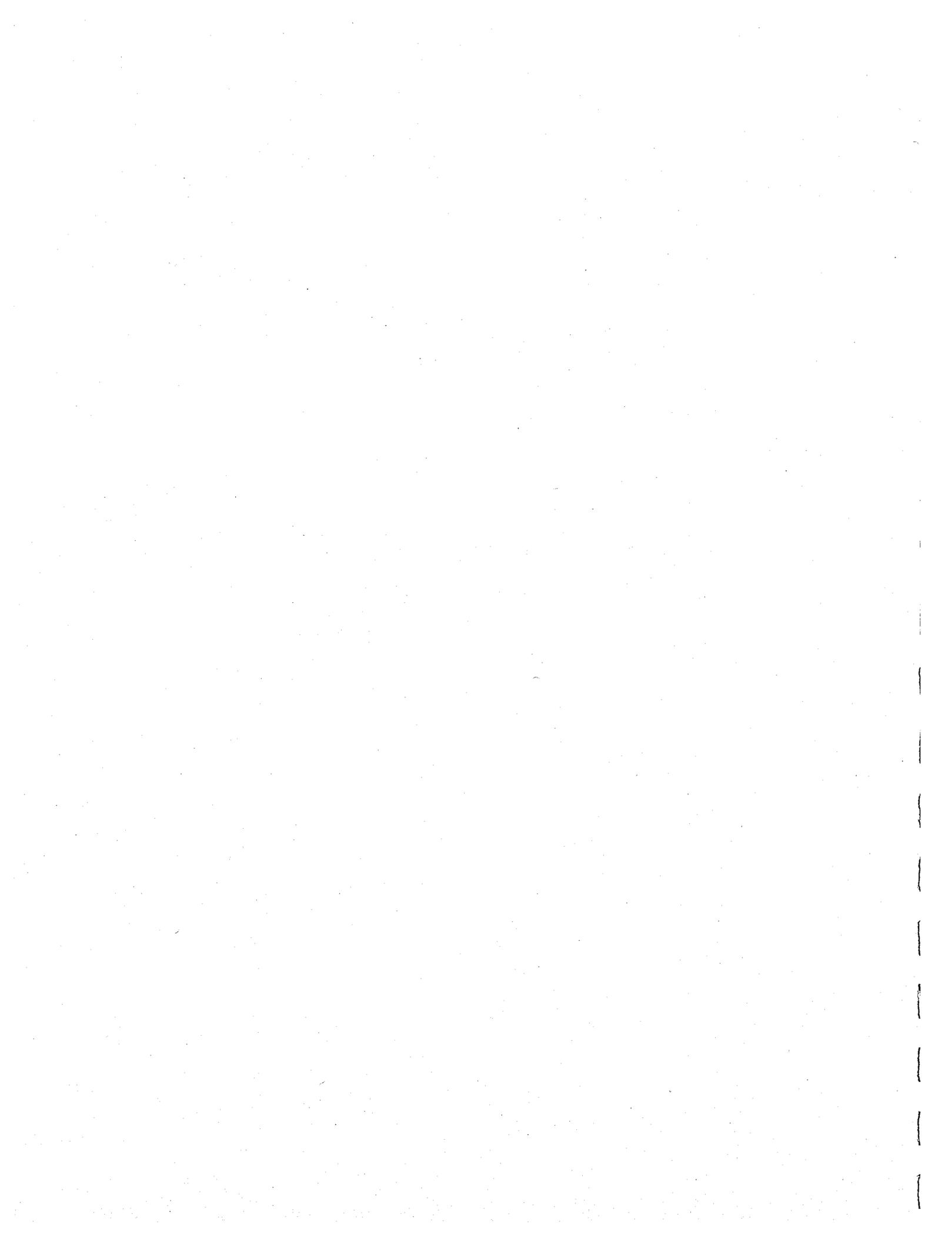
DEPARTMENT POSITIONS	FY 2010	FY 2011	FY 2012	FY 2013
Permanent FTE	61	61	61	60.0
Temporary FTE	0	0	0	0
Contract FTE	0	0	0	0.5
TOTAL	61	61	61	60.5

CHARACTER OF EXPENDITURES	FY 2010	FY 2011	FY 2012	FY 2013
Salaries	3,528,781	3,345,600	3,345,738	3,567,112
Current Expenses	479,500	439,478	918,579	452,475
Equipment	0	0	0	0
TOTAL	\$ 4,008,281	\$ 3,785,078	\$ 4,264,317	\$ 4,019,587

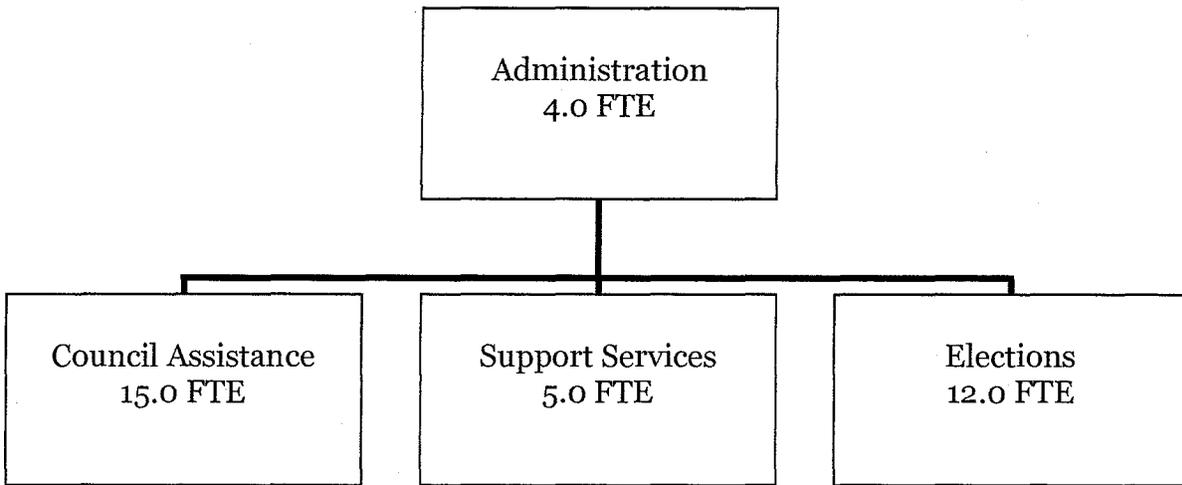
APPROPRIATION BY ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013
Administration	3,847,981	3,642,278	4,110,127	3,863,387
Council Allotment	155,000	138,000	149,600	151,400
Salary Commission	5,300	4,800	4,590	4,800
TOTAL	\$ 4,008,281	\$ 3,785,078	\$ 4,264,317	\$ 4,019,587

SOURCE OF FUNDS	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	3,954,281	3,721,078	4,250,317	4,019,587
Transit Fund	50,000	50,000	0	0
Special Projects Fund	4,000	14,000	14,000	0
TOTAL	\$ 4,008,281	\$ 3,785,078	\$ 4,264,317	\$ 4,019,587

OFFICE OF THE CITY CLERK



**OFFICE OF THE CITY CLERK
ORGANIZATION CHART**



OFFICE OF THE CITY CLERK

Responsibilities, Duties and Functions

The Office of the City Clerk serves as the Clerk to the City Council of Honolulu. The Clerk's Office manages, disseminates and maintains the public records of the City Council, provides technical and clerical services for meetings and provides institutional knowledge of Council proceedings.

The Clerk's Office acts as the custodian of and safely keeps and disposes of all books, papers and records that are filed in the Clerk's Office, including the separate keeping of all ordinances, resolutions and rules and regulations of all City agencies. The Clerk's Office has custody of the city seal, authenticates all official papers and instruments requiring certification, and has the authority to administer the Oath of Office.

The Clerk's Office provides for the registration of all voters, conducts all activities relating to voter registration, and maintains the electronic statewide voter registration files. During regular elections, conducts all early voting functions such as absentee mail and absentee walk-in voting sites; and conducts all aspects of any Special City election. The Clerk's Office assists all candidates for City elective office in the nomination process as well as conducts studies and provides statistical data and voter registration profiles. During reapportionment years, the City Clerk's Office provides clerical and technical services to the Reapportionment Commission.

Agency Highlights

The Office of the City Clerk provided technical and clerical services to the 2011 Reapportionment Commission. The Commission commenced on June 29, 2011 and approved the final reapportionment plan on November

10, 2011. During this period, the Commission scheduled 7 regular meetings and 3 public hearings.

In the agency's efforts to upgrade its technology, all recording and transcribing equipment was upgraded to a digital system.

Improvements to the Legislative Branch's records management program and website were initiated for easier access and readability.

FY 2013 Budget

The proposed budget for the Office of the City Clerk is \$3,725,878. The City Clerk's FTE count is constant at 36 positions.

Salaries

City Clerk's salary appropriations total \$1,638,062. As of this writing, the final outcome of the City's negotiations with the HGEA (this organization has exercised the option of "Favored Nation Clause") is still not yet known in its entirety. However, the City Clerk will adjust salaries to fulfill the terms of the final negotiated agreement.

Current Expenses

Funding for Current Expenses is proposed at \$2,082,816. As in every election year, the Clerk's Office budget significantly increases in its Elections Activity. The proposed budget of \$2,317,960 for Elections reflects a 96.1% increase over the current fiscal year. Some significant highlights directly attributed to election year costs are as follows:

- Office rental for a remote office site for absentee mail processing.

- Installation and service for cable network access at remote office and absentee walk-in sites.
- Reimbursement to State for shared election costs.
- Contract for employment agency for temporary election staff services.
- Postage for absentee mail (increase in volume of absentee mail and increase in postage rates).
- Publication fees for charter questions (federal language requirements - 4 different language publications).

In the Administration and Council Assistance Activities, highlighted increases have incurred to the following items:

- Established a permanent City Clerk conference room located on the first floor to facilitate videoconferencing with neighbor island County Clerks and during elections.
- Increased training opportunities for Administration and Council Assistance staff.

In the overall budget, slight increases to telephone, training, maintenance, memberships, subscriptions, and equipment rental were projected.

Decreases to the proposed budget from the current budget was \$45,000 for the Reapportionment Activity and slight decreases for canceled newspaper subscriptions and equipment maintenance contracts totaling \$3,952.

**OFFICE OF THE CITY CLERK
FY 2010-2013
SUMMARY**

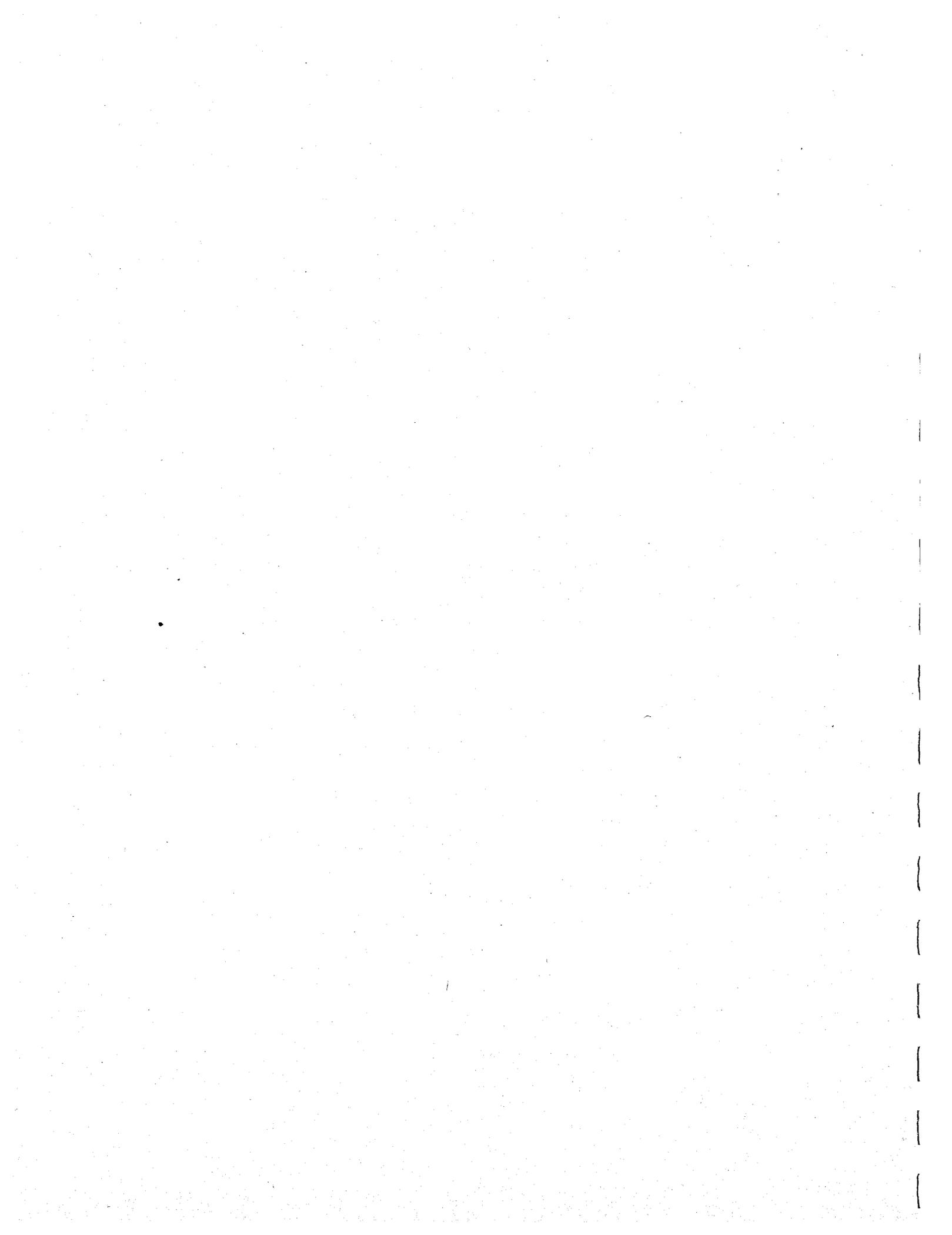
DEPARTMENT POSITIONS	FY 2010	FY 2011	FY 2012	FY 2013
Permanent FTE	31	31	30	30
Temporary FTE	7	7	6	6
Contract FTE	0	0	0	0
TOTAL	38	38	36	36

CHARACTER OF EXPENDITURES	FY 2010	FY 2011	FY 2012	FY 2013
Salaries	1,679,606	1,528,208	1,472,149	1,638,062
Current Expenses	2,041,861	2,476,026	1,109,485	2,082,816
Equipment	1,000	0	6,000	5,000
TOTAL	\$ 3,722,467	\$ 4,004,234	\$ 2,587,634	\$ 3,725,878

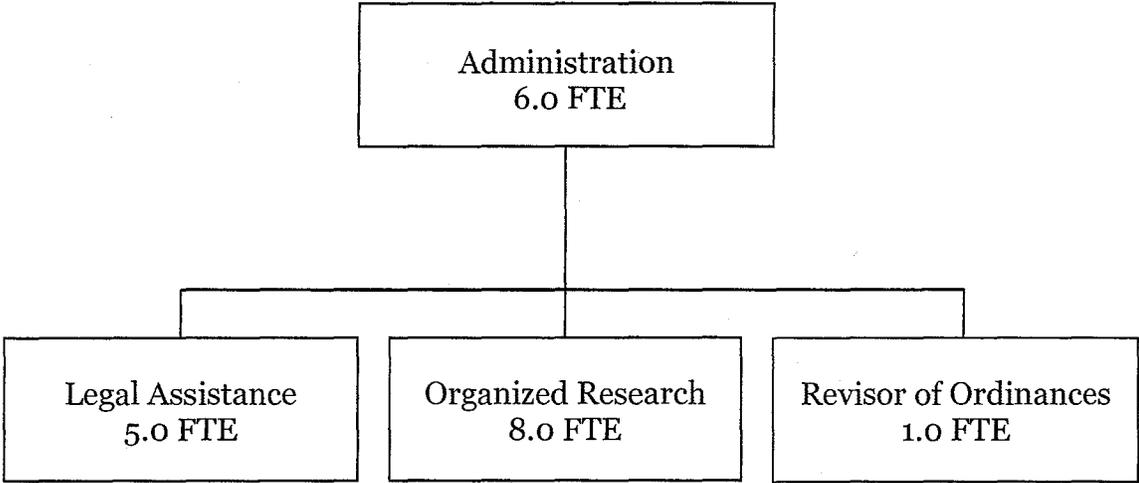
APPROPRIATION BY ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013
Administration	345,570	326,347	334,884	345,643
Support Services	318,365	285,881	291,133	304,838
Council Assistance	841,648	737,756	734,536	757,437
Elections	2,216,884	2,654,250	1,182,081	2,317,960
Reapportionment	0	0	45,000	0
TOTAL	\$ 3,722,467	\$ 4,004,234	\$ 2,587,634	\$ 3,725,878

SOURCE OF FUNDS	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	3,722,467	4,004,234	2,587,634	3,725,878
TOTAL	\$ 3,722,467	\$ 4,004,234	\$ 2,587,634	\$ 3,725,878

OFFICE OF COUNCIL SERVICES



**OFFICE OF COUNCIL SERVICES
ORGANIZATION CHART**



OFFICE OF COUNCIL SERVICES

Responsibilities, Duties, Functions

The Office of Council Services (OCS) was created in 1973 and is charged with assisting the Honolulu City Council in the exercise of its legislative power. OCS provides the City Council with comprehensive policy research and analysis, legislative drafting services, and serves in an advisory capacity to the Council and its Committees. Since 1993, OCS has also served as the revisor of city ordinances.

Agency Highlights

In FY 2011, OCS completed over 820 assignments at the request of the City Council. Completed projects included 620 pieces of legislation and 200 written responses in the form of research briefs, annual reports, legislative digests, and other memorandum. OCS also supported more than 150 meetings of the Council, Committees, Advisory Task Forces, and the Hawaii State Association of Counties. As the revisor of ordinances, OCS updated 20 sections of the Revised Ordinances of Honolulu (ROH) in FY 2011. In FY 2012, OCS is expected to meet or exceed previous rates of completion.

FY 2013 Budget

The Office of Council Services budget for FY 2013 is proposed at \$1,482,155. FTE is constant at 20 positions.

Salaries

OCS salary appropriations are proposed at \$1,415,605. As of this writing, the final outcome of the City's negotiations with the HGEA (this organization has exercised the option of "Favored Nation Clause") is still not yet known in its entirety. OCS will adjust salaries to fulfill the terms of the final negotiated agreement.

Current Expenses

No additional funding is proposed for current expense items FY 2013. Anticipated increases (i.e. West law subscription, ROH supplement cost) are expected to be adequately covered by the requested budget of \$66,550.

**OFFICE OF COUNCIL SERVICES
FY 2010-2013
SUMMARY**

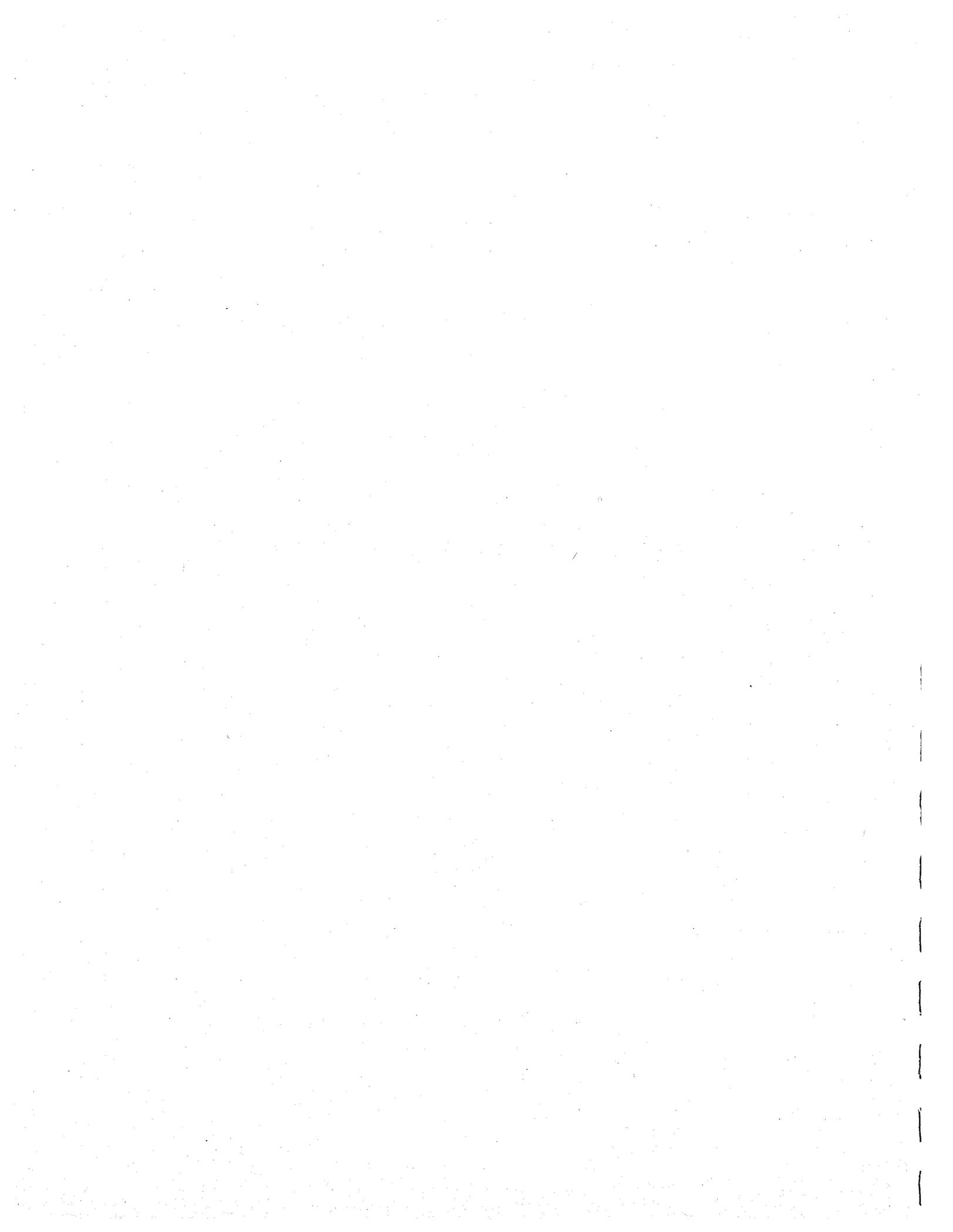
DEPARTMENT POSITIONS	FY 2010	FY 2011	FY 2012	FY 2013
Permanent FTE	21	20	20	20
Temporary FTE	0	0	0	0
Contract FTE	0	0	0	0
TOTAL	21	20	20	20

CHARACTER OF EXPENDITURES	FY 2010	FY 2011	FY 2012	FY 2013
Salaries	1,459,616	1,397,349	1,396,849	1,415,605
Current Expenses	61,150	60,650	66,550	66,550
Equipment	0	0	0	0
TOTAL	\$ 1,520,766	\$ 1,457,999	\$ 1,463,399	\$ 1,482,155

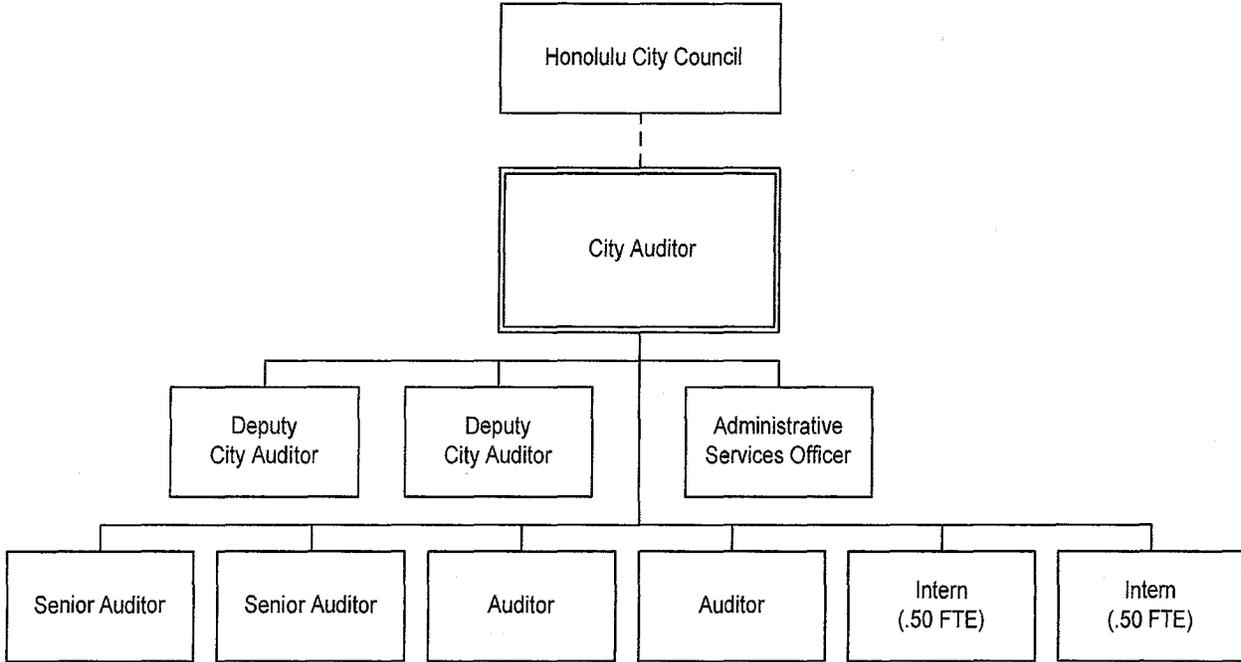
APPROPRIATION BY ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013
Administration	514,682	499,317	504,717	516,026
Legal Assistance	459,146	436,188	436,188	441,758
Organized Research and Analysis	488,492	466,971	466,971	466,971
Revisor of Ordinances	58,446	55,523	55,523	57,400
TOTAL	\$ 1,520,766	\$ 1,457,999	\$ 1,463,399	\$ 1,482,155

SOURCE OF FUNDS	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	1,520,766	1,457,999	1,463,399	1,482,155
TOTAL	\$ 1,520,766	\$ 1,457,999	\$ 1,463,399	\$ 1,482,155

OFFICE OF THE CITY AUDITOR



**OFFICE OF THE CITY AUDITOR
ORGANIZATION CHART**



OFFICE OF THE CITY AUDITOR

Responsibilities, Duties, and Functions

The Office of the City Auditor (OCA) is a separate and independent agency that audits city agencies and programs (Sec. 3-501.1, RCH). OCA initiates work based on City Council resolutions, requests for work, city-wide risk assessments, and other audit related factors. For the purpose of carrying out an audit, the charter empowers the auditor to have full, free, and unrestricted access to any city officer or employee and grants authorization to examine and inspect any record of any agency or operation of the City.

The city auditor conducts or causes to be conducted (1) the annual financial audit of the City, (2) performance audits of the funds, programs and operations of any agency or operation of the City, and (3) follow-up audits and monitoring of compliance with audit recommendations by audited entities. All audits are conducted in accordance with government auditing standards, and audit findings and recommendations are issued in written reports by the city auditor.

Agency Highlights

During the past fiscal year, OCA completed the following projects:

- Audit Recommendations Status Report
- Service Efforts and Accomplishments (SEA) Report (2010)
- National Citizen Survey (NCS)TM, City and County of Honolulu (2010) Benchmark Report

- National Citizen Survey (NCS)TM, City and County of Honolulu (2010).
- Audit of City's Ambulance Fleet and Operations (Resolution 09-86).
- FY 2011 Financial Audit of the City and County of Honolulu.
- Audit of the Span of Control of Selected Departments in the City and County of Honolulu.
- Department Organizational Charts.
- Citizen Centric Report FY 2010.

OCA's accomplishments also include a new disaster preparedness plan, a new audit manual that includes new methods for performing governmental performance audits. Staff members are active in five professional and national organizations and made presentations to the Hawai'i AGA chapter, University of Hawai'i students, and to international and national attendees at a professional development conference in August 2011.

The Association of Government Accountants awarded its Silver Award and Certificate of Achievement to OCA for the first City and County of Honolulu Service Efforts and Accomplishments Report and second National Citizen Survey.

The highly successful intern program exposed three students to the field of governmental auditing and facilitated improvements in OCA operations. A student intern was used to inexpensively renovate the OCA website in September 2011. The innovations include multimedia videos,

tutorials, links to professional and city websites, and connections to social media such as Twitter, Facebook, and YouTube.

Two staff members achieved certifications as a Certified Fraud Examiner (CFE), and a Certified Information Systems Auditor (CISA).

OCA continues to provide assistance and support to the Honolulu Ethics Commissioner, the Hawai'i State Office of the Auditor, the Kaua'i County Auditor, the Maui County Auditor initiative, and city auditors in California, Kansas, and across the nation.

FY 2013 Budget

For Fiscal Year 2013, the OCA budget request is \$1,356,440. The OCA FTE count is 9 positions.

Salaries

OCA salary appropriations are proposed at \$650,740. This budget request includes funding for a performance bonus initiative. The current staff salaries are about \$10,000 less than counterparts in Hawai'i. The performance bonus program is intended to serve as an incentive for OCA employees to stay and to continue their outstanding work efforts. To facilitate program equality, specific criteria for the bonus awards were developed.

OCA's budget request for FY 2013 includes a funding request to continue with the extension of the highly successful student intern program from two interns working part-time, part-year, to two interns working part-time for the entire year.

Current Expenses

For FY 2013 current expense appropriations for the administration activity totals \$245,700. OCA is required by governmental auditing standards to have a peer review at least every three years. The peer review is also required for accreditation purposes. The office will enter into an agreement with the Association of Local Government Auditors to perform the review. While there is no charge for their services, we will be required to pay for the travel and per diem costs for three reviewers for one week. The budget request includes reallocating funds (\$6,000) to cover the anticipated peer review costs.

Government auditing standards require OCA staff members to satisfy continuing education requirements and to maintain professional certifications. These certifications include Certified Government Financial Manager (CGFM), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Certified Information Systems Auditor (CISA).

Financial Audit

For FY 2013 the current expense appropriation for the financial audit activity totals \$460,000. This includes an increase of \$60,000 for the FY 2012-13 financial audit.

- The city charter requires an outside contractor to audit the city's financial statements. The contract with Accuity LLP includes annual increases. We are in the final year of the four-year contract with Accuity LLP. We are legally bound by the bid amount of \$415,000 for the final year, an increase of \$15,000 from the FY 2011-12 bid amount.
- An estimated \$45,000 in additional funds will be needed to cover the costs for auditing American Recovery and Reinvestment Act (ARRA)

funded programs. Under OMB Circular A-133 and other federal guidelines, the ARRA funds must be audited and Federal guidelines allow us to charge ARRA funds for the audit services.

**OFFICE OF THE CITY AUDITOR
FY 2010-2013
SUMMARY**

DEPARTMENT POSITIONS	FY 2010	FY 2011	FY 2012	FY 2013
Permanent FTE	8	8	9	9
Temporary FTE	0	0	0	0
Contract FTE	0	0	0	0
TOTAL	8	8	9	9

CHARACTER OF EXPENDITURES	FY 2010	FY 2011	FY 2012	FY 2013
Salaries	638,075	619,640	619,640	650,740
Current Expenses	595,700	630,700	701,700	705,700
Equipment	0	0	0	0
TOTAL	\$ 1,233,775	\$ 1,250,340	\$ 1,321,340	\$ 1,356,440

APPROPRIATION BY ACTIVITY	FY 2010	FY 2011	FY 2012	FY 2013
Administration	863,775	865,340	865,340	896,440
Financial Audit	370,000	385,000	456,000	460,000
TOTAL	\$ 1,233,775	\$ 1,250,340	\$ 1,321,340	\$ 1,356,440

**OFFICE OF THE CITY AUDITOR
FY 2010-2013
SUMMARY**

SOURCE OF FUNDS	FY 2010	FY 2011	FY 2012	FY 2013
General Fund	1,112,775	1,124,540	1,134,740	1,221,040
Solid Waste Fund	12,000	12,500	13,000	13,500
Housing Development Fund	9,000	9,300	9,600	9,900
Bus Transportation Fund	40,000	41,500	43,000	44,500
Sewer Fund	60,000	62,500	65,000	67,500
Federal Grants Fund	0	0	56,000	0
TOTAL	\$ 1,233,775	\$ 1,250,340	\$ 1,321,340	\$ 1,356,440

