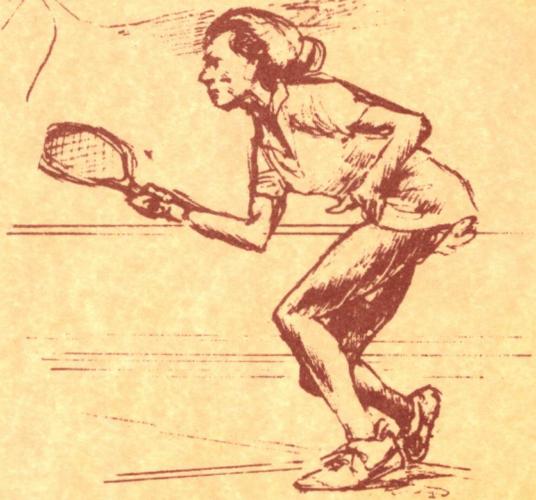
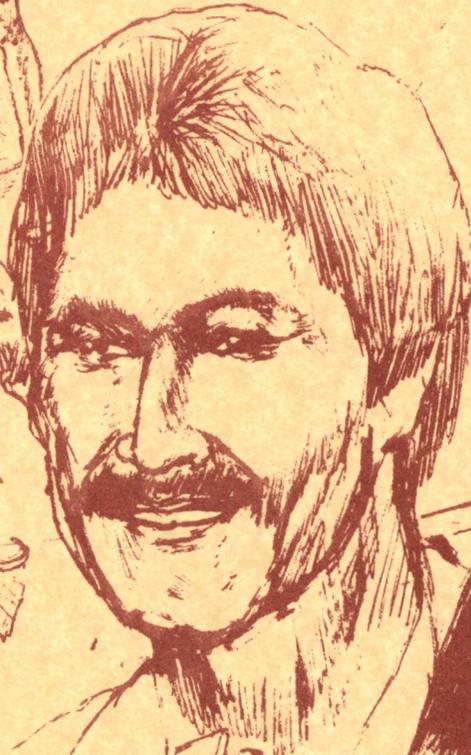


MAYOR'S
ANNUAL REPORT
1981



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Mayor's Annual Report 1981

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Mayor's Message

It is my intent to establish an administration for our City Government which will call forth all of our resources . . .

- *to begin to deal with the problems of growth, crime, housing and water supply for only out of cooperative efforts will come progress in resolving them*
- *to encourage each individual of whatever ethnic background, or age, or sex, or for however long he or she resided here to participate fully in the life of our community for only out of such participation will come improved social and personal relationships for us all*
- *to provide the leadership which will renew our respect for the beauty of this island and will insist on preserving it, for only out of such respect will we shape an acceptable direction for the future.*

Mayor Eileen R. Anderson
Inaugural Address Excerpt
January 2, 1981

Introduction

Mayor Eileen R. Anderson took office on January 2, 1981, marking the first change in executive leadership for the City and County of Honolulu in 12 years.

During this transition year, Honolulu's citizens received the full range of municipal services on which they had come to depend. People continued to enjoy the parks and to participate in recreation programs. Buses kept running. Refuse was collected. Fires were put out. The Police continued to provide protection and help in emergencies. This fact is testimony to the thousands of dedicated City employees whose goal is service to our people.

Yet significant changes were also apparent. Mayor Anderson brought a new spirit of cooperation and a fresh leadership style to Honolulu Hale. She initiated bold new planning and fiscal policies and put into action constructive programs in housing, transportation, criminal justice, human services and community and resort revitalization. She encouraged participation by individuals and community groups in the government decision-making process, recognizing that at the heart of the City are the people whose values, heritage and goals make Honolulu the special place it is.

Yes, there is a new direction in the City and County of Honolulu. This Annual Report describes how Mayor Anderson and her administrative team charted that new direction and met the challenges of their first year in office.

Growth and Development

Perhaps the most compelling challenge the new City Administration faced soon after taking office in January was the question of how this island will grow and develop over the next several decades. To date much of Oahu's development has occurred in a rather haphazard manner, unguided by either comprehensive development plans or a coordinated planning process. Uncertainty over the rules of the game often resulted in conflicts between residents and developers.

The Administration believes that the major development issues our community needs to address are:

What kind of development should occur?

Where and when should this development take place?

How do we help implement this desired planned development?

Substantial pressure exists within segments of our community to remove agricultural land from cultivation in favor of homes, to build high rises on some of our remaining unspoiled beaches, and to more intensely develop our rural areas.

The Anderson Administration's philosophy on development is to concentrate residential, commercial, and industrial growth in appropriate locations within the existing urban core, and to allow a new urban center to develop in a cohesive fashion in the western half of Ewa. Only modest residential development should take place in existing outlying areas.

As for resort development, building should be restricted to existing resort areas (Waikiki, Kuilima, Makaha) until those areas have fulfilled their devel-

opment potential before permitting new development, if at all, in places like Queen's Beach in East Honolulu and West Beach in Ewa.

Mayor Anderson strongly believes that this development philosophy offers the best hope of preserving productive agricultural lands and open spaces; retaining the peaceful character of our rural communities; and saving our prime beachfront areas for the benefit of current and future residents and visitors.

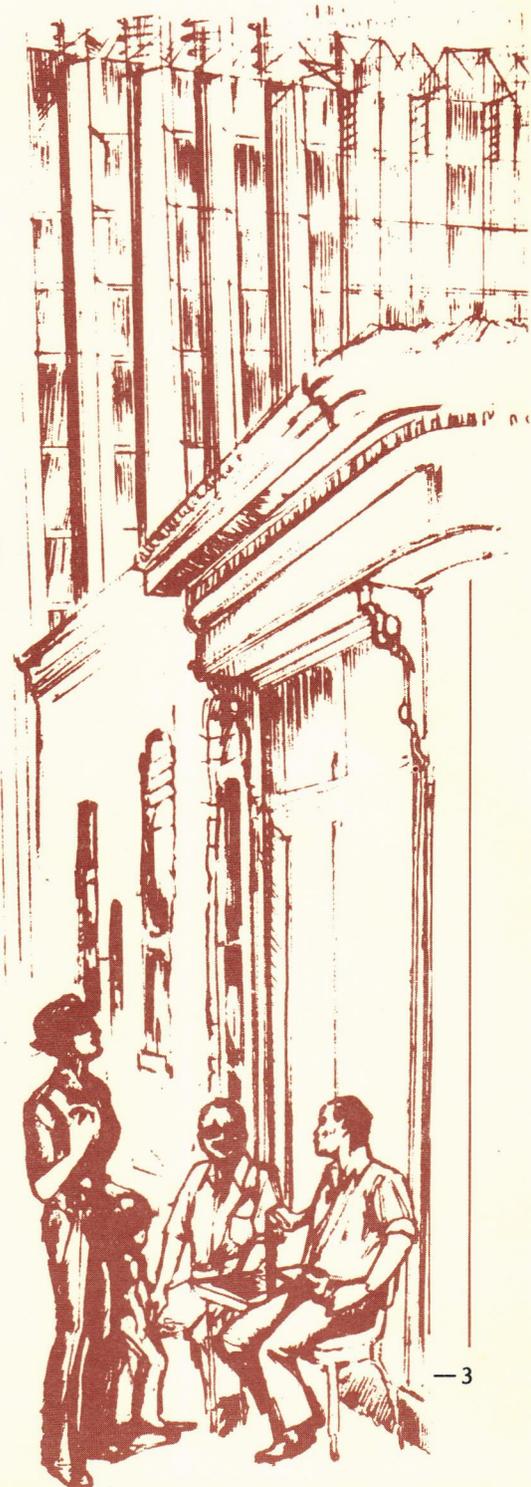
Administrative proposals to the City Council focused on implementing these ideas. First, a change was recommended to

The Anderson Administration's philosophy on development is to concentrate . . . growth . . . within the existing urban core.

the classification scheme and minimum lot size for agricultural parcels to prevent the subdividing of prime agricultural lands into luxury estates. This matter was deferred by the City Council pending possible action by the State Legislature. Second, changes were sought to prevent scattered resort development from occurring along the Windward, North Shore and Waianae coastlines. The City Council has not yet acted on these proposed changes, and renewed efforts will be made in 1982 to gain Council approval.

Subject of great anticipation during the past year was the adoption of the long-awaited

Development Plans. They are the required regional schemes for accomplishing the objectives and policies of the Oahu General Plan, mandated by the Revised City Charter in 1973. Acknowledging that planning for future growth involves communication and conflict-resolution among a wide range of interest groups, the Charter prescribed a framework within which decisions could be made.



- First, a General Plan was to be prepared in order to establish islandwide goals, objectives and policies.
- Second, more detailed, twenty-year community Development Plans were to be developed based on the guiding principles contained in the General Plan.
- And third, once adopted, all zoning and budgetary decisions were to be in consonance with the Development Plans.

The General Plan was passed in 1977, and after years of preparation eight Development Plans were adopted by the City Council in November 1981. Mayor Anderson carefully considered the plans because of the significant impact they would have on the lives of people on Oahu and ultimately decided to veto all eight plans. This action was taken because the process used by the Council to adopt the plans cast a cloud of uncertainty on their validity and because many of the hastily made changes could not be supported by the Administration.

The Council subsequently reconsidered its action on the Development Plans and sustained six of the Mayor's eight vetoes. It, however, overrode the mayoral vetoes on two key plans.

One was the Primary Urban Center Plan which includes the area from Kahala to Pearl City. The second was the Ewa Development Plan which covers the area from Kunia Road to the Kahe Power Plant.

The Administration is now working quickly to come up with recommendations for the six remaining areas and will urge the Council to adopt the newly revised plans early in 1982. Once all eight plans are in effect, the City will have a coordinated planning process for the first time that can better direct the way in which development takes place on Oahu.



Waikiki

The importance of the visitor industry to Hawaii's economy is undisputed. Tourism generates a major portion of the State's revenues and is responsible for one out of every four civilian jobs.

Waikiki serves as the lodestar of the industry, for to most visitors, Waikiki is Hawaii. In 1981, Waikiki helped to attract nearly four million visitors who spent three billion dollars in our State. Waikiki itself provides employment for some 50,000 people and is home to more than 20,000 residents. We all have a stake in the well-being of Waikiki.

In 1981, Waikiki helped to attract nearly four million visitors who spent three billion dollars . . .

For decades, government and the private sector studied its problems and suggested improvements for this world famous visitor destination, yet little was accomplished. Mayor Anderson placed a high priority on an action program to make Waikiki a better place for both residents and visitors. A cabinet-level task force pulled together many of the suggested improvements and developed WAIKIKI 2000, a comprehensive capital improvement plan to revitalize Waikiki. This long-range, incrementally phased proposal includes improvements for traffic and pedestrian flow, public facilities, beautification and parks.

The basic concept of WAIKIKI 2000 is to make Waikiki more people-oriented. There would be pleasant pedestrian malls and wider sidewalks on Kalakaua Avenue.

Kuhio Avenue would be widened and designated as a major thoroughfare in Waikiki. A new internal transit system would be introduced to carry people throughout Waikiki, and a multi-level parking garage would replace the City's lot at Lewers and Kuhio. New mini-parks would be created and existing ones upgraded. And the Waikiki Shell, Honolulu Zoo, Queen Kapiolani Park and the Ala Wai Golf Course would be significantly improved for the fuller enjoyment of all.

WAIKIKI 2000 was presented to the public in a spirit of open dialogue, not as a finished plan. Reactions and suggestions of many community, private and governmental groups were encouraged. Still further discussions are necessary before a comprehensive improvement program for Waikiki and the means to finance it are finalized.

The Administration also directed its attention to more immediate social problems in Waikiki. In cooperation with the State, action was taken to halt illegal activities and nuisance problems along the beaches and in the parks. A bill was introduced in the City Council to limit sidewalk peddling, a constant source of irritation to residents as well as visitors. And a City-sponsored bill to discourage prostitution through stiffer penalties was enacted by the State Legislature. In addition, inspections and the issuance of citations for building and zoning code violations in Waikiki were increased. There was also greater police presence and visibility in the area. All of these efforts were undertaken during the past year to make Waikiki a safer and more pleasant place for our residents and visitors alike.

Downtown Honolulu

Downtown Honolulu's revitalization also received priority consideration by the Anderson Administration. Fortunately, our Downtown has not suffered from the same degree of deterioration that many Mainland cities have. Nevertheless, the Administration recognizes the importance of strengthening Downtown Honolulu's vitality and attractiveness today in order to insure its healthy tomorrow.

A cabinet-level task force is developing a comprehensive proposal to create an exciting urban center, a gathering place that would attract people during the day and in the evening for business, entertainment, and recreational activities. Key components in this proposal are to:

- create a more attractive physical environment which boasts of urban liveability
- increase cultural and recreational activities that attract people
- enhance the sound business climate with retail shopping, finance, and other corporate activity
- expand residential opportunities for a balanced mix of income groups
- improve traffic, transportation and parking capabilities for added convenience
- retain Downtown's heritage through the restoration of historic buildings

Projects linked to these ideas for Downtown Honolulu are already underway. In September the City entered into an agreement with Tecon Inc. for the development of the 39,000 square-foot parcel at the corner of Hotel

and Bethel streets. A mixed use complex consisting of office, residential, commercial, public parking and open space is being planned. The City expects to collect more than \$34.7 million in revenue from this project during a 30-year period. The current use of the site as a parking lot provides only a minimal financial return to the City.

Block J, a 2.4 acre site at Pali Highway, Beretania Street and Queen Emma Street, is also designated for development. Several proposals already submitted to the Department of Housing and Community Development by private firms are being evaluated. Most of the proposals suggest a mixed use, high-rise development with

. . . of strengthening Downtown Honolulu's vitality and attractiveness today in order to assure its healthy tomorrow.

open space set aside for recreational purposes.

The City also moved forward with plans to build a 22-story structure at the Smith/Beretania site. This building would provide 163 one- and two-bedroom, low-moderate income rental units in close proximity to jobs, commercial services and goods. The emphasis would be on replacement housing for displaced residents and for those who currently occupy sub-standard units in this area.

In keeping with the desire to retain Downtown's historical character, the City has finalized plans to purchase the Oahu Market, the only remaining open-air commercial facility on the Island and a well-known Chinatown landmark. Many of our people enjoy the old-time

open market atmosphere and appreciate the many ethnic foods and personalized service offered by shopkeepers who come to know their customers as friends. The City intends to renovate the structure and sell it back as a cooperative to current occupants of market stalls.

The City also solicited proposals for the Pauahi Urban Renewal Project to redevelop 6.3 acres bordered by Beretania, Maunakea, Hotel and River streets. This redevelopment would reflect and enhance the visual and cultural environment of Chinatown. There would be low-moderate income housing for elderly and non-elderly families, market residential units, commercial structures and a parking facility.

The goal of all of this action and planning is a revitalized Downtown with a thriving commercial center, a substantial residential community, and a variety of entertainment and recreational activities that will invite more people to go there, particularly during the evening hours and on weekends.

Housing

In every major city in the United States, there is a recognized need for more low and moderate income housing. The high cost of living in Hawaii makes this need especially acute here in Honolulu. During the past year the Administration began efforts to channel an increasingly greater share of our federal Community Development Block Grant (CDBG) funds into programs for low and moderate income housing. Although its ability to alter substantially the amount of CDBG funds going to housing was somewhat limited since programming for these funds is normally done several years in advance, the Administration, nonetheless, was able to reprogram some CDBG money for several new housing initiatives which had not been previously programmed.

For example, land has been purchased in Kaneohe for an elderly housing project planned in conjunction with the Hawaii Housing Authority.

Also, several small housing projects for the handicapped are scheduled for Kailua, Halawa, and Wahiawa. The City is undertaking these projects in conjunction with the Hawaii Association for Retarded Citizens.

Another special CDBG funded project involves major rehabilitation and revitalization of the Ewa Plantation villages. This program will not only upgrade the area but will preserve the neighborhood and the lifestyle of the residents by providing home ownership opportunities for families living there today. The new expandable home concept is scheduled to be tested here. The concept encourages small,

less costly homes which are designed to be enlarged at a later date when family needs change.

Besides these efforts to provide low-moderate income housing, the Administration accomplished or set in motion a number of other measures which will facilitate the provision of affordable housing:

- It proposed rules to implement Ohana Zoning which will permit a second dwelling unit to be built in areas where there are adequate water, sewer and other public facilities to support such development.
- It developed a new concept and solicited proposals for a loan leveraging program which permits interest free public funds to be matched with private funds at market interest rates. Two direct benefits to be realized are a lower net interest rate and more available funds for low and moderate income families seeking to rehabilitate their homes.
- It established a policy of targeting home rehabilitation loans to selected neighborhoods with high concentrations of lower-income families, while concurrently upgrading existing public facilities and making other improvements to revitalize these neighborhoods. In this way, it will be possible to restore entire neighborhoods to long-term sound condition.

- It developed preliminary plans which are under consideration for a demonstration project to test the concept of expandable homes.
- It established a policy that when development rights for City-owned properties are awarded, built into the terms of the agreement will be some requirements that low and moderate income housing be provided, either on the site itself or through a capture of revenues from the project which the City can use to develop government assisted-housing elsewhere.

The Administration also sent to the City Council a proposal for inclusionary zoning. The bill provides that when government changes the land use designation of a parcel of land, a portion of the appreciated value resulting from the change shall be paid to the City. The proceeds would be earmarked to provide for low and moderate income housing on Oahu. This measure is considered fair to builders and developers who benefit from land use changes and would provide an important mechanism for helping the housing program. The City Council, however, has not yet granted approval to this proposal. The Administration will continue its efforts to secure an inclusionary zoning ordinance in 1982.

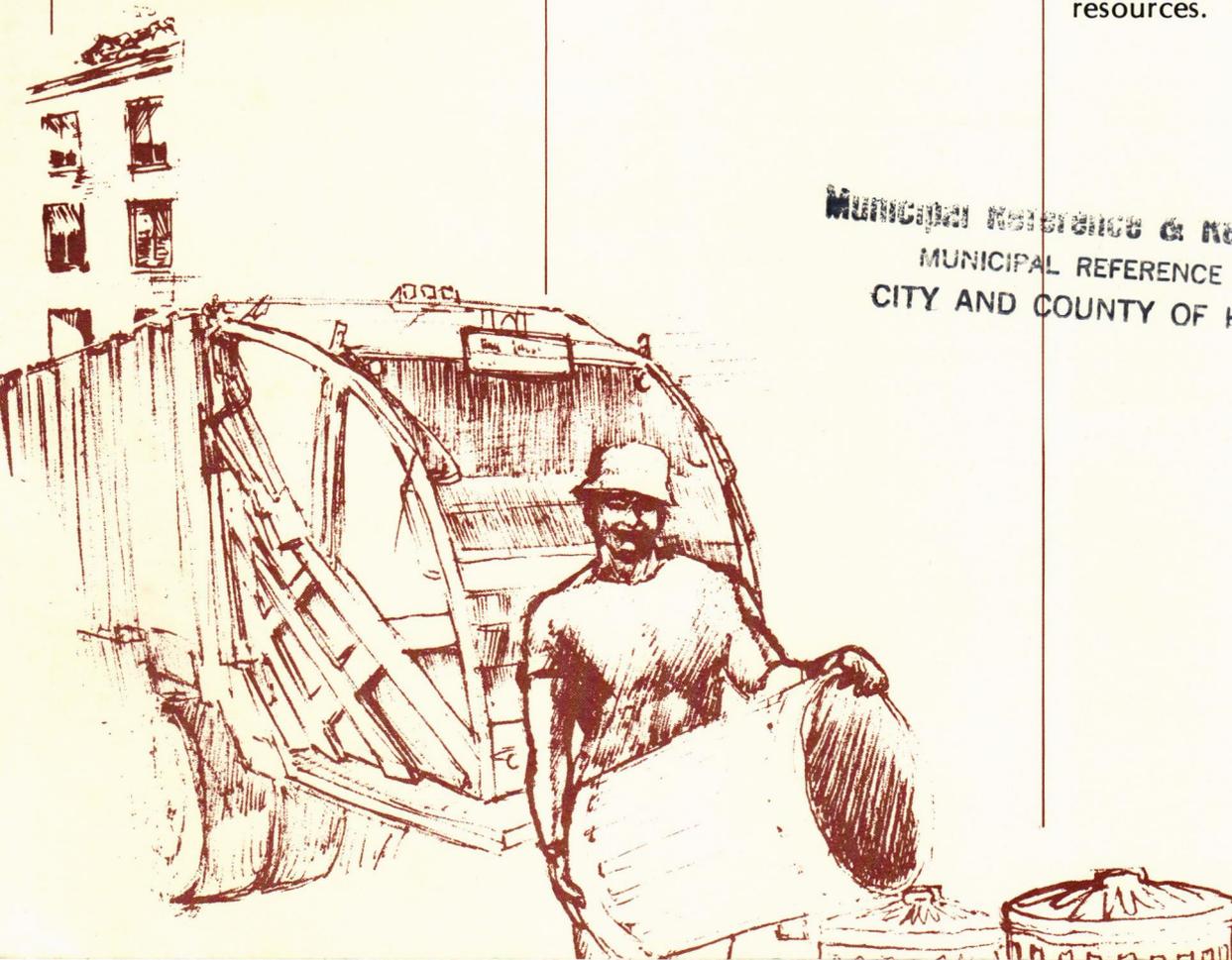
HPOWER

In seeking a solution to the growing dilemma of solid waste disposal, the Administration fully endorsed the HPOWER (Honolulu Program of Waste Energy Recovery) concept which would generate electricity by converting solid waste to electrical energy.

From a technical and engineering standpoint, HPOWER represents an outstanding project. And there is clearly a need for a waste energy recovery program, for Honolulu is quickly running out of landfill areas to dispose of solid waste materials. But two issues must be resolved before such a facility is built on Oahu. These issues are where to locate the HPOWER plant and how to properly finance it.

The proposed HPOWER site in Waipahu was given full consideration by the Administration and could not be supported because of environmental concerns connected with its location in a residential area. The Department of Public Works currently is seeking a more suitable site, preferably in an industrially zoned district, and is looking into methods to finance HPOWER. The Department is also exploring ways to expand incineration processing and is reassessing Oahu's landfill resources.

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In May, Mayor Anderson decided to postpone the Honolulu Area Rapid Transit (HART) proposal for an 8-mile, fixed rail transit system estimated to cost 800 million dollars. Two reasons dictated that decision.

First, there was no commitment for financial support from the state and federal governments, without which it would be impossible for the City to build HART.

Second, there was a high degree of uncertainty attached to the projections and assumptions used to justify the need for HART in its proposed timetable.

Instead, the City decided to focus its efforts on improving its bus service by incrementally increasing the size of the bus fleet and by better utilizing existing transit resources. Meanwhile, the transportation staff is examining the feasibility of implementing less costly mass transit options for Honolulu.

One significant transportation change has been the rerouting of buses on Hotel and King streets in the Downtown area, implemented on a trial basis. The primary goal is to improve the environment of Hotel Street, reduce congestion and facilitate vehicular movement throughout Downtown. If the results during the trial period are favorable, a permanent mall along Hotel Street will be installed, greatly enhancing the convenience of pedestrians.

Other bus improvements have been the initiation of a new bus route, the expansion of several existing routes, improved maintenance of buses, and the extension of the Handi-Van service to include those disabled residents living along the Waianae/Nanakuli coast.

Transportation



Crime Control

Polls indicate that crime is the single most important concern of a majority of our citizens. And while it is encouraging that Oahu's crime rates decreased in almost every category in 1981, crime is still a major problem. It is important, therefore, that the City adopt a broad-based anti-crime approach.

Notably successful during the past year were the Honolulu Police Department's special programs, such as "Sting," "Hukilau" and "Hookerlau." Also, coordinated enforcement efforts involving several City departments such as Parks and Recreation, Building, and the Medical Examiner together with the Prosecuting Attorney's Office were a significant and positive technique to deal with violators.

Other specific anti-crime efforts undertaken in 1981 included the following:

"Mayor's Council on Law and Order"

Recognizing that crime is not exclusively a police problem but one which needs to be approached from a total community perspective, the Administration enlisted a group of concerned and informed citizens to form the Mayor's Council on Law and Order. Members of the committee have already begun discussion on possible strategies for Honolulu's long-range approach to the problem of crime. This is expected to be a long and involved effort, but through the active interest and thoughtful concern of the participants, it is hoped that new insights and approaches will surface.

"Police Resource Utilization Review"

To assist the Police in improving operations without further burdening the taxpayer, a four-month independent review of the Honolulu Police Department was conducted and recently completed. The report's preliminary recommendations, currently under review by the City cabinet members and police officials, involve patrol deployment levels, communications, community relation efforts, and investigative practices, among others. The study should be helpful in channelling police operations to deal with crime in the most efficient and cost-effective manner possible.



"Truancy Program"

During 1980, the Police arrested 8,005 juveniles, 4,162 of them on property crime charges such as burglaries, car thefts, shoplifting and beach thefts. Much of this crime was committed during daytime hours when youngsters should have been in school. In early November 1981, an innovative program was started jointly by the Honolulu Police Department and the State Department of Education to seek out truants and return them to the school system. If a student is found off-campus without appropriate justification, parents are notified and asked to cooperate in keeping their children in school. Should the student be found truant a second time, he or she is arrested, and parents are notified to appear at the police headquarters for consultation. Subsequent arrests could lead to a hearing at the Family Court.

During the two months in 1981 that the truancy program was in effect, over 1,400 truants were returned to school. While it is too early to assess how the program is reducing daytime property crimes, many other related benefits have become apparent. Cases of child abuse were uncovered, juvenile suspects previously unlocated were found, stolen property was recovered and substantial information was provided to the Department of Education with regard to unregistered students and particular truancy difficulties relating to specific schools. There was also an attitudinal

change among students who viewed the possibility of arrest as a deterrent and chose to remain in school.

In addition to initiating new anti-crime programs, the Administration moved forward on plans to construct two new police stations and a training facility. During the past year, the Administration was successful in securing nearly \$200,000 for the planning and engineering of the new Kahuku-Laie Police and Fire Stations. The stations will share a four-acre site adjacent to the Kahuku High School. The Administration also awarded the contract to begin construction of a new District II Police Station in Wahiawa, and obtained the necessary funds to begin planning for a Police Training Facility.



The City's actions alone, however, cannot solve Honolulu's crime problem. Crime is a multidimensional issue that expands beyond a municipal government's law enforcement and prevention capabilities. Nonetheless, the City can play an important role in the overall fight against crime. It can properly deploy what resources it has to combat crime; it can cooperate fully with other levels of government in their anti-crime programs; and it can follow through and expand on the initiatives begun in the past year. These efforts, combined with active citizen involvement, will make Honolulu a safer place to live and work.

Public Safety

Triggered by high-rise fire catastrophies on the Mainland, the Administration formed a High-Rise Safety Committee in January 1981 to study and make recommendations for reducing the hazard here. This committee launched an effective educational campaign.

Booklets were distributed instructing high-rise building managers how to develop fire safety plans for their buildings. Pamphlets on what to do or not to do in case of fire, geared toward people who worked or lived in high-rises, have been printed and distributed. Posters with fire emergency instructions were distributed to every hotel on the island and are now being posted on hotel room doors. Building managers were asked to file copies of their building and evacuation plans with the nearest fire station.

The Administration also addressed two controversial public safety issues during 1981: the use of chemical spray devices and fireworks control.

In February, Mayor Anderson vetoed a bill that would have made it legal for Honolulu residents to purchase and use chemical "self defense" sprays. After studying the issue, the Mayor concluded that these devices offered a false sense of security as a defense measure and that they presented another weapon for potential criminals. The City Council reconsidered its opinion and sustained her veto.

Fireworks pose a health and public safety hazard in a densely populated city like Honolulu, and limits are necessary. The Administration proposed a complete ban on fireworks except for religious, ceremonial, or display purposes, and then only by permit. The City Council chose to pass an alternate bill which allowed fireworks by special permit and only in specific areas on Oahu. The bill became law in early December without the Mayor's signature. Subsequently, a state court ruling struck the permit provision from the new law but retained the zoning restrictions.



Services to Seniors

Our senior citizens are valued members of our community. During the past year, City-sponsored services and programs were expanded to meet their diverse physical and social needs.

Three additional congregate dining sites were opened, one each in Kailua, Aiea, and Punchbowl Homes for a total of 32 such sites. The popular congregate dining program provides not only nutritious lunches to more than 3,000 qualified senior citizens, but also unique social and recreational opportunities for them.

For those who are home-bound and unable to get to a congregate dining site, the home-delivered meals program was expanded and now serves an average of 288 meals daily. Meals are delivered to participants by dedicated volunteers.

To serve individuals 60 years or older who need skilled nursing and/or personal care services on a short-term basis, the In-Home Skilled Nursing and Personal Care Services program was begun under a contract with the Catholic Social Service-Comprehensive Individualized Services program.

Preliminary engineering was also undertaken for a new multi-purpose facility in Waianae that will house a center for seniors in that area. In cooperation with the State, the Administration initiated a study to assess the adequacy of senior center facilities throughout Oahu to meet the needs of seniors. The study will also identify publicly-owned buildings that may be under-utilized or surplus which could be made available for senior centers in areas where there are currently no facilities.

Other vital services provided by the City for senior citizens include transportation to meal sites, escort program, home visitations, nutrition education, counseling, health screening, legal services, and information and referral services.



Culture and the Arts

The City helps to foster cultural awareness and enrichment for all citizens by creating an atmosphere for greater public exposure to Hawaii's diverse forms of culture and art. Throughout the year, many outstanding events were offered free to the public including art exchange programs, a series of concerts at Honolulu Hale and Sky Gate, visual arts exhibitions such as pottery, photography and other art mediums, and displays featuring the artists of local guilds and societies.

Program highlights during the past year included a concert in honor of the 75th anniversary of the Filipino migration to Hawaii, the Hawaii Ballet Theatre for Youth, "The Great Hawaiian Open," "Form and Fiber" and "Raku '81."

In addition, the Royal Hawaiian Band presented a musical season of 216 well-attended concerts on the grounds of Iolani Palace, at the Kapiolani Park Bandstand, and in our schools. The Band also participated in 18 parades and other special community events.

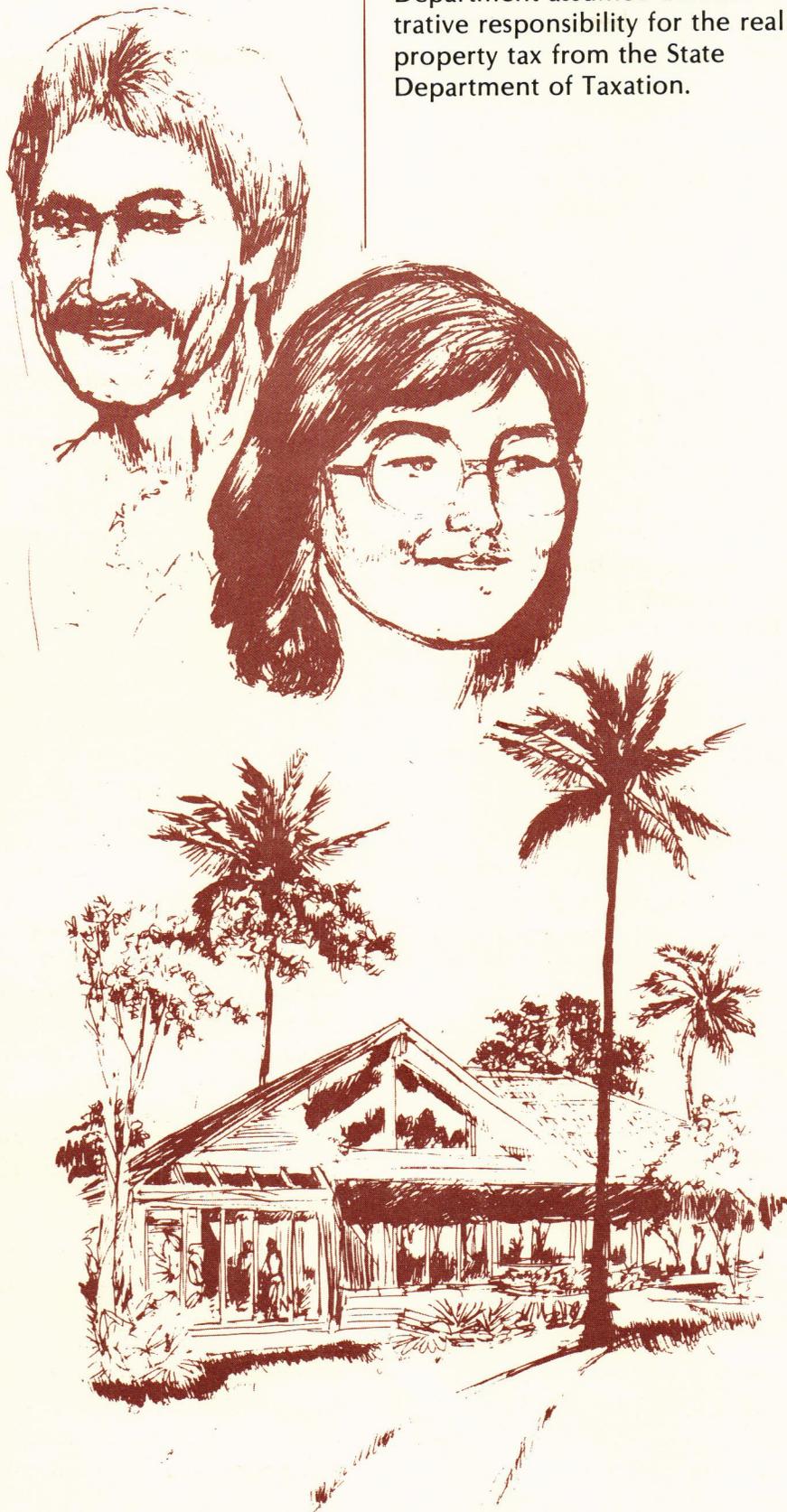
Through the parks and recreation program, the City sponsored a wide variety of culture, arts, and Hawaiiana activities.

**... many outstanding events
were offered free to the
public ...**



Real Property Taxation

The primary source of revenue for the City is the real property tax. On July 1, 1981, in accordance with a change voted by the electorate, the City's Finance Department assumed administrative responsibility for the real property tax from the State Department of Taxation.



The City's new Real Property Assessment Division, located in the Model Progress Building at 1188 Fort Street Mall, is responsible for locating, identifying and appraising all real property on Oahu and certifying the assessment rolls.

The Real Property Tax Collection and Accounting Section, attached to the City's Division of Treasury in City Hall, is responsible for the billing and collection of all real property revenue, including delinquencies.

On July 1, 1981, . . . the City's Finance Department assumed administrative responsibility for the real property tax . . .

Ninety-three million dollars in real property tax payments were collected during the first half of the 1981-82 tax year. During the peak payment period, 85 million dollars were collected and immediately invested, earning for the City almost \$400,000 in accrued interest which would not have otherwise been earned had the State continued to administer and collect real property taxes as in the past.

To encourage citizens to make prompt payment, several alternatives were offered. Taxpayers could pay in person at City Hall or simply mail in their payments. The Administration also initiated another method of payment that has proven to be financially advantageous for the City. Arrangements were made with a local bank to directly collect property taxes from the public and to immediately place those monies into the City's account. Under this new banking procedure, interest earnings in excess of \$55,000 were realized.

Fiscal Management

Guiding the City's economy responsibly during a period of fiscal uncertainty was perhaps the most difficult challenge the new Administration faced. Signals from the federal government at the beginning of the year indicated that the City would not be receiving as much federal assistance as it had in the past. Public employment, transit, housing, water resource development, and wastewater treatment were areas scheduled for substantial federal cutbacks in funding. To meet this challenge, sound fiscal management and long-range financial planning were called for.

As one of her first acts in office, Mayor Anderson charted a course to make the City more financially independent and less subject to the budgetary policies of the federal government. Efforts were geared to the eventual elimination of federal funds from the City's day-to-day operations, an area of substantial federal dependence during previous years.

... Mayor Anderson charted a course to make the City more financially independent ...

To accomplish this, clear directives were given for the City to live within its means. A complete reassessment was undertaken of all City services, priorities were identified, and alternative levels at which these services could be provided were examined. Working with her Budget and Finance departments, Mayor Anderson instituted strong spending and budgetary controls as a major component of a new fiscal management system.

Travel was restricted to those trips that would substantially benefit the City. All vacant positions were scrutinized and only those considered essential for required services were approved for filling. Excessive supervisory level positions were eliminated. Equipment purchases were cut back, and the number of "take home vehicles" for the City officials was drastically reduced.

Energy management was strongly emphasized. Conversion to more efficient lighting was accomplished through replacing old street lights with new sodium luminaires which require 30 per cent less energy. Conservation improvements in City-owned buildings including thermostat settings, water heating settings, and time clocks to control lights, air conditioning, and exhaust fans were continued. Substantial savings were realized when lighting needs were kept at the minimum level necessary for adequate tasks. Also, a new program to better manage gasoline consumption was begun. Meanwhile, other ongoing efforts to conserve energy were encouraged.

The City also obtained tighter management control over the operations of MTL Inc., the company under contract to the City to operate the bus system. And an Office Productivity Study was undertaken to analyze how new office technology could increase productivity and reduce operating costs.

The Administration's new long-range planning system contains mechanisms for determining which programs are the most cost effective, thereby enabling City government to provide more service per tax dollar. Budgetary and fiscal information

is also being computerized to facilitate this efficiency effort.

Another budgetary priority of the Administration was to put the City's Capital Improvement Program (CIP) on stronger financial footing. It is the Administration's position that capital improvements should generally be financed with long term borrowing when interest rates allow and with cash only when required or available, as for example in the case of Federal Revenue Sharing funds. Bond sales should, to the extent possible, coincide with or precede the needs for funds.

For nearly four years, the City had not financed any capital improvements through bond sales and had "borrowed" money from the General and Highway Funds to finance these projects. This "borrowing" eventually created a severe cash flow problem for the new Administration in 1981. It became necessary for the City to initiate a \$45 million bond sale in mid-summer to cover both the outstanding debt and ongoing projects. Through this sale, the City was able to put its Capital Improvement Program back on solid ground. To maintain fiscal stability, CIP authorization was realigned so that only projects with the highest priority will move forward using available Federal Revenue Sharing funds.

Exploring Other Revenue Options

Despite its belt tightening measures, the City cannot expect to fully make up for the loss in federal funds through the real property tax alone which is the City's primary income. Alternative sources for financing local government services must be found.

One alternative is to obtain a larger share of the State's tax base, primarily the excise tax and income tax. Along these lines, Mayor Anderson set in motion a means for securing additional revenue for the City with a revenue sharing bill that was introduced during the 1981 Legislative session. The bill proposed that each county receive an equitable share of the State's broad-based tax collections. Specifically, the bill suggested that the \$18 million provided to

Alternative sources for financing local government services must be found.

the counties by the present grant-in-aid formula be increased by the same percentage that State expenditures have increased over the nine years during which the formula has been in effect. Although this revenue sharing bill had the support of the Honolulu City Council and all Neighbor Island Mayors and their respective Councils, the Legislature did not pass it. The bill can still be considered during the 1982 Legislative session.

Another possible source of revenue to finance City programs is the "user fee" for people who use selected City facilities and services.

Being able to provide a full range of municipal programs and services in a fiscally respon-

sible manner requires policy innovation as well as organizational, planning and management skills. Exploring these and other revenue-generating options is one way the Administration can insure that the City will be able to offer a high level of municipal service to the people during the years ahead.

Summary

This Annual Report has touched on many of the substantive issues that Mayor Eileen R. Anderson and her Administrative team addressed during their first year in office. It has been an exciting year, a year of challenge and change, of planning and progress.

The City and County of Honolulu is, indeed, a very special place, rich in cultural diversity and alive with a strong sense of community. Our people proudly reflect a heritage steeped in the ideals of cooperation, of working together to get things done for their mutual benefit.

It is this sense of community and spirit of cooperation that Mayor Anderson encouraged during her first year in office. Acknowledging that effective government begins with the

... an exciting year, a year of challenge and change, of planning and progress.

people, she established a policy of openness in government and instituted an active working partnership with the people. She and her cabinet members went out into the communities, taking government to where the people live and work. They attended a number of town meetings, went on field trips, and made many site visitations. They made themselves available to community organizations, military and civic groups, clubs and associations throughout Oahu.

These visits inspired a free exchange of ideas and provided the Administration with first hand knowledge of community concerns and community responses to City-initiated proposals. These opportunities also



helped the Administration work directly with individuals and groups to find solutions to new and long-standing problems.

This policy of openness in government to encourage citizen participation and cooperation will continue to be the cornerstone of the Anderson Administration. With government working closely with the people, a solid future can be built, one day at a time. 1981 has been a good beginning.





City & County of Honolulu

Eileen R. Anderson, Mayor
Andrew I.T. Chang, Managing Director

AUDITORIUMS
Marilyn Whiting, Director

BUDGET
Stanley Shiraki, Chief Budget Officer

BUILDING
Roy Tanji, Director

CIVIL SERVICE
Wallace Kunioka, Director

CIVIL DEFENSE AGENCY
Malcolm A. Sussel, Acting Administrator

CORPORATION COUNSEL
Gary Slovin, Corporation Counsel

DATA SYSTEMS
Francis Santos, Director

FINANCE
Peter Leong, Director

FIRE
Melvin M. Nonaka, Chief

GENERAL PLANNING
Willard Tim Chow,
Chief Planning Officer

HEALTH
Anna Maria Brault, M.D.
City & County Physician

HOUSING & COMMUNITY DEVELOPMENT
Joseph Conant, Director

HUMAN RESOURCES
Helen Burnside, Director

INFORMATION & COMPLAINT
Sharon S. Narimatsu, Director

LAND UTILIZATION
Michael McElroy, Director

MEDICAL EXAMINER
Charles Odom, M.D.

MUNICIPAL REFERENCE & RECORDS
Marsha Petersen, Director

PARKS & RECREATION
Robert Masuda, Director

HONOLULU POLICE DEPARTMENT
Francis Keala, Chief

PUBLIC WORKS
Michael J. Chun,
Director & Chief Engineer

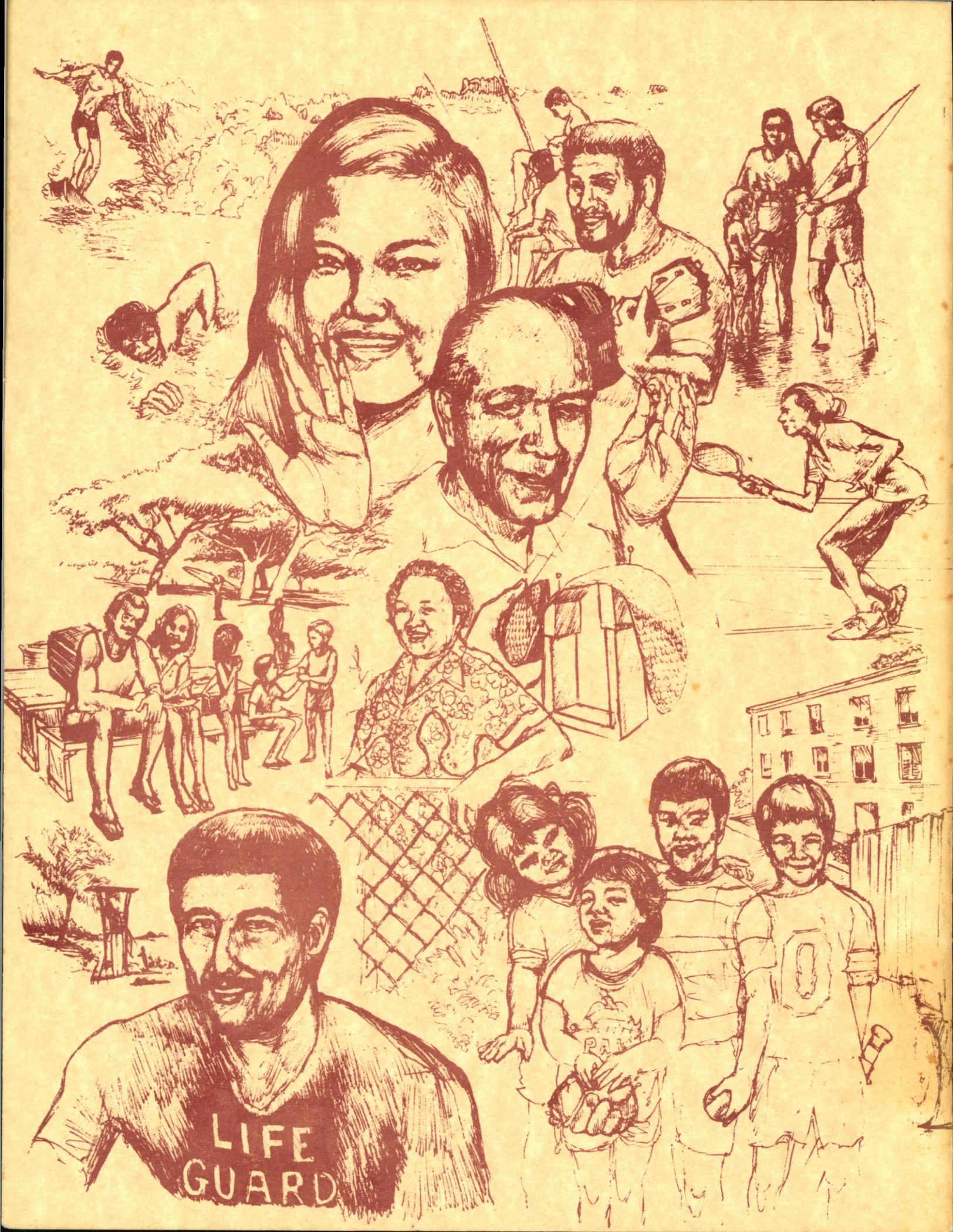
ROYAL HAWAIIAN BAND
Aaron Mahi, Bandmaster

TRANSPORTATION SERVICES
Roy A. Parker, Director

BOARD OF WATER SUPPLY
Kazuyoshi Hayashida, Manager &
Chief Engineer



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