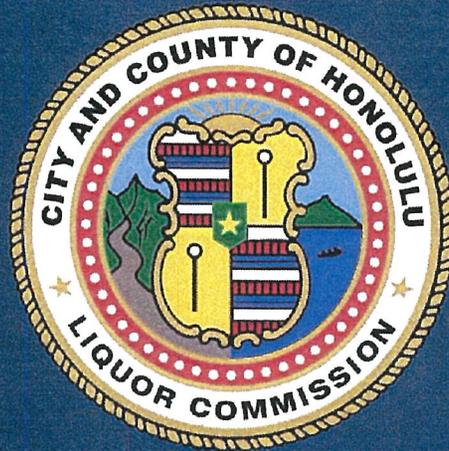


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Honolulu Liquor Commission

FY 17 Budget Presentation
March 9, 2016



Operating Budget Comparison FY 2016 and FY 2017

| | FY 2015 (Actual) | FY 2016 (Appropriated) | FY 2017 (Requested) | \$ Change | % Change |
|-----------------|---------------------|---------------------------|------------------------|---------------|--------------|
| Salary | 2,240,099 | 2,711,242 | 2,805,302 | 94,060 | 3.47% |
| Current Expense | 690,175 | 1,004,500 | 1,021,600 | 17,100 | 1.70% |
| Equipment | 153,898 | 250,000 | 152,000 | (-98,000) | (-39.20%) |
| TOTAL | 3,084,172 | 3,965,742 | 3,978,902 | 13,160 | 0.33% |



Salary Detail Comparison FY 2016 and FY 2017

| | FY 2015 (Actual) | FY 2016 (Appropriated) | FY 2017 (Requested) | \$ Change | % Change |
|--------|---------------------|---------------------------|------------------------|--------------|-------------|
| Salary | 2,240,099 | 2,711,242 | 2,805,302 | 94,060 | 3.47% |

Salary increase mainly due to BUDGET ISSUE:

Request to convert two personal services contract positions to permanent civil service positions (increase from 50 to 52 FTE positions).

- Records Management Analyst III: SR-20-C (\$46,140)
- Training Assistant: SR-15-A (\$35,394)



Current Expense Comparison FY 2016 and FY 2017

| | FY 2015 (Actual) | FY 2016 (Appropriated) | FY 2017 (Requested) | \$ Change | % Change |
|----------------------------|---------------------|---------------------------|------------------------|--------------|-------------|
| Current Expense | 690,175 | 1,004,500 | 1,021,600 | 17,100 | 1.70% |

Significant changes by object code:

- 2754 – Parts & Accessories (Furniture and Fixtures) – \$20,000 increase – reconfigure office space for new positions
- 3007 – Rent of Offices – \$40,000 increase – office rent/CAM charges/after-hour A/C
- 3049 – Other Services Not Classified – \$48,000 increase – due in part to the implementation of the Enforcement Unit’s “Under 21” Decoy Project
- 3006 – Other Professional Services – \$50,000 decrease – deleted funding for outside agency to conduct internal affairs investigations



Equipment Detail Comparison FY 2016 and FY 2017

| | FY 2015 (Actual) | FY 2016 (Appropriated) | FY 2017 (Requested) | \$ Change | % Change |
|-----------|---------------------|---------------------------|------------------------|---------------|-------------|
| Equipment | 153,898 | 250,000 | 152,000 | (- \$98,000) | (-39.20%) |

Requesting:

- \$52,000 to replace two fleet cars, which are over 10 years old and have more than 100,000 miles.
- \$100,000 for the construction phase of our new Liquor Commission Information System (LCIS)



Special and Grant Funded Vacancies (Budgeted in Agency Salaries)

| | NUMBER OF POSITIONS |
|----------------------------------------|---------------------|
| Vacant Positions as of 2/1/2016* | 17 |
| Disposition of funded vacancies: | |
| Vacancies to be filled by July 1, 2016 | 17 |
| Vacancies to be filled in FY 2017 | 0 |

* Reflects the deletion of 0 deactivated positions.



Fiscal Year 2016 Highlights

- Filled key positions in the first quarter of FY2016:
 - Liquor Commissioner Malama Minn
 - Chief Liquor Control Investigator
 - Administrative Services Officer
- Hosted:
 - Statewide Investigator's Workshop – Ala Moana Hotel, August 2015
 - Statewide Liquor Conference - Ala Moana Hotel, October 2015
 - Symposium for Honolulu licensees - NBC Pikake Room, February 2016
- Provided 33 off-site training sessions to 1,461 employees to insure compliance with the State Liquor Laws and Rules of the HLC
- “Under 21 No Can” – free training video for our licensees
- Website improvements made to provide the public, licensees, and applicants with updated PDF forms and current information about the HLC



Fiscal Year 2017 Proposals

- Continue the “construction” phase of our new LCIS, which will be completed in FY2018. LCIS will provide web-based accessibility for improved licensee information and service delivery.
- Rule amendment effort to implement new liquor license classes and to refine requirements for existing license classes.
- Expansion of licensee outreach education and training programs to foster voluntary compliance, reduce community complaints, and address community health and safety concerns.
- Enforcement Decoy Project – focused educational campaign with our licensees to prevent under-aged drinking and sales of alcohol to people under age 21. Project will be coordinated with the Honolulu Police Department.



Revenue Detail

| | FY 2014 | FY 2015 | FY 2016 (Estimated) | FY 2017 (Proposed) |
|-----------------------------------------------------------------|---------------------|---------------------|------------------------|-----------------------|
| License Fees (new, gross sales, filing fees, renewals) | \$ 3,432,117 | \$ 4,318,545 | \$ 4,804,520 | \$ 5,000,000 |
| Fines | 79,710 | 166,720 | 100,000 | 120,000 |
| Other Fees and Permits (direct wine shipper, personal shipment) | 50,562 | 54,290 | 54,800 | 56,500 |
| Registration ID Cards | 116,380 | 104,640 | 110,000 | 120,000 |
| Misc. Revenue (licensee name change, copies, publications) | 7,231 | 10,042 | 13,190 | 9,500 |
| TOTAL: | \$ 3,686,000 | \$ 4,654,237 | \$ 5,082,510 | \$ 5,306,000 |



Reported Annual Gross Liquor Sales (City and County of Honolulu only)

