

FY2022-2023 Annual Budget Review  
Departmental Budget Briefing  
Testimony



March 8, 2022

**Councilmember Calvin Say, Chair**  
**Committee on Budget**  
530 S King St.  
Honolulu Hale, Room 202  
Honolulu, HI 96813

**Re: Honolulu Police Department Operating Budget**

Dear Councilmember Say,

On behalf of the 2,600 members of SHOPO, I want to provide the following comments on the Mayor's proposed 2023 Operating Budget as well as the Honolulu Police Department's (HPD) Operating Budget presentation submitted to the Council Budget Committee.

HPD is in the depths of a dangerous understaffing crisis. It's real. It's negatively impacting the Department's ability to fill police patrol beats on a daily basis, depriving our residents, businesses, and tourists of the full police protection they are promised and deserve. **We agree that an overall budget increase to HPD is justified to provide the level of police services necessary to keep Oahu safe. The amount of that budget increase should be evaluated and debated. What should not be debated is the need for the City Council to provide clear policy direction to the Department that its expectation is that funds budgeted for HPD be prioritized and spent providing police services to the community.**

We should never experience another year when over \$18 million goes unspent and returned to the general fund while neighborhood police patrol beats go unfilled throughout the year.

**Overtime Should be Used to Supplement Funded Vacancies**

In the Department's budget proposal, it discusses showing a "significant reduction" in overtime (Page, B-206). We urge the Council to make it clear that utilizing overtime, especially when it's within the existing budget, to fund baseline police services is appropriate and should be utilized. Saving money at the expense of shortchanging neighborhood safety makes absolutely no sense. The use of overtime will be essential for the HPD to meet its basic function of patrol officers responding to 911 calls.

Based on the Department's presentation, HPD has 329 funded, vacant positions. The Department states that 70 of those vacancies will be filled prior to July 1, 2022. Based on current academy classes, we are skeptical that this projection is anywhere close to being accurate. We doubt that the HPD will add 70, fully street-ready officers to the department by the end of the fiscal year. The Department's presentation also states that it will fill 200 vacancies during the next fiscal year. If you believe this, we have a bridge in Brooklyn to sell you.

Based on the Department's data, the last twenty HPD recruit classes experienced a 70% pass rate, meaning that 30% of all recruits who began the academy did not finish. In order to fill 200 vacancies, the Department would need approximately 286 new recruits to place in the four planned academies for FY 2023. Unfortunately, the Department has averaged 39 recruits per academy over the last twenty academies. Meaning the Department would need to average 71.5 recruits per academy next year. With no additional funding, no additional effort, and no change in strategy, we do not think the Department will reach that goal. Regardless, essentially all of those filled positions will not be able to perform full police duties as they are still considered trainees. Setting aside filling current vacancies, HPD has over 190 officers who are currently eligible for retirement.

As you can see, the Department has limited options in how it can ensure our neighborhoods and businesses are policed properly and protected. Throughout the fiscal year, the Department will not have the staffing planned for in the proposed budget, which will result in substantial personnel savings. In order to provide the base level of police services, such as 100% staffing for all police patrol beats, those funds should be used for overtime, ensuring there is no service disruption. In fact, on a total cost basis, using overtime saves the City money as it will not need to pay for the additional FTE costs such as health care, pension contributions, and other fringe benefits.

**That is why we ask that the Council make it clear to HPD to use its budgeted funds to fill patrol beats, investigate crimes, and provide other critical police services utilizing overtime until the Department can make headway on growing out of our staffing crisis.**

#### **Investing in Patrol Officer Equipment & Uniforms**

As the Department looks to invest in big-ticket items such as computer systems and other capital improvements, we believe the City would be remiss in not addressing basic, fundamental patrol officer equipment needs.

There are immediate and tangible investments that can be made that will make us safer but also show that your front-line officers are valued. We need modern patrol uniforms. Our current uniforms are from a bygone era and are more suited for funerals versus the physical aspect of the current job. We need lightweight, flexible fabric that allows us to do the physical part of our jobs.

We need modern equipment. We are still issued the heavy, inflexible Sambrown belts that are

**Honolulu Police Department Operating Budget**

ill-equipped to handle everything we must carry now. It puts immense strain on the lower backs of our officers and causes injury. Moving to modern, nylon-based holsters with load-bearing vests which will allow us to carry equipment across our body instead of on our hips would be a huge benefit to patrol officers and would cut down on workplace injury.

Both of these items are relatively small when considered in the full context of the City budget, however, they will make a positive daily impact on your police officers in the field. It's a smart, inexpensive investment.

We appreciate the opportunity to provide our initial input on the HPD budget to you. If you have any questions or wish to discuss in further detail, please feel free to contact me.

Sincerely,

Robert Cavaco

TO: Members of the Budget Committee of the Honolulu City Council

FROM: Natalie Iwasa, CPA, CFE  
808-395-3233

DATE: Tuesday, March 8, 2022

SUBJECT: Departmental Budget Briefings - **COMMENTS**

Aloha Chair Say and Councilmembers,

Thank you for allowing testimony on the budget briefings. Please note the following testimony is given in my individual capacity.

### **HART**

#### **O&M and Hitachi**

During the briefing, questions came up about rail operations and maintenance (O&M) and payments to Hitachi, the contractor that is responsible for most of the rail O&M. A statement was made that payments to Hitachi would start when service starts. Payments have already started, however. For fiscal year 2021, the city paid Hitachi about \$55 million. Those payments continued in the current year. Attached is the list of payments made along with the dates they were paid.

A redacted copy of the city's agreement with Hitachi is available here: <https://uipa.org/request/amended-copy-of-contract-with-hitachi/>. (Note there are five documents.)

#### **CIP for CCGS and Budget Shortfall**

HART's CIP budget includes about \$1.7 billion for the City Center Guideway and Stations contract, yet there is still almost a \$2 billion shortfall. It would not be prudent to authorize funding for this.

#### **Recovery Plan**

During the briefing, questions also came up about the recovery plan. HART has completed 80 subplans that support the recovery plan. I had asked for a listing of these plans but have not yet received it. Given the importance of the recovery plan, I encourage councilmembers to request at least the list of subplans, so you can determine which ones to review in greater detail.

### More Transparency Needed

It's been over a year since HART announced that it was going to do a mauka shift on Dillingham Blvd., yet there still has been no public discussion of the 25 or so alternative ideas that were considered. <sup>1</sup>

There has also been no public discussion of the planned bus route eliminations or related changes. <sup>2</sup>

There has been no discussion of ridership updates or even whether changes such as remote working or technological advances have been considered.

The last cash flow projection that was provided to the HART board was for July 2021. <sup>3</sup>

### Bus Fare Recoveries

It was noted during the briefings that the bus fare recovery for next fiscal year is projected to be less than 20%, even though city policy is about 30%. If rail recoveries are lower than projected, it will put more pressure on city finances.

### City Employees

It was noted several times that the city is having a difficult time hiring and keeping people, because salaries are higher in the private sector. The city has benefits that far outweigh what is provided by most businesses. We need to do a better job of educating potential employees about the total compensation available to city workers.

<sup>1</sup> Matrix of 25 Alternatives by HART  
<https://uipa.org/files/foi/1680/25Alternatives022421.pdf>. (Note this is a public site accessible to anyone who has internet access.)

<sup>2</sup> Planned bus route changes from Appendix D of rail's Final Environmental Impact Statement, <http://hartdocs.honolulu.gov/docushare/dsweb/Get/Document-16795/20110701-final-eis-appendix-d.pdf>.

<sup>3</sup> HART Financial Update for July 2021  
<http://hartdocs.honolulu.gov/docushare/dsweb/Get/Document-25298/20210812%20-HART%20BOD%20Financial%20Update%20202106%20.pdf>.

**Hitachi Rail Honolulu JV**

**Contract Number CT-HRT-1200106**

**Payments for services for fiscal year 6/30/21 and for 7/1/21-9/30/21**

	Reference PRC #	SERVICE DATES	PAYMENT AMOUNT	DATE PAID
FY 2021	21001313	06/29-07/31/20	4,318,651.55	09/18/20
	21001896	08/03-08/28/20	344,346.50	11/19/20
	21002372	08/31-09/25/20	2,654,249.65	11/18/20
	21003005	09/28-10/30/20	4,173,455.39	01/04/21
	21003553	11/02-11/27/20	2,141,496.45	02/04/21
	21003959	11/30-12/25/20	2,471,870.99	02/11/21
	21004616	12/28-01/29/21	18,409,449.13	03/22/21
	21005218	02/01-02/26/21	9,872,995.65	04/27/21
	21005714	03/01-03/26/21	3,377,696.50	05/11/21
	21006515	03/29-04/30/21	2,212,640.78	06/25/21
	22000021	05/03-05/28/21	3,186,729.40	07/21/21
	22000384	05/31-06/25/21	2,012,969.25	08/12/21
	<b>Total FY 6/30/21</b>		<b>55,176,551.24</b>	
FY 2022	22001040	06/28-07/30/21	3,296,376.50	09/20/21
	22001474	08/01-08/30/21	2,757,081.17	10/04/21
	<b>Total 7/1-9/30/21</b>		<b>3,296,376.50</b>	