

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUROKAWA
DEPUTY DIRECTOR

April 18, 2016

The Honorable Ann H. Kobayashi, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED
CITY CLERK
C & C OF HONOLULU
2016 APR 19 PM 4:19

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Executive Operating Budget Bill 14 (2016) CD1 Amendments from the Special Budget Committee Meeting of April 5th & 6th, 2016

Thank you for allowing us to discuss our concerns regarding the CD1 recommendations made during the Special Budget Committee Meeting of April 5th & 6th, 2016. As a follow up to the testimony provided, we are submitting the attached information on specific amendments as you and other Councilmembers deliberate on the City's operating budget.

We have major concerns with the reduction of the provisional accounts from a general fund perspective. Of most concern is the reduction of the Provision for Vacant Positions as the reduced amount severely limits our ability to fill vacant positions essential to provide city services. We request your Committee's reconsideration to restore the general funds for this provisional account that is vital to city operations.

1. Reduction of the Provision for Vacant Positions (\$7.95 million in general funds)

The reduction of the Provision for Vacant Positions (PVP) of \$7.95 million in general funds (GN) is significant. In CD1, the PVP general fund appropriation is reduced from \$13.8 million to \$5.9 million or by 57 percent. The GN appropriation in Fiscal Year (FY) 2016 is \$17.9 million. The proposed \$5.9 million in CD1 is about one-third of the current FY 2016 appropriation. As of the end of FY 2016, third quarter (3/31/2016), \$9.7 million of GN has already been transferred to city agencies to fund filled vacant positions. In addition to deactivating a total of 590 positions citywide, the Administration already reduced its vacant position funding by \$8.4 million or 27 percent. Any further cuts will

The Honorable Ann H. Kobayashi, Chair
and Members
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April 18, 2016
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have a detrimental impact on agency operations such as maintenance of city parks, radio dispatch and other public safety support, permitting and building inspections, and the maintenance of city buildings and facilities. We respectfully request the restoration of general funds to allow for agencies to recruit and fill required positions. The Department of Human Resources (DHR) has been working with agencies to streamline hiring processes to enable agencies to fill positions more efficiently.

From an overall budget perspective we have the following concerns:

2. Reduction of the Provision for Risk Management (\$1.0 million in general funds)

Reducing the Provision for Risk Management by \$1.0 million (GN) will limit the Risk Management program to FY 2015 levels of coverage, with little to no room for improvements and enhancements to accommodate the City's evolving risk profile. Newly constructed assets such as the Waianae Police station, and the various homeless housing projects add to the total property values insured, increasing premium costs of property insurance. The FY 2017 request of \$9,191,220 is a mere 1.5% increase over the FY2016 appropriation, providing only \$313,000 to accommodate expanding risks and increasingly expensive litigation costs. Increasing the levels of self-insurance would likely reduce premium costs, but create instability to the overall financial picture for the City.

3. Reduction of the Provision for Energy Costs (\$1.0 million in general funds)

The \$1.0 million reduction (GN) represents a 50 percent cut to the \$2.0 million (GN) requested in this provisional account to provide a safety net for spikes in fuel and electricity costs. Although the City did not need to use these provisional funds in FY 2014 and FY 2015, general funds were transferred to city agencies in FY 2012 and FY 2013 to cover unanticipated increases in fuel and electricity costs. City operations and services would have been impacted if provisional funds were not available to cover the shortages.

In addition to the reduction made to the provisional account, a total of \$12.3 million in electricity and fuel funding was already reduced from city agency budgets. These budgets were adjusted due to lowered oil/gas prices during the Administration's budget review process and kept relatively flat, except for areas where energy consumption was projected to increase. The sewer and bus transportation funds in the provisional account are restrictive and cannot be used for general funded agencies.

The Honorable Ann H. Kobayashi, Chair
and Members
Committee on Budget
April 18, 2016
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Should you have any questions, please contact me at 768-3901.

Sincerely,



Nelson H. Koyanagi, Jr.
Director

Attachment

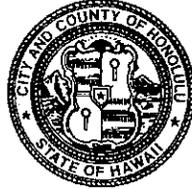
APPROVED:



Roy K. Amemiya, Jr.
Managing Director

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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KIRK CALDWELL
MAYOR

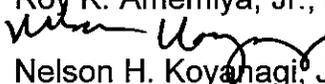


NELSON H. KOYANAGI, JR.
DIRECTOR

GARY KUOKAWA
DEPUTY DIRECTOR

April 13, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director
FROM:  Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services
SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

DEPARTMENT: Budget and Fiscal Services

April 13, 2016

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PURCHASING AND GENERAL SERVICES

Councilmembers: Ernest Martin, Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(50,000) | GN | Reduction (CE) Object Code 3006 – Other Professional Services |

Department's Comments and Concerns:

Request restoration of \$50,000. Full funding of \$70,000 includes professional training courses for the Purchasing Division's 25 staff members by the National Institute of Governmental Purchasing (NIGP) at an estimated cost of \$12,500 for "Risk Management in Public Contracting," and \$17,500 for "Legal Aspects of Public Procurement." The budget request also includes \$40,000 for real estate appraisal services, which are needed to determine fair and reasonable pricing for real estate transactions including sales, easements, rentals, and leases. Although appraisal costs may vary widely depending on the complexity of the transaction involved, a typical appraisal costs approximately \$2,000, and 20 transactions are projected in FY 2017. The proposed reduction will limit Purchasing Division activity in these areas and reduce potential revenue for the City.

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(4,946) | GN | Reduction (CE) Object Code 3212 – Travel Expense-Out-of-State |

Department's Comments and Concerns:

Request restoration of \$4,946. Full funding of \$7,000 is needed to send two Purchasing Division staff to attend the CGI financial product forum on the East Coast in October 2016. The City's ERP system includes an electronic procurement system, Honolulu Vendor Self Service, which runs on the CGI financial product. Using this system, the Purchasing Division has successfully implemented competitive electronic procurement processes for small purchases of less than \$100,000 for goods and services, and \$250,000 for construction, and has also implemented electronic surplus auctions. Surplus auctions generated \$850,000 in revenue in FY 2015. Electronic procurement and surplus auctions improve government transparency, fairness, and efficiency. The Purchasing Division, through ongoing staff training, strives for continual improvement in this area and a reduction in funding will impede these efforts.

Councilmembers: Ernest Martin, Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(5,000) | GN | Reduction (CE) Object Code 3252 – Advertising & Publication of Notices |

DEPARTMENT: Budget and Fiscal Services

April 13, 2016

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Department's Comments and Concerns:

Request restoration of \$5,000. Full funding of \$8,000 includes newspaper advertisements for:

- 1) 20 concession advertisements (20 x \$300 = \$6,000)
- 2) 4 real property related advertisements (4 x \$500 = \$2,000)

Newspaper advertisements for concession and real property related transactions are required by ROH Section 28-2.4 and 37-1.6. The entire budget request is needed to ensure compliance with these ordinances.

REAL PROPERTY

Councilmember: Ernest Martin

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(13,250) | GN | Reduction (S) Object Code 1102 – Non-Holiday Overtime Pay |

Department's Comments and Concerns:

Request restoration of \$13,250. Full funding of \$118,000 is needed for data clean-up for the Marshall & Swift cost conversion; staff attendance at trade shows for public outreach; and ongoing monitoring of Historic Residential properties. Also, overtime is needed for anticipated support services staff retirements and challenges in filling positions that result in overtime for existing appraisal staff to complete real property valuations.

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(15,000) | GN | Reduction (CE) Object Code 3004 – Consultant Services |

Department's Comments and Concerns:

Request restoration of \$15,000. Full funding of \$235,000 is needed for an Expert Witness MAI Appraiser consultant for Tax Appeal Court situations, International Association of Assessment Officers (IAAO) instructor honorarium for continuing education training courses, and for Tyler Technologies consultant services for the Computer Assisted Mass Appraisal (CAMA) system. Costs for maintenance and licensing for the CoreLogic (Marshall & Swift) system is also needed to build cost factors into the system.

Councilmembers: Ernest Martin, Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(9,000) | GN | Reduction (CE) Object Code 3102 - Postage |

Department's Comments and Concerns:

Request restoration of \$9,000. Full funding of \$124,000 is required because of increased audits of exemption and dedication programs to be conducted in FY 2017. This will increase

DEPARTMENT: Budget and Fiscal Services

April 13, 2016

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notification mailings. In addition, the Real Property Division will begin to send reminder letters to ensure compliance with exemption programs.

Councilmembers: Ernest Martin, Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,500) | GN | Reduction (CE) Object Code 3211 – Travel Expense - Intrastate |

Department's Comments and Concerns:

Request restoration of \$1,500. Full funding of \$1,500 is needed to attend quarterly Administrator's meetings on the neighbor islands. Participation in these state-wide meetings is vital for maintaining communication with neighboring counties and to stay abreast of the latest assessment technologies, changes in laws and procedures, and to discuss assessment issues impacting all counties.

Councilmembers: Ernest Martin, Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(2,800) | GN | Reduction (CE) Object Code 3630 – Rentals – Office Equipment |

Department's Comments and Concerns:

Request restoration of \$2,800. Full funding of \$45,200 is needed for an increase in rental expense for copiers, which is needed to produce informational mailings to taxpayers and for exemption audits, which typically generate revenue. Additional audits of exemption and dedications are anticipated, which will greatly increase the number of copies needed.

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(1,800) | GN | Reduction (CE) Object Code 3822 – Parking Fees |

Department's Comments and Concerns:

Request restoration of \$1,800. Full funding of \$5,550 is needed to pay for actual expenses for parking of Real Property Division City vehicles at Harbor Court, for reimbursement of Kapolei staff for in-house trainings conducted at the Bethel Street office, and for reimbursement of Board of Review members during hearings. Increased training sessions for staff from Kapolei are anticipated due to system conversion to the CoreLogic/Marshall & Swift cost program. An increased number of Board of Review hearings is anticipated as a result of changes resulting from audits and legislative amendments.

DEPARTMENT: Budget and Fiscal Services

April 13, 2016

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TREASURY

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(1,275) | GN | Reduction (CE) Object Code 3262 – Printing and Binding |

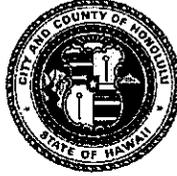
Department's Comments and Concerns:

Request restoration of \$1,275. Full funding of \$6,000 is needed for printing City general and payroll check stocks, tax credit application forms, tax credit informational brochures and posters for seniors who apply for real property tax credits, and envelopes for the Treasury Division's daily operations. In FY 2015, Treasury expended \$8,394 for printing and binding. To date in FY 2016, \$3,164 has been expended and \$3,100 will be expended for additional check stocks, which brings total expenditures to \$6,264.

DEPARTMENT OF THE CORPORATION COUNSEL
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 110 * HONOLULU, HAWAII 96813
PHONE: (808) 768-5193 * FAX: (808) 768-5105 * INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR

DONNA Y. L. LEONG
CORPORATION COUNSEL
PAUL S. AOKI
FIRST DEPUTY CORPORATION COUNSEL



April 13, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Donna Y. L. Leong, Corporation Counsel
Department of the Corporation Counsel 

SUBJECT: FY 2017 Executive Operating Budget, Bill 14, Proposed CD1;
Department of the Corporation Counsel Comments and Concerns

Attached are the comments and concerns of the Department of the Corporation Counsel to Bill 14, proposed CD1 amendments, that were expressed at the Special Budget Committee meeting of April 5, 2016, together with Exhibit A, which was distributed at the meeting.

Attachment

DEPARTMENT OF THE CORPORATION COUNSEL

LEGAL SERVICES

Councilmember(s): Ernest Y. Martin and Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--------------------|
| \$(650,000) | GN | Reduction |

Department's Comments and Concerns:

COR requests restoration of \$650,000. Full funding of \$1,950,000 is needed to address the projected FY2017 workload requirements.

Actual expenditures for COR's Consultant Services (including the cost of expert witnesses and other professional services to defend cases filed against the City and the retention of Special Deputies Corporation Counsel and Special Counsel (in cases where there are conflicts)) have varied over the years and are difficult to predict; however, as shown on the chart attached as Exhibit A, the trend has clearly been upwards. It is anticipated that the FY2016 expenditures for Consultant Services will exceed the \$1,300,000 appropriation by approximately \$383,000 and the FY2017 expenditures may reach \$1,950,000.

Current trends which have impacted the need for increased Consultant Services include the following:

- An increase in the number of legal cases involving the City, and they have been more complex in terms of legal issues and factual issues, which have resulted in an increase in the cost of discovery and other consultant services.
- Plaintiffs' attorneys have been aggressive in their pursuit of large judgments and settlements and almost always rely on expert testimony to support their cases. In order to properly defend the City, COR must be able to retain expert consultants and witnesses.
- Cases that raise complex or specialized legal issues or that involve multiple plaintiffs, thus making it prudent to hire Special Deputies Corporation Counsel to provide advice and representation.

By way of examples:

Bond Counsel. Bond counsel provides specialized legal advice outside of the typical course of work of COR and has been periodically asked to provide such advice by various City agencies and the City Council. Bond counsel's advice has been sought for bonds for projects such as the rail transit project, the City's light-emitting diode (LED) project, homeless shelters, and conservation easements. COR has been unable to fund its requests for certain bond counsel consultation services in support of its various clients' inquiries. COR anticipates the need for bond counsel services to increase rather than decrease.

DEPARTMENT OF THE CORPORATION COUNSEL

Bankruptcy Counsel. COR previously had outside bankruptcy counsel contracts or sufficient in-house bankruptcy expertise. However, COR presently has neither resource available and has been periodically receiving requests for assistance from departments which involve and require bankruptcy expertise.

Complex Litigation. COR also anticipates the potential need for outside legal expertise for the areas of construction litigation, tax, complex class-action lawsuits, complex real property matters.

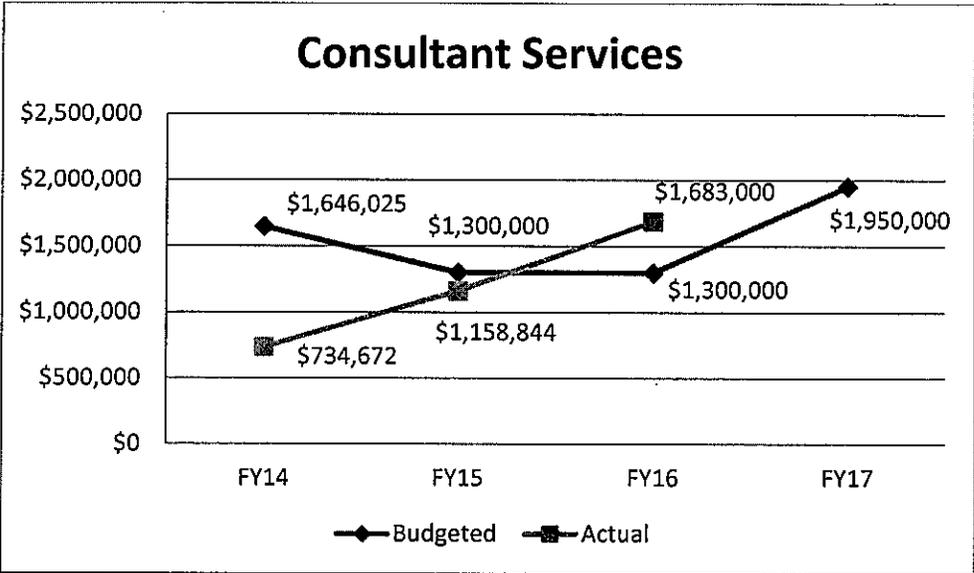
- Cases with potential conflicts that have necessitated the hiring of outside counsel as Special Counsel to represent various officers and employees who have been determined to have acted within the course and scope of their official duties.

Insufficient resources to properly represent and defend the City will result in larger judgments and less favorable settlements in the future.

Thank you for your consideration.

DEPARTMENT OF THE CORPORATION COUNSEL

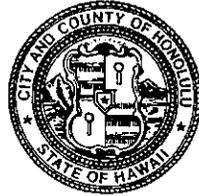
Exhibit A



DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792

KIRK CALDWELL
MAYOR



GARY K. NAKATA
DIRECTOR

BARBARA YAMASHITA
DEPUTY DIRECTOR

April 12, 2016

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Gary Nakata, Director
Department of Community Services 

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget committee meeting of April 5 -6, 2016.

Attachment

DEPARTMENT OF COMMUNITY SERVICES

ACTIVITY: ASSET DEVELOPMENT AND MANAGEMENT

Councilmember: Kobayashi, Martin, Manahan, and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(500,000) | GN | Reduction - OC 3850 Relocation Payments Not Taxable No justification for increase in Relocation Payments Reduced to FY16 appropriation. |

Department's Comments and Concerns:

The amount of \$500,000 requested represents projected tenant relocation costs resulting from the purchase of properties the city anticipates purchasing and developing in FY2017.

ACTIVITY: ASSET DEVELOPMENT AND MANAGEMENT

Councilmember: Martin, Manahan, and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(477,690) | GN | Reduction: OC 1101-Regular Pay Duplicative services that can be absorbed within DCS as well as throughout other Departments within the Administration. |

Department's Comments and Concerns:

At the present time there is no entity within the City organized to advance and implement existing City plans, programs, and policies as outlined in the existing City planning documents including the City's General Plan, Sustainable Community Plans, neighborhood plans, and newly developed Transit Oriented Development Plans. The Asset Development and Management Division (Division) is focused on utilizing undeveloped or underutilized City-owned real property to implement existing City plans in a manner consistent with underlying policies and which allows for the collective vision and ambitions of the community to be realized.

The Community Based Development Division oversees creation of affordable housing through public-private partnerships utilizing federal funding. However, its staff is federally funded, and is restricted from working on projects that are city or state funded. Accordingly, duplicative services are not being proposed, and functions proposed cannot be adequately absorbed by current DCS staff.

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(2,500) | GN | Reduction - OC 2051-Office Supplies Removing funding for establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

Miscellaneous office supplies for use by division staff.

DEPARTMENT OF COMMUNITY SERVICES

ACTIVITY: ASSET DEVELOPMENT AND MANAGEMENT

Councilmember: Martin, Manahan, and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,376,000) | GN | Reduction - OC 3049-Other Services Removing funding for establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

The amount of \$1,376,000 requested represents projected property management costs for six properties the city anticipates purchasing and developing in FY2017:

- Halona Road: City owned property in Waianae will be developed to install three modular units for very low income families.
- Waianae Modular Homes: Parcel located on Farrington Highway across from Waianae High School will provide affordable rental housing in modular units to approximately 20 families experiencing homelessness or at risk of becoming homeless.
- Winston Hale: Commercial Chinatown space will be repurposed to develop six micro units for very low income individuals.
- Piikoi Street Property: Former school site being renovated to provide 42 units affordable for households earning 50% of the area median income and below, with unit mix to include 3-bedrooms, 2-bedrooms, 1-bedrooms, and studios.
- Pacific Marina Inn: The City submitted a Letter of Intent to acquire this property on three separate occasions but the Seller rejected each offer. While the Administration may continue efforts to acquire the Pacific Marina Inn, we seek funding for property management services for an approximate 120 unit property even if it may be an alternate property.
- Iwilei Property: The Iwilei property is intended for chronic homeless with ancillary facilities for supportive therapeutic services as needed/appropriate.

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(100) | GN | Reduction - OC 3102-Postage Removing funding for establishment of the Asset Development and Management Division |

Department's Comments and Concerns:

Miscellaneous postage costs for use in division activities.

DEPARTMENT OF COMMUNITY SERVICES

ACTIVITY: ASSET DEVELOPMENT AND MANAGEMENT

Councilmember: Martin, Manahan, and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(5,000) | GN | Reduction - OC 3212-Travel Out of State Removing funding for establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

Funds required for staff to conduct site visitations of homelessness solutions on the mainland.

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(600) | GN | Reduction - OC 3252-Advertising & Publication of Notices Removing funding for establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

These costs are necessary to fund publication of notices related to Requests for Proposals.

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,000) | GN | Reduction - OC 3751-Fees for Memberships & Registration Removing funding for establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

After further consideration, we can forego this expense.

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(500) | GN | Reduction - OC 3752-Subscription Removing funding for the establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

Funding for periodical subscriptions to keep staff up to date regarding industry news and standards.

DEPARTMENT OF COMMUNITY SERVICES

ACTIVITY: ASSET DEVELOPMENT AND MANAGEMENT

Councilmember: Martin, Manahan, and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(300) | GN | Reduction - OC 3821-Auto Allowances-Other (Non Taxable) Removing funding for the establishment of the Asset Development and Management Division. |

Department's Comments and Concerns:

Funding to allow staff to visit various sites and community meetings throughout the community.

ACTIVITY: ADMINISTRATION

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(60,322) | GN | OC 3007-Rent of Office Reduction in funding for current expenses. This appropriation matches funding for FY14 + 15% to allow for inflation and economic growth (5% for 3 years). |

Department's Comments and Concerns:

The rent increase is due to the Department's mandated move to Kapalama Hale projected in FY2017. It considers the projected increase in annual rent and CAM for the new location. The planned square footage in the new location is based on existing space, which is needed to efficiently execute our programs.

The total budgeted rent for 2017 for the Divisions moving over to Kapalama Hale from 715 South King Street is \$535,522, which was provided as a projection from Budget and Fiscal Services. This includes \$475,200 in Fund 110, \$13,405 in Fund 380 and \$46,917 in Fund 390, which are the projected sources of rent funding for those Divisions. As such, the \$60,322 projected in Funds 380 and 390 are in addition to the \$475,200 projected in Fund 110 and are not duplicative.

ACTIVITY: COMMUNITY BASED DEVELOPMENT DIVISION

Councilmember: Kobayashi

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,200,000) | AF | Reduction - OC 3006 Other Professional Services No justification for using Affordable Fund monies. Reduced to FY16 appropriation. |

Department's Comments and Concerns:

The funds requested are to be provided to nonprofit agencies for the acquisition of

DEPARTMENT OF COMMUNITY SERVICES

single family residences to be used for group homes or congregate living facilities for persons with special needs. The group homes will provide long term affordable housing for persons with special needs in compliance with the intent of the Affordable Housing Fund.

ACTIVITY: COMMUNITY BASED DEVELOPMENT DIVISION

Councilmember: Manahan

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,792,500) | GN | Reduction -OC 3049 Other Services-Not Classified Reduce funding for Hale Mauiola: Service Provider-\$892,500 and Operations-\$900,000=\$1,792,500. |

Department's Comments and Concerns:

The funding reduction would eliminate all funding for the operation of the Hale Mauiola housing navigation center, and eliminate all funding for the provision of services to clients. The proposed reduction would result in the closure of Hale Mauiola, the only Housing Navigation Center in the City and County of Honolulu. Hale Mauiola's low-barrier approach has proven successful in attracting homeless persons who would otherwise not participate in a structured shelter program. In its short period of operations over 20 formerly homeless persons have been transitioned to housing. The closure of Hale Mauiola would be premature given the promising early results of the program.

ACTIVITY: COMMUNITY BASED DEVELOPMENT DIVISION

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(331,580) | GN | OC 3006 Consultant Services Request more details regarding the proposed parking demonstration project. |

Department's Comments and Concerns:

In discussions with homeless service providers and community members, it was learned that there are many homeless persons who live out of their motor vehicles. The parking demonstration program is intended to provide a place for these homeless persons to safely park and sleep in their vehicles at night. Minimal sanitary facilities (porta-potties) would be provided, and a service provider would be on site to oversee the parking area and to provide outreach services. Many homeless persons who live in their vehicles do not come in contact with homeless service providers. The proposed parking area will provide a safe alternative for homeless in vehicles, eliminating the need for them to park in residential neighborhoods, and provide a central location for outreach and service providers to provide assistance.

DEPARTMENT OF COMMUNITY SERVICES

ACTIVITY: COMMUNITY BASED DEVELOPMENT DIVISION

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(500) | GN | OC 3262 Printing and Binding Reduce funding to FY16 appropriation. |

Department's Comments and Concerns:
The additional funds were requested to pay for the printing of materials related to the City's Fair Housing program including language access posters.

DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU
MISSION MEMORIAL BUILDING
550 SOUTH KING STREET, HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-3392 FAX: (808) 768-1591
<http://www.honolulu.gov>

KIRK CALDWELL
MAYOR



SHERI T. KAJIWARA
DIRECTOR

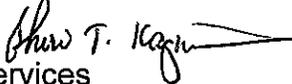
RANDY M. LEONG
DEPUTY DIRECTOR

April 8, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Sheri T. Kajiwara, Director 
Department of Customer Services

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

DEPARTMENT OF CUSTOMER SERVICES

PUBLIC COMMUNICATION

Councilmembers: Martin, Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(13,000) | GN | Reduction – Reduce funding for current expenses for OC 3006 – Other Professional Services. Reduce funding to FY2016 appropriation amount. |

Department's Comments and Concerns:

A reduction of \$(13,000) would result in being unable to continue the current subscription and distribution of broadcast media monitoring report, which is provided daily to both the executive and legislative branches. It will also prevent expansion of the service to include print, online, and social media sources. Use of a third-party provider would also ensure that the city is in full compliance with applicable federal copyright laws.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(480) | GN | Reduction – Reduce funding for current expenses for OC 3103 – Telephone. |

Department's Comments and Concerns:

A reduction of \$(480) would hinder our ability to pay for the cellular phone used for field work by the City's Records Management Analyst who spends a large part of the work day within the records storage facilities only reachable by cellular phone. Moreover, should an incident occur within the records storage facilities, cellular phone service is the only means of emergency communication.

MOTOR VEHICLE, LICENSING AND PERMITS

Councilmember: Martin

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(60,840) | GN | Reduction – Reduce funding for salaries for OC 1102 – Non Holiday Overtime Pay. |

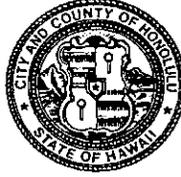
Department's Comments and Concerns:

A reduction of \$(60,840) will impact our ability to provide security service for public and staff safety. The total amount of \$183,000 requested matches the actual spending in past years for the hiring of HPD officers at our main Driver's License Station. The additional tasks of issuing State IDs and limited purpose licenses has resulted in a shift in customer demographics, and there has been an increase in security issues, public disturbances and facility damage.

DEPARTMENT OF DESIGN AND CONSTRUCTION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11TH FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8480 • Fax: (808) 768-4567
Web site: www.honolulu.gov

KIRK CALDWELL
MAYOR



ROBERT J. KRONING, P.E.
DIRECTOR

MARK YONAMINE, P.E.
DEPUTY DIRECTOR

April 12, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: 
Robert J. Kroning, P.E.
Director

SUBJECT: FY 2017 Operating Budget CD1 Responses (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

Attachment

ADMINISTRATION

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,400,000) | GN | Reduction: OC 3004 – Consultant Services. |

Department's Comments and Concerns:

Request restoration of \$1,400,000. Funding is needed to pay for a consultant to conduct Third Party Inspections for its' CIP projects as mandated by the National Pollutant Discharge Elimination System (NPDES) Permit. A reduction of funds will jeopardize the City's obligation mandated by the NPDES Permit. The monetary penalties for not funding this item will exceed the cost of this request.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(9,100) | GN | Reduction: OC 3751 – Fees for Membership & Registration. |

Department's Comments and Concerns:

Request restoration of \$9,100. Funding is needed to train staff in Administration as mandated by the Administrative Order on Consent (AOC) to be issued by the Department of Health (DOH) as corrective action requirements to implement an NPDES Compliance Training Program. A reduction of funds will jeopardize the City obligation mandated by the AOC. Consequently, the monetary penalties for not funding this item will exceed the cost of this request.

PROJECT AND CONSTRUCTION MANAGEMENT

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(215,200) | GN | Reduction: OC 3004 – Consultant Services |

Department's Comments and Concerns:

Request restoration of \$215,200. Full funding of \$245,200 is needed to fund the Project and Construction Management's (PCM) portion of the Internal Review Assessment Report and Annual Report mandated by the AOC to be issued by DOH as corrective action requirements for non-compliance with the Permit associated with the Kaneohe/Kailua Sewer Tunnel. A reduction of funds will jeopardize the City's obligation mandated by the AOC. The monetary penalties for not funding this item will exceed the cost of this request.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(69,650) | GN | Reduction: OC 3751 – Fees for Memberships & Registration |

Department's Comments and Concerns:

Request restoration of \$69,650. Full funding of \$79,200 is needed to train staff in PCM mandated by the Administrative Order on Consent (AOC) to be issued by the Department of Health (DOH) as corrective action requirements to implement an NPDES Compliance Training Program. A reduction of funds will jeopardize the City obligation mandated by the AOC. Consequently, the monetary penalties for not funding this item will exceed the cost of this request.

Councilmember: Martin

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(100,000) | GN | Reduction: OC 3049 – Other Services – Not Classified |

Department's Comments and Concerns:

Request restoration of \$100,000. Funding is needed to fund movers to handle various small relocation of city offices and Satellite City Hall facilities for renovations. A reduction of funds will impact those agencies ability to conduct this activity.

CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



GUY H. KAULUKUKUI
DIRECTOR

TRACY S. KUBOTA
DEPUTY DIRECTOR

April 13, 2016

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Guy H. Kaulukukui, Director 
Department of Enterprise Services

SUBJECT: FY2017 Operating Budget CD1 Response (Comment and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5 and 6, 2016.

Attachment

DEPARTMENT: ENTERPRISE SERVICES

AUDITORIUMS

Councilmember(s): Trevor Ozawa

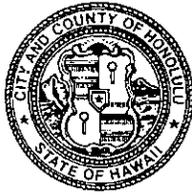
| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(39,700) | SV | Reduce funding for current expenses for OC – 2759 – Parts/Access/Equip (Other) |

Department's Comments and Concerns:

Restoration of \$39,700 is requested. Full funding of \$113,700 is needed for replacement and maintenance of parts and specialized equipment of the Department's facilities in areas which have safety concerns such as slipping and falling and for replacement of equipment that has met or exceeded its useful life expectancy. The equipment is needed to fulfill contractual obligations to the clients, insure safety to the public utilizing the facilities, and to remain compliant with various codes and regulations. This will include Concert Hall stairway carpet replacement with demarked end of stair tread; Arena interior railing for safety and clear designation markers; Concert Hall stage curtain scheduled maintenance; and Waikiki Shell acoustic curtain replacement. Additionally, a significant portion of the \$39,700 is needed for replacement of plumbing, electrical, lighting, stage wood, sound systems, seating, etc. for a planned week-day booking of up to 500 persons a day at the Waikiki Shell.

HONOLULU EMERGENCY SERVICES DEPARTMENT
CITY AND COUNTY OF HONOLULU

3375 KOAPAKA STREET, SUITE H-450 • HONOLULU, HAWAII 96819-1869
Phone: (808) 723-7800 • Fax: (808) 723-7836



KIRK CALDWELL
MAYOR

MARK K. RIGG
DIRECTOR

IAN T.T. SANTEE
DEPUTY DIRECTOR

April 12, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director
Managing Director's Office

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Mark K. Rigg, Director
Honolulu Emergency Services Department

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

HONOLULU EMERGENCY SERVICES DEPARTMENT:

HEALTH SERVICES

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(237,600) | GN | Reduce funding for current expenses for OC 3007 – Rent of Offices |

Department's Comments and Concerns:

Full funding of the request is necessary for rent to move Health Services into the Sprint facility. Due to increasing health and safety concerns of personnel at the current facility, the relocation consolidates several City services and provides a safe and sanitary work environment.

OCEAN SAFETY:

Councilmember: Kymberly Marcos Pine

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$3,500,000 | GN | Salaries will be appropriated to extending lifeguard hourly coverage services to mobile response units and restarting the Junior Lifeguard Program. |

Department's Comments and Concerns:

This addition to our budget, all at one time, will increase the liability to the city and jeopardize the safety of the visitors and residents on our beaches. We recognize the need for additional coverage and have a 5-year plan to address this issue. This plan is a gradual systematic approach implementing longer beach hours of coverage as well as being able to provide an alternative work schedule for our lifeguards.

The \$3.5 million will provide for 70 additional positions to include entry lifeguards, personal water craft operators, lieutenants, captains, and an additional chief to oversee this expansion of coverage and services. This will require us to run a recruit class almost every other month which would not be possible. There are numerous resources involved. This will not allow us to continue with our regular retraining of our current employees, resulting in expired certification and thus increase the liability to the city if there was an incident to happen on our beaches and we were not up to date with the latest lifesaving technique for our lifeguards. This will also require us to take personnel off of the beaches to conduct trainings, which potentially can result in tower closures. We cannot be short staffed to run a recruit class and provide retraining.

We urge the council to reconsider this addition and allow us to carry out our 5-year plan. We have attached the summary of positions along with costs, not accounting for CBA agreements. Our initial steps will start on July 1, 2016, during this time period we will have our training and communications staff personnel, personal watercraft operators, as well as our mobile responders, which are our supervisory staff, work a 10-hour work schedule; increasing coverage on the beach from 8:00 a.m. to 6:30 p.m.

HONOLULU EMERGENCY SERVICES DEPARTMENT:

EXECUTIVE SUMMARY

HISTORY:

The mission of the Ocean Safety and Lifeguard Services Division is to provide exemplary world-class lifeguard services for residents of and visitors to the City and County of Honolulu.

The Ocean Safety and Lifeguard Services Division (OSD) operates forty-one (41) stations on twenty-six (26) City & County Beach Parks and one (1) station at one (1) State Park daily. OSD covers approximately two hundred twenty-seven (227) miles of coastline with sixteen (16) mobile response units, six (6) of which operate Rescue Water Craft. Presently the Division's operational field staff consists of one hundred seventy seven (177) full time employees and sixty-two (62) contract employees.

Coverage is provided to Oahu beaches 7 days a week from 0900 – 1730. Hours vary at Hanauma Bay and Waikiki.

GOALS

- I. Extend hours of operations
- II. Implement an alternative work schedule
- III. Expand personnel and services
- IV. Provide proper resources to the communication center for Ocean Safety

OBJECTIVES:

- A. Over a 5 year period extend hours of Operations from current 0900 – 1730 hours to 0800 – 1830 hours
- B. Over a 5 year period provide an alternative work schedule to a 4 – 10 hour work day for employees
- C. Over a 5 year period provide increased services with mobile responders in the form of supervisors staff and personal watercraft
- D. Over a 5 year period provide 24 hour coverage to shores of Oahu with boat
- E. Over a 5 year period provide increased personnel in the communications center to provide 24 hours coverage

AUTHORITY:

- I. City and County of Honolulu Charter, Section 6-603. **Powers, Duties, Functions** -
 - b. As to Ocean Safety
 - (1) Be the primary responder to emergencies arising on the beach and the near shore waters;
 - (2) Be responsible for ocean safety training, educational, and risk reduction, programs relating to ocean safety.

HONOLULU EMERGENCY SERVICES DEPARTMENT:

COMPARISON:

- I. City and County of Honolulu Charter, Section 6-1004. **Powers, Duties, Functions –**
The Fire Chief shall:
 - (b) Respond to emergencies arising on hazardous terrain and on the sea, and hazardous material incidents.

CURRENT DIFFERENCES WITH HFD AND OS

Honolulu Fire Department has personal watercrafts in operation at majority of their stations that co-respond with Ocean Safety for water emergencies, approximately 20. Honolulu Fire Department does not enter the water if wave height is greater than 6 feet, or on scene commander identifies the situation is not safe for entry.

Ocean Safety personnel currently have 6 personal watercrafts in operation. There are no limitations on entry in to the water.

Both agencies do not launch the personal watercraft before sun up and after sun down as designated by law.

Honolulu Fire Department have two fixed boats attached to rescue personnel that perform duties from mountain rescue, heavy rescue, auto extrication, search, confined space, and water rescue including SCUBA.

Ocean Safety will be acquiring a boat stationed on the water in the south shore to dedicate directly to water rescue including SCUBA.

There are currently no restrictions with the use of the boat in each agency.

Year 1 Implementation of Alternative Work Schedule and Extended Beach Coverage

FY 17

Participants: Communications Center Personnel (9), Training Personnel (1) Captains (6) Lieutenants (10) Personal Water Craft Operators (34) island wide

Duration: Pilot Project with extension after implementation starting July 1, 2016.

Cost: No change in Budget request provided no complications in pilot

Year 2 Implementation of Alternative Work Schedule and Extended Beach Coverage

HONOLULU EMERGENCY SERVICES DEPARTMENT:

FY 18

Participants: Continued of previous year with addition of Hanauma Bay personnel

Duration: Pilot project with extension after implementation starting July 1, 2017.

Cost: 4 Lieutenant for Hanauma Bay, 3 Lieutenant for Communications Center and JTMC, 12 personnel to Hanauma Bay. Current expenses will be increased in the areas of communications equipment, uniforms, supplies, and maintenance and repairs. Additional ATVs because of increased wear and tear on the vehicles as well as 2 PWC. Addition of two trucks while following replacement plan.

Total Costs: 1.1 million

FY 19

Year 3 Implementation of Alternative Work Schedule and Extended Beach Coverage

Participants: Continued of previous year with addition of District 3 and 4 personnel

Duration: Pilot project with extension after implementation starting July 1, 2018.

Cost: 1 Captain for Hanauma Bay, 1 Captain for Communications Center, 2 Lieutenants for Communications Center, 2 Lieutenants for each District, 2 Lieutenants for Special Operations Program, 11 personnel distributed across all districts. Continued maintenance costs and CBA increases current expenses will be increased in the areas of communications equipment, uniforms, supplies, and maintenance and repairs. Additional ATVs because of increased wear and tear on the vehicles as well as 2 PWC. Addition of ski in District 1 with rescue boat. Addition of two trucks while following replacement plan.

TOTAL COSTS: 1.5 million

FY 20

Year 4 Implementation of Alternative Work Schedule and Extended Beach Coverage

Participants: Continued of previous year with addition of District 1 personnel

Duration: Pilot project with extension after implementation starting July 1, 2019.

HONOLULU EMERGENCY SERVICES DEPARTMENT:

Cost: 2 Lieutenants for Communications Center with move to JTMC, 1 Lieutenant for each District Operations, 1 Lieutenant for Special Operations Program, and 11 personnel for tower operations distributed across all districts. Addition of continued maintenance costs and CBA increases current expenses will be increased in the areas of communications equipment, uniforms, supplies, and maintenance and repairs. Additional ATVs because of increased wear and tear on the vehicles as well as 2 PWC. 24 hour of operations of rescue boat and communications center personnel. Addition of two trucks while following replacement plan.

TOTAL COSTS: \$ 1.5 million

FY 21

Year 5 Implementation of Alternative Work Schedule and Extended Beach Coverage

Participants: Continued of previous year with addition of District 2 personnel

Duration: Pilot project with extension after implementation starting July 1, 2019.

Cost: 1 Lieutenant for each district, 1 Lieutenant for Special Operations, and addition of 11 personnel to District 2. Addition of continued maintenance costs and CBA increases current expenses will be increased in the areas of communications equipment, uniforms, supplies, and maintenance and repairs. Additional ATVs because of increased wear and tear on the vehicles as well as 2 PWC. Addition of two trucks while following replacement plan.

TOTAL COSTS: 1.5 million

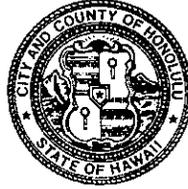
OVERALL BENCHMARKS

1. Twenty-five percent (25%) decrease in sick
2. Fifty (50%) decrease in all overtime.
3. Fifty percent (50%) decrease in all other leaves
4. No operational tower or personal watercraft closure

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 16-85

April 8, 2016

MEMORANDUM

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: 
Lori M.K. Kahikina, P.E.
Director

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

DEPARTMENT OF ENVIRONMENTAL SERVICES

ACTIVITY: REFUSE COLLECTION AND DISPOSAL

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(12,050) | WF-GN | Reduce funding for current expenses for OC 2517 - Supplies Not Classified. |

Department's Comments and Concerns: Recommend against this cut. This funding is required for various supplies-not-classified and is used in the daily operations of the Refuse Division's collection yards, transfer stations, convenience centers, and offices. The funding request is higher than the previous years because we are now consolidating into this object code several other smaller object codes including: welding supplies, batteries, degreaser, cleaners and chemicals, light bulbs, photography supplies, hydraulic oil, fittings, gauges, valves, cap screws, rivets, hardware, lumber, masonry, plumbing, NPDES filtration devices, etc to make the budgeting accounting for these smaller items more efficient. The total amount budgeted in these object codes in FY15 and FY16 was \$108,000 and \$108,000 respectively.

Councilmember: Carol Fukunaga

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(100,000) | WF-GN | Reduce funding for current expenses for OC 3015 - Attorney fees for various solid waste-related issues |

Department's Comments and Concerns: Recommend against this cut. This funding is used by Corporation Counsel and the division whenever outside legal counsel or expertise is needed in support of various solid waste related legal issues; to include flow control, discontinuing front loader service, etc.

Councilmember: Carol Fukunaga

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|---|
| \$(100,000) | WF-GN | Reduce funding for current expenses for OC 3015 - Attorney fees for Landfill related work |

Department's Comments and Concerns: Recommend against this cut. This funding is used by Corporation Counsel and the division whenever outside legal counsel or

DEPARTMENT OF ENVIRONMENTAL SERVICES

expertise is needed in support of various landfill related legal issues; to include the extension of the Waimanalo Gulch Landfill operating permit, land use permits, etc.

Councilmember: Carol Fukunaga

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(100,000) | WF-HP | Reduce funding for current expenses for OC 3015 - Attorney fees for H-POWER Operating Contract support |

Department's Comments and Concerns: Recommend against this cut. This funding is used by Corporation Counsel and the division whenever outside legal counsel or expertise is needed in support of various H-POWER operating contract-related issues; to include ensuring that the City's best interests are addressed in negotiations with Covanta.

Councilmember: Carol Fukunaga

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|---|
| \$(25,000) | WF-HP | Reduce funding for current expenses for OC 3015 - Attorney fees for H-POWER Power Purchase Agreement contract support |

Department's Comments and Concerns: Recommend against this cut. This funding is used by Corporation Counsel and the division whenever outside legal counsel or expertise is needed in support of various H-POWER power purchase agreement related issues.

Councilmember: Ann Kobayashi

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|---|
| \$(7,932,500) | WF-HP | Reduce funding for current expenses for OC 3049 - Other Services – Not Classified |

Department's Comments and Concerns: Recommend against this cut. This funding is used to pay for many absolutely essential Refuse Division functions and existing contracts, without which, the City would be in violation of DOH and EPA mandated regulations and requirements. Additionally, the proposed cut would provide less than was actually used in FY14 and FY15. The vital tasks this item pays for is detailed in the

DEPARTMENT OF ENVIRONMENTAL SERVICES

>\$50,000 listing. The major items includes disaster debris response and monitoring contracts; environmental testing, investigation and remediation; household hazardous waste disposal; landfill disposal fees; landfill ground water monitoring programs; landfill gas collection and control programs; landfill leachate disposal and testing; landfill post closure maintenance; EPA CERCLA response; radiation testing; scale calibration; emergency convenience center hauling; etc.

Councilmember: Ernest Martin/Trevor Ozawa

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(24,700) | WF-GN | Reduce funding for current expenses for OC 3262 - Printing and Binding |

Department's Comments and Concerns: Recommend against this cut. This funding is used to print flyers needed to notify the public of annual changes to their refuse collection days due to route optimization, and notices of any changes to the convenience centers, transfer stations and the landfill. This funding is also used to print household hazardous waste collection notices.

ACTIVITY: ADMINISTRATION

Councilmember: Ann Kobayashi

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|---|
| \$(171,129) | SW | Reduce funding for current expenses for OC 3004 - Consultant Services |

Department's Comments and Concerns: Recommend against this cut. This funding will be used for the 5 year update to the ENV IT Master Plan. Given the changes in technology, it is important that ENV continue to evaluate technology and plan for the needs of the enterprise.

DEPARTMENT OF ENVIRONMENTAL SERVICES

ACTIVITY: ENVIRONMENTAL QUALITY

Councilmember: Trevor Ozawa/Ann Kobayashi

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(2,200,325) | SW | Reduce funding for current expense for OC 3006 - Other Professional Services |

Department's Comments and Concerns: Recommend against cut. This increase is to fund the NEW requirements in the Kailua Regional, Honouliuli, and Sand Island WWTP NPDES permits from the State Department of Health. The requirements for the Zone of Mixing Dilution Analysis Studies and the Regional Monitoring Study must be accomplished to comply with the permits.

ACTIVITY: COLLECTION SYSTEM MAINTENANCE

Councilmember: Trevor Ozawa/Ann Kobayashi

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|--|
| \$(2,208,500) | SW | Reduce funding for current expenses for OC 3049- Other Services – Not Classified |

Department's Comments and Concerns: Recommend against this reduction. Some significant projects have to be added to our budget. In some cases, these are necessary maintenance, see below:

| | |
|-----------------------------------|-----------|
| Painting Contract – Pump Stations | \$250,000 |
| Corrosion Prevention | \$250,000 |
| Site Improvements Kunia WWPS | \$200,000 |

In addition, we need to provide better ongoing maintenance for our very large diameter pipes, which we cannot do with current resources:

Consent Decree Required Sewerline Cleaning \$1,500,000

Investing in this maintenance will help lengthen the life of the assets and prevent spills.

DEPARTMENT OF ENVIRONMENTAL SERVICES

ACTIVITY: WASTEWATER TREATMENT AND DISPOSAL

Councilmember: Ann Kobayashi

| <u>Amount</u> | <u>Fund Code</u> | <u>Description</u> |
|---------------|------------------|---|
| \$(1,173,700) | SW | Reduce funding for current expenses for OC 3049 - Other Services Not Classified |

Department's Comments and Concerns: Recommend against cut. A number of our contracts will be showing higher costs, here is a partial list:

| | |
|------------------------|-----------|
| SCADA services | \$625,000 |
| Electrical Maintenance | \$230,000 |
| Mechanical Maintenance | \$380,000 |

We also need to plan for emergencies and consultants for the following services:

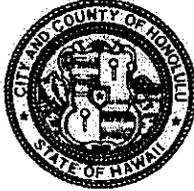
| | |
|--|-----------|
| Consultant Services for restoring power to Motor Control Centers | \$200,000 |
| Consultant Services for Rerouting Lost Electrical Power to Equipment | \$200,000 |
| Contract Services for mechanical repairs | \$ 75,000 |
| Contract Services for Electrical Repairs | \$ 75,000 |

We will have to revisit some of the maintenance work but this will allow us to keep our plants operating safely and protecting the public health, even in emergency situations.

DEPARTMENT OF FACILITY MAINTENANCE
CITY AND COUNTY OF HONOLULU

1000 Ulu'ohia Street, Suite 215, Kapolei, Hawaii 96707
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Website: www.honolulu.gov

KIRK CALDWELL
MAYOR



ROSS S. SASAMURA, P.E.
DIRECTOR AND CHIEF ENGINEER

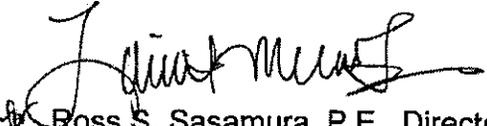
EDUARDO P. MANGLALLAN
DEPUTY DIRECTOR

IN REPLY REFER TO:
16-081

April 15, 2016

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM:  Ross S. Sasamura, P.E., Director and Chief Engineer
Department of Facility Maintenance

SUBJECT: FY17 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special budget Committee meeting of April 5-6, 2016.

Attachment

ACTIVITY TITLE: **PUBLIC BUILDING AND ELECTRICAL MAINTENANCE (PBEM)**
Councilmember(s): **Trevor Ozawa**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$50,000 | GN | Reduce funding for current expenses for OC 3003 – Engineering & Architectural Services. Reduce funding to FY16 appropriation. |

Department's Comments & Concerns:
Request funding of \$50,000 (GN) be restored. Full funding of \$50,000 GN Current Expense is needed to determine the root cause of variable frequency drive (VFD) failure, and unable to analyze the existing air conditioning system at FMB, which could result in continued VFD failure.

ACTIVITY TITLE: **PUBLIC BUILDING AND ELECTRICAL MAINTENANCE (PBEM)**
Councilmember(s): **Trevor Ozawa**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| (\$277,697) | GN | Reduce funding for current expenses for OC 3007 – Rent of Offices. |

Department's Comments & Concerns:
Request funding of \$277,697 (GN) be fully restored. Full funding of \$277,697 GN Current Expense is needed to provide 211 parking stalls at Kapalama Hale.

ACTIVITY TITLE: **PUBLIC BUILDING AND ELECTRICAL MAINTENANCE (PBEM)**
Councilmember(s): **Trevor Ozawa**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| (\$91,598) | GN | Reduce funding for current expenses for OC 3049- Other Services – Not Classified. This appropriation matches funding for FY16 + 5% to allow for inflation and economic growth. |

Department's Comments & Concerns:
Request funding of \$91,598 (GN) be restored. Full funding of \$1,272,546 GN Current Expense is needed. If the funds are not restored, PBEM will be unable to perform arc flash engineering analyses for the Fasi Municipal Building and HPD Headquarters, and for street light vaults. An arc flash is a type of electrical explosion that can occur while working with electrical switchgear. Occupational Safety & Health Administration (OSHA) and National Fire Protection Association (NFPA) require workers to have proper training and personal protective equipment (PPE) while working with electrical switchgear equipment. In order to equip employees with the appropriately-rated PPE, an engineering rating analysis must first be performed on electrical switchgear. Without an arc-flash rating analysis, training program, and safety program, no maintenance or service can be done by personnel on existing switchgear.

| | | |
|-------------------------------|-------------|---|
| <u>ACTIVITY TITLE:</u> | | <u>ADMINISTRATION (CEO)</u> |
| Councilmember(s): | | Trevor Ozawa |
| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
| (\$12,000) | GN | Reduce funding for current expenses for OC 2401 – Educational, Recreational & Scientific Supplies. Reduce funding to FY16 appropriation. |

Department's Comments & Concerns:

Request funding of \$12,000 (GN) be restored. Full funding of \$52,000 GN Current Expense is needed. Reduction of GN Current Expense will adversely affect the Storm Water Quality Branch's (SWQ) ability to provide volunteers with necessary clean-up (i.e. trash bags) and safety supplies (i.e. gloves, eye protection, safety vests, etc.) as required by permit for approximately 80 clean-up events that support thousands of volunteers and volunteer hours, and resulted in the removal of over 30 tons of trash and debris throughout the island per year. It will also prevent SWQ from performing its permit required monitoring and sampling activities through the use of water quality monitoring test probes that require frequent replacements.

| | | |
|-------------------------------|-------------|---|
| <u>ACTIVITY TITLE:</u> | | <u>ADMINISTRATION (CEO)</u> |
| Councilmember(s): | | Trevor Ozawa |
| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
| (\$2,909,000) | GN | Reduce funding for current expenses for OC 3004 – Consultant Services. Reduce funding to FY16 appropriation. City should address NPDES consultant requirements collectively. |

Department's Comments & Concerns:

Request funding of \$2,909,000 (GN) be restored. Full funding of \$7,460,000 GN Current Expense is needed. Reduction of GN Current Expense will adversely affect Storm Water Quality (SWQ) Branch's ability to meet new National Pollutant Discharge Elimination System (NPDES) requirements. New requirements such as 3rd Party Construction Inspections, Private Wastewater Spill Response, Storm Drain Line Inspections, Total Maximum Daily Load (TMDL) Assessments, Trash Reduction Outreach Program, Program Effectiveness/Asset Management Analysis and Waialeale Stream and Mamala Bay Watershed/Regional Monitoring Studies are currently not being funded nor does the SWQ Branch have the resources or personnel to implement these programs in-house within the timeframe required by the permit. Therefore, it will require an expedited schedule that will involve developing a detailed implementation plan and procedures that will be heavily reliant on hiring outside consultants to effectively manage each of these critical programs. Failure to comply with the existing and new permit requirement will result in significant fines (\$37,500 per day per violation) and the City being placed under a court-ordered Consent Decree enforced by both the Federal (Environmental Protection Agency) and State (Department of Health) agencies.

ACTIVITY TITLE: **ADMINISTRATION (CEO)**

Councilmember(s): **Trevor Ozawa**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| (\$4,000) | GN | Reduce funding for current expenses for OC 3102 - Postage. Reduce funding to FY16 appropriation. |

Department's Comments & Concerns:

Request funding of \$4,000 (GN) be fully restored. Full funding of \$4,000 GN Current Expense is needed. When the Storm Water Quality (SWQ) Branch moved from ENV to DFM, postage funds did not transfer. Prior to the reorganization, ENV provided postage to SWQ. DFM has insufficient funding to absorb postage costs. Postage is needed for sending out annual survey letters to all inventoried commercial and industrial businesses as required by permit and enforcement action notifications for suspected illicit discharges and illegal drain connections via certified mail in accordance to City ordinances.

ACTIVITY TITLE: **ADMINISTRATION (CEO)**

Councilmember(s): **Trevor Ozawa**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| (\$2,000) | GN | Reduce funding for current expenses for OC 3202 – Transportation of Things. Reduce funding to FY16 appropriation. |

Department's Comments & Concerns:

Request funding of \$2,000 (GN) be restored. Full funding of \$2,800 GN Current Expense is needed. Storm Water Quality (SWQ) Branch needs funding for bus rentals (4x/year) for various outreach activities such as its Annual *Mauka to Makai Environmental Expo*, *Make a Difference Day*, *World Water Monitoring* and other water conservation events hosted by the City and in partnership with local schools, non-profits and organizations, as well as, for shipping costs of sampling equipment in order to perform mandatory annual re-calibration and re-certification inspections.

ACTIVITY TITLE: **ROAD MAINTENANCE (DRM)**

Councilmember(s): **Trevor Ozawa, Ernest Martin**

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| (\$90,000) | GN | Reduce funding for current expenses for OC 3006- Other Professional Services. Reduce funding to FY16 appropriation. |

Department's Comments & Concerns:

Request funding of \$90,000 (GN) be restored. Full funding of \$410,000 GN Current Expense is needed. Reduction of GN Current Expense will adversely affect DRM's ability to perform stream maintenance work. Water quality monitoring plans and testing (which DFM does not have the capability to conduct) must be performed in order to prepare permit applications before DRM can initiate stream maintenance work.

ACTIVITY TITLE: **ROAD MAINTENANCE (DRM)**

Councilmember(s): **Trevor Ozawa, Ernest Martin**

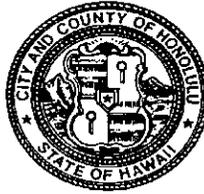
| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| (\$10,000) | GN | Reduce funding for current expenses for OC 3751 – Fees for Memberships & Registration. |

Department's Comments & Concerns:

Request funding of \$10,000 (GN) be restored. Full funding of \$22,000 GN Current Expense is needed. Reduction of GN Current Expense will adversely affect DRM's ability to perform stream maintenance work because the funds are needed to pay for permit application filing fees (\$1,000 each for 10 streams).

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KIRK CALDWELL
MAYOR



CAROLEE C. KUBO
DIRECTOR
NOEL T. ONO
ASSISTANT DIRECTOR

April 13, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Carolee C. Kubo, Director *Carolee C. Kubo*
Department of Human Resources

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5 and 6, 2016.

Attachment

DEPARTMENT: Human Resources

EMPLOYMENT AND PERSONNEL SERVICES

Councilmembers: Ernest Martin and Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$ (9,398) | GN | Reduce funding in current expense Object Code 3049, Other Services - Not Classified |

Department's Comments and Concerns:

Restoration of \$9,398 is requested. Full funding of \$18,058 will allow us to continue the City's drug testing program, provide language translation services pursuant to Hawaii's language access law, and properly assess the suitability of employees/prospective employees by conducting fingerprint-based criminal history record checks (FB-CHRCs) for the categories of employees and others identified in HRS §846-2.7; i.e., individuals who work in safety sensitive or law enforcement jobs such as Fire Fighters, Lifeguards, Emergency Medical Technicians/Para-Medics, emergency management personnel, liquor law enforcement personnel, etc. and individuals who work with vulnerable populations such as children and the elderly. The increase in this object code is primarily due to the anticipated increase in the number of FB-CHRCs for categories of employees covered by HRS §846-2.7, and for whom we were unable to previously address due to timing and limited funding. In FY17, we anticipate implementing FB-CHRCs for emergency management volunteers and personnel assigned to the Joint Traffic Management Center; in addition to the aforementioned categories of employees for whom checks are currently being conducted. At a cost of \$14.75 per record check, we anticipate initiating checks of 637 additional employees/volunteers in FY17; this covers some, but not all, of the populations for which checks are needed. It should be noted that discussions are currently underway with the American Red Cross related to FB-CHRCs for City employees who may serve as shelter workers in the event of civil defense emergencies on the island of Oahu. These discussions may result in many more FB-CHRCs being required (monies for this are NOT included in our current cost projections). It would be problematic for us to stop conducting the fingerprint-based checks for the identified categories of City employees and volunteers because of the lack of funding. Should this occur, we anticipate increased liability and negative public/media attention for the City should we hire an employee into a job for which a fingerprint-based criminal history record check should have been conducted, but was not conducted due to lack of funding.

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$ (3,350) | GN | Reduce funding in current expense Object Code 3403, Repairs & Maintenance - Equipment (Office Furniture & Equipment) |

Department's Comments and Concerns:

Restoration of \$3,350 is requested. Full funding of \$10,901 will allow us to maintain our fingerprint scanners that are essential in conducting FB-CHRCs for the categories of jobs identified in OC 3049. The increase in this object code is due to the maintenance cost for the second year of the second fingerprint scanner. Due to the regular, increasing use of our fingerprint scanners for FB-CHRCs, we need to ensure the proper functioning of all of our scanners as we anticipate that all will be heavily used. Monies in

DEPARTMENT: Human Resources

this object code will also be used to maintain repair essential office equipment such as our time stamp for incoming mail, and other office machines.

INDUSTRIAL SAFETY AND WORKERS' COMPENSATION

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,690) | GN | Reduce funding in current expense Object Code 3751, Fees For Memberships & Registration |

Department's Comments and Concerns:

Full restoration of \$1,690 is requested. Of the \$1,690, \$1,495 is the registration fee for the City's Workers' Compensation Administrator to attend the multiday National Workers' Compensation and Disability Conference (NWCDC).

Issues involving workers' compensation have become progressively more complex over the past few years. Rather than dealing with medical and indemnity issues on a localized basis, workers' compensation administrators are now increasingly faced with critical decisions which affect entire operations. Questions such as whether to support opt-out provisions, whether to lobby for closed formularies, and how to address increasing liability for prescription medication are now commonplace.

Legal and medical issues are likewise increasing in complexity. Healthcare delivery's transformation in this post-reform era continues to shape workers' compensation medical management. Implementing programs to prevent prescription drug misuse, utilize a biopsychosocial strategy to mitigate psychosocial risk factors or to resolve disability claims with the proper functional restorative strategy can help resolve these issues and reduce claim cost accordingly.

The NWCDC provides guidance on all of the above and offers insight on emerging industry trends. The conference enables participants to gain essential information regarding claims management, program management, medical management, disability management and legal and regulatory issues. Included in the sessions are presentations by companies that have successfully implemented programs to reduce claim cost as well as presentations by government officials regarding how regulatory mechanisms can help achieve the same.

We believe the cost to attend the NWDCD is a worthwhile investment for the City given the benefits that will be derived. An investment that will deliver dividends to the City in terms of critical information and proven solutions to control workers' compensation costs, while concurrently minimizing the disabling effect of industrial injuries.

The remaining amount is to pay for a Case Management Society of America (CMSA) membership (\$195) for the Medical Case Management Specialist. As the leading membership association in the case management industry, CMSA is a nationally recognized organization which serves as the largest collaborative case management professional association in the United States.

The majority of medical case managers in the State of Hawaii are members of the Hawaii Chapter. Membership in the organization will offer the City's Medical Case

DEPARTMENT: Human Resources

Management Specialist opportunities to collaborate cases and achieve goals more effectively and efficiently. In addition, she will be provided with up-to-date information on healthcare trends, disease process management and best practice during the association's seminars and presentations which she will be able to attend at a discounted rate. Access to an online educational resource library is also included as part of the membership.

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR
GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

April 14, 2016

MEMORANDUM

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Budget and Fiscal Services

FROM: Raelynn Gaspar-Asaoka, Administrative Services Officer 
Office of the Managing Director

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachment

OFFICE OF THE MANAGING DIRECTOR

April 7, 2016

Page 2

DEPARTMENT: MAYOR

ADMINISTRATION

Councilmember(s): Kobayashi, Martin and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(7,903) | GN | Reduce funding for current expenses for OC 3212 – Travel Expense Out of State |

Department's Comments and Concerns:

Full funding of \$30,000 is requested to provide the funds necessary for the Mayor and one staff member to attend the Annual US Conference of Mayors in Washington, DC (\$4,000/person) and two Sister City Relationship trips (\$5,500/person). During Fiscal Year 2016, in addition to his attendance at the US Conference of Mayors, Mayor and designated staff strengthened our Asian relationships by visiting Okinawa, Taiwan, China and Hong Kong. These trips included official Sister City meetings in Naha, Kaohsiung, and Zhongshan.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(3,500) | GN | Reduce funding for current expenses for OC 3403 – Repairs and Maintenance Equipment (Office Furniture & Equip) |

Department's Comments and Concerns:

Full funding of \$4,000 is requested to provide funds for the regular repair and maintenance of office equipment (\$500) and the replacement of damaged and aging window coverings and furniture (\$3,500).

Councilmember(s): Kobayashi and Martin

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(6,000) | GN | Reduce funding for current expenses for OC 3990 – Other Fixed Charges |

Department's Comments and Concerns:

Full funding of \$10,000 is requested to provide funds for a Mayoral Inauguration. It is an established practice to budget for an inauguration in an election year; the same amount has been budgeted in inaugural years since Fiscal Year 2009.

OFFICE OF THE MANAGING DIRECTOR

April 7, 2016

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DEPARTMENT: MAYOR

CONTINGENCY

Councilmember(s): Kobayashi, Martin and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(5,259) | GN | Reduce funding for current expenses for OC 3998 – Contingency Other |

Department's Comments and Concerns:

Full funding of \$30,000 is requested. Contingency funds are used by the Mayor for public outreach efforts such as town hall meetings and the State of the City address. Funds are also utilized by the Mayor to host dignitaries and guests from various community organizations, counties and other countries. The funds provide the Mayor with the resources to develop and strengthen community and Sister City relationships in the furtherance of public interests.

OFFICE OF THE MANAGING DIRECTOR

April 7, 2016

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DEPARTMENT: MANAGING DIRECTOR

CITY ADMINISTRATION

Councilmember(s): Kobayashi and Martin

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(79,998) | CF | Reduce funds for salaries for OC 1119 – Sal Adj to Source of Funds |

Department's Comments and Concerns:

Full funding restoration of \$79,998 with General Funds is requested as discussed during the Special Budget Committee meeting on April 5, 2016.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,966) | GN | Reduce funds for current expenses for OC 2051 – Office Supplies |

Department's Comments and Concerns:

Full funding of \$11,000 is requested. The funds are allocated for the office's annual paper and toner costs of \$8,000, while the remaining \$3,000 will be used to purchase other office supplies.

Councilmember: Kobayashi

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(130,000) | GN | Reduce funds for current expenses for OC 3006 – Other Professional Services |

Department's Comments and Concerns:

Full funding of \$465,000 is requested. The funds are allocated for the Office of Economic Development's FY 2017 Grants and Programs. The breakdown of the amount is as follows:

- Honolulu Film Office: \$100,000
- Hawaii International Film Festival Sponsorship: \$20,000
- Small Business Development: \$105,000
- Community Revitalization: \$65,000
- International Relations: \$90,000
- Agriculture: \$85,000

OFFICE OF THE MANAGING DIRECTOR

April 7, 2016

Page 5

A report detailing the Office of Economic Development's achievements and accomplishments through these are reported in our response to Questions dated April 5, 2016. See attached.

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,500) | GN | Reduce funds for current expenses for OC 3049 – Other Services not Classified |

Department's Comments and Concerns:

Full funding of \$16,400 is requested. The funds are allocated for the following costs:

Salvation Army Thanksgiving Dinner (Co-Sponsored Event): \$12,000
Legislative Tracking Services Contract: \$2,400
Service and Maintenance fees for an electronic entry system: \$2,000

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--|
| \$(1,740) | GN | Reduce funds for current expenses for OC 3105 – Other Communication Services |

Department's Comments and Concerns:

Full funding of \$2,940 is requested. The amount is based on our current monthly utility bills for Cable Services (\$200/month) and WiFi Hot Spots (\$45/month).

Councilmember(s): Kobayashi, Martin and Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(7,930) | GN | Reduce funds for current expenses for OC 3212 – Travel Expense Out of State |

Department's Comments and Concerns:

Full funding of \$11,500 is requested. The funds are necessary for the Managing Director or other Senior Staff to travel as representatives of Honolulu, in the event the Mayor is unable to attend an out of state or country meeting/event. In Fiscal Year 2016, the Managing Director represented the Mayor in Japan to foster existing Sister City relationships; he spoke at the Hawaiian Festival and presented a lei at the Ehime Maru Memorial in Uwajima, he attended the Lantern Ceremony and Peace Fireworks in Nagaoka, and also offered a senbazuru on behalf of Honolulu during the Peace Ceremony in Hiroshima. The MD also represented the City at the Honolulu Zoo's Association of Zoos and Aquariums accreditation hearing in Omaha, Nebraska.

OFFICE OF THE MANAGING DIRECTOR

April 7, 2016

Page 6

NEIGHBORHOOD COMMISSION

Councilmember: Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(1,700) | GN | Reduce funds for current expenses for OC 3006 – Other Professional Services |

Department's Comments and Concerns:

Full funding of \$2,000 is requested. The funds will be used to provide parliamentary training to the Neighborhood Assistant staff as well as the members of the Neighborhood Boards. By providing parliamentary training, meetings will be more orderly and procedures standardized among neighborhood boards.

HOUSING

Councilmember: Kobayashi

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(70,000) | AF | Reduce funds for current expenses for OC 3006 – Other Professional Services |

Department's Comments and Concerns:

Full funding restoration of \$79,998 with General Funds is requested as discussed on April 5, 2016. The funds will be spent to address housing solutions for the homeless in Honolulu. The consulting contract will build upon the Housing First model to provide solutions such as Permanent Supportive Housing.

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR
GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

April 05, 2016

MEMORANDUM

TO: Roy K. Amemiya Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Raelynn Gaspar-Asaoka, Administrative Services Officer
Office of the Managing Director 

SUBJECT: Question from the April 05, 2016 Special Meeting of the Committee on Budget for the Office of Economic Development.

The following is our agency's response to the questions on the Operating Budget received from the Committee on Budget. Please see our attached response.

Should you have any questions, please contact Raelynn Gaspar-Asaoka, Administrative Services Officer, at 768-4204.

Attachment

OFFICE OF THE MANAGING DIRECTOR

April 05, 2016

Page 2

Question: Please provide a written report on the “International Relations”, “Small Business & Economic Development” and “Community Revitalization” activities of the Office of Economic Development (OED).

Answer:

International Relations:

Each month, OED responds to 50+ international communications, and coordinates seven international courtesy calls on average, including any special events or other collaborations with Honolulu’s sister cities. In the last fiscal year, OED organized the Candon Sister City Signing- the City’s 31st Sister City and one that has been historically, culturally, and ethnically linked to Honolulu since 1906. The signing of the agreement ensures continued development of social, cultural, agricultural, and economic development between our two cities. In collaboration with the City of Nagaoka and the United States Navy, OED assisted in organizing the 70 Years of Peace Events from August 13-15, 2015, with the 15th being significant as it was the day the war ended 70 years ago in 1945.

Through the International Relations function of OED, we assist with a grant for the Honolulu Festival, one of the largest cultural events on the island. As we are honored to be the home to this important and well-attended cultural event, we are glad to report that the Honolulu Festival's Grand Parade received legacy status last year. Our office also assists with facilitating the co-sponsorship requests from the event coordinators.

OED also organized 4 international trips throughout Japan and China in FY 2016.

- Managing Director’s Trip to Japan (Hiroshima, Uwajima, Nagaoka): 7/29/15-8/9/15
- Mayor’s Trip to Taiwan/China: 10/08/15-10/16/15
- Chief of Staff’s Trip to Chigasaki: 10/16/15-10/20/16
- Mayor Trip’s to Naha: 11/1/15-11/6/16

Small Business and Economic Development:

With the intent of expanding its efforts, OED has taken a closer look at how it approaches Small Business and Economic Development. The grant program attached to this function of OED continues to be a centerpiece of this effort as many organizations count on support from the City to execute community and cultural events that draw residents and visitors alike to support small businesses through vendor patronage. Such events include but are not limited to the organizations and events discussed below.

These organizations are grantees of OED’s Community Revitalization grant that also directly support local small businesses:

- Alternative Structures International bda Kahumana: “More Jobs+More Food= Hope”
- Arts District Merchants Association: “Arts District Community Economic Development Plan”
- Chamber of Commerce of Hawai`i: “Manufacturing and Entrepreneurial Growth”
- Haleiwa Main Street: “North Shore Farmers Resource Workshops”
- Hawai`i Angels: “East Meets West 2016”

OFFICE OF THE MANAGING DIRECTOR

Questions of April 5-6, 2016, Special Meeting
of the Committee on Budget

- Hawai'i Korean-U.S. Citizens League: "Immigrant Entrepreneur Assistant Program"
- Honolulu Community Action Program, Inc.: "Na Lima Hana Employment Core Services Program"
- Interisland Terminal: "Unconferenz/Code Across/Open Data Day"
- O'ahu Economic Development Grant Program dba Hawai'i Green Growth: "Aloha+Challenge Measures Project"
- Young Women's Christian Association of O'ahu: "Launch My Business Series"

New Small Business and Economic Development Programs:

Art+Flea x OED Presents: Holiday Chinatown Market

In an effort to bring street activities to Chinatown per the Transit-Oriented Development Chinatown Action Plan, OED collaborated with Art + Flea, a locally-owned business that hosts monthly pop-up markets featuring only local vendors, to present a holiday street market in Chinatown. The market was free and open to the public, and supported Chinatown's local brick and mortar businesses, as well as up to 40 local vendors.

Art+Flea reported that all the vendors and brick-and-mortar businesses did well in sales; some of the shops reached their typical Saturday sales quota within the first 1.5 hours of the event. OED hopes to continue promoting small businesses in other areas of Oahu via partnership with successful event coordinators.

HNL SOUP + OED Presents Chinatown SOUP

Also a part of the effort to bring street activities to Chinatown, OED collaborated with micro-funding event HNL SOUP to host a Chinatown SOUP at The ARTS at Marks Garage, a Chinatown art gallery and community space. Unique from previous SOUP events, this one was tailored to hear from Chinatown community members seeking to improve the neighborhood through projects that advance small businesses, strengthen relationships with local and community partners, and improves the community overall.

Three community projects were chosen to pitch at the event. Over 100 attendees crowd-funded \$1,112 for the winning project, "Fostering Ohana" presented by the Playbuilders of Hawaii Theater Company.

Honolulu Primer Grant for Army Force Reduction - OEA

OED is the lead agency for Honolulu's Army Force Reduction grant with the Office of Economic Adjustment (OEA). The City was approached by OEA and invited to apply for federal grant funding to be used for a program coordinator and for an impact study of the effects of army force reduction on the communities surrounding Schofield Barracks and Fort Shafter, as well as island wide economic impact. This resolution was successfully approved by the City Council.

Community Revitalization:

Community Economic Revitalization is about city-community partnerships and turning community ideas into practical and achievable actions. The goal is to stimulate economic opportunities, strengthen the unique character of Oahu's diverse communities, and improve quality of life of our residents. OED works directly with businesses and communities to focus

OFFICE OF THE MANAGING DIRECTOR

Questions of April 5-6, 2016, Special Meeting
of the Committee on Budget

efforts on concrete actions and foster the partnerships that will implement these actions. OED provides the essential coordination and support needed to bring the community together by convening economic summits, sharing progress, and encouraging more businesses and individuals to get involved.

Over the course of the last year, OED has taken a closer look at how it approaches Community Revitalization. The grant program continues to be a centerpiece of this effort as many organizations count on support from the City to execute community and cultural events that draw residents and visitors alike to support small businesses through vendor patronage. Such events include but are not limited to:

Grant recipients:

- Bikeshare Hawai'i: "Bikeshare Loves Local Business"
- Chamber of Commerce of Hawai'i: "Manufacturing and Entrepreneurial Growth"
- Chinatown Improvement District: "Taste of Chinatown Festival"
- Chinese Chamber of Commerce of Hawai'i: "67th Narcissus Festival" and "Moon Festival Celebration"
- Creative Arts Experience: "Discover Art"
- D.B. Productions: "Hawai'i Mid-Autumn Festival" and "Hawai'i Night in Chinatown Festival and Parade"
- Hawai'i Ag and Culinary Alliance: "Hawai'i Food and Wine Festival"
- Honolulu Festival Foundation: "22nd Annual Honolulu Festival"
- The Filipino Chamber of Commerce of Hawai'i Foundation: "A Taste of Kalihi"
- The Filipino Community Center, Inc.: "Explore Waipahu: Filipino Heritage Series"

Co-sponsorships:

- A Taste of Kalihi
- Chinese Chamber of Commerce of Hawai'i/United Chinese Coalition/ D.B. Productions : Chinese New Year
- Honolulu Firefighters Foundation: 7th Annual Signature Chefs Food Festival
- Mayor's Cup Golf Tournament
- D.B. Productions: Mid Autumn Festival

New Community Revitalization Programs and Other Initiatives:

CityFit 2015

In June 2015, OED organized a month of free fitness classes, with the goal of offering City employees the opportunity to experience new health, wellness, and fitness practices. Following the June 2015 pilot program, OED has worked with other city agencies to continue CityFit programming through the rest of 2016. The response from City employees and from volunteer instructors has been positive and encouraging for the latest trend of workplace wellness.

100 Resilient Cities - Rockefeller Foundation

In its third and final round, OED supported the administration with producing the second and third application in an effort to join the Rockefeller Foundation's global cohort of 100 Resilient Cities. This program assists major cities with meeting their sustainability and resiliency needs by providing access to Rockefeller's dossier of experts to address, real-time case studies and information sharing from other cities, and an opportunity to

OFFICE OF THE MANAGING DIRECTOR
Questions of April 5-6, 2016, Special Meeting
of the Committee on Budget

establish a system for addressing resiliency issues across sectors. Final results will be announced in April 2016.

U.S. Conference of Mayors Livable Cities

Established in 1979, The U.S. Conference of Mayors City Livability Program honors mayors and their city governments for developing programs that enhance the quality of life in urban areas. The City and County of Honolulu's Honolulu Program of Waste Energy Recovery (H-POWER) program was selected as one of the 15 Second-Round Finalists across the U.S. We are currently in the second round of the application process.

Foodbank Drive 2016

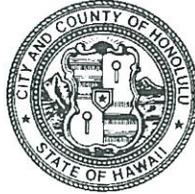
As done in year's past, OED organized the City and County Coalition's efforts in support of the Hawaii Foodbank's 27th Annual Food Drive. In addition to organizing the Coalition's 30 departmental coordinators across all City departments, including HPD, HFD, and HART, organized the Fill the Firetruck Event/ Proclamation of April as Food Drive Month.

In 2015, the City assisted in collecting 15,432 pounds of food and \$22,478 in monetary donations.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

April 18, 2016

TO: Roy K. Amemiya, Jr., Managing Director

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: 
George I. Atta, FAICP, Director
Department of Planning and Permitting

SUBJECT: FY 2017 Operating Budget Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5th – 6th, 2016. If there should be any questions or concerns, please do not hesitate to call Wayne Miyashiro at 768-8002. Thank you for your patience and understanding in this matter.

Attachment

DEPARTMENT OF PLANNING AND PERMITTING

April 18, 2016

Page 2

ADMINISTRATION

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--------------------|
| \$(1,240,000) | GN | Reduction |

Department's Comments and Concerns:

Request restoration of \$1,204,000 in object code 3004 – Consultant Services. Full funding of \$1,640,000 is needed for consultant services for streamlining operations and updating critical software used in our daily operations. The reduction of \$1,240,000 is to fund a consultant contract to comply with the federally mandated 3rd Party Construction Inspection for the City's MS-4 NPDES Permit that is required for all building permits issued by the department. Not funding this contract may lead to the City being in violation of the permit and open to a consent decree and/or monetary sanctions.

PLANNING

Councilmember: Ernest Martin and Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|--------------------|
| \$(8,000) | GN | Reduction |

Department's Comments and Concerns:

Full funding for object code 3102 – Postage is needed to send out required notices to property owners notifying them of proposed zoning changes in TOD zoning areas and adoption of Important Agricultural Lands (IAL) maps. This is a new request for work that will be done in the upcoming fiscal year and postal notification to the affected land owners is required by State Law.

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET · HONOLULU, HAWAII 96813
TELEPHONE: (808) 529-3111 · INTERNET: www.honolulu.org

KIRK CALDWELL
MAYOR



LOUIS M. KEALOHA
CHIEF

MARIE A. McCAULEY
CARY OKIMOTO
DEPUTY CHIEFS

OUR REFERENCE CU-MH

April 12, 2016

MEMORANDUM

TO: Roy K. Amemiya, Jr., Managing Director
Office of the Mayor

VIA: Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services

FROM: Lois M. Kealoha, Chief of Police

SUBJECT: FY2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5, 2016.

Your favorable consideration and support in this matter are appreciated. If there are any questions, please have a member of your staff call Major Craig Uehira of the Finance Division at 723-3219.


Louis M. Kealoha
Chief of Police

Attachment

HONOLULU POLICE DEPARTMENT

SPECIALIZED FIELD OPERATIONS

Councilmember: Trevor Ozawa

| <u>Amount</u> | <u>Fund</u> | <u>Description</u> |
|---------------|-------------|---|
| \$(42,400) | GN | Reduce funding for current expenses for OC 3049 – Other Services – Not Classified |

Department's Comments and Concerns:

Funding in the amount of \$42,400 should be retained for the Community Affairs Division to maintain equipment, supplies, training material, etc.:

1. Rent five climate control storage lockers for the Police Activities League's sporting equipment (boxing, basketball, volleyball, football, wrestling, etc.).
2. Rent six storage lockers for the Drug Abuse Resistance Education program's books, training material, and electronic equipment.

The equipment is currently stored in storage containers in the police parking lot and is exposed to extreme weather conditions. Various equipment has suffered major water damage and is uneconomical to repair.