

COST OF GOVERNMENT COMMISSION

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OFFICE OF AGING

Organization and Responsibilities

The Office of Aging is responsible for assessing older persons' needs, developing programs to meet those needs, and representing the interests of older persons to public officials and public and private agencies. The Office maintains data on the profile and needs of older persons in the County and makes the information available to other organizations and the public.

The Office's goals are: 1) to improve the accessibility of services to those older persons who have the greatest social or economic need, or who are severely disabled; 2) to enable older persons to live at home as long as possible by maintaining an effective network of community based support services; 3) to improve the quality of services by developing training and assistance programs for caregivers; 4) to develop and maintain services aimed at protecting older persons' rights; 5) to improve the Office's capacity to serve as an effective Area Agency on Aging; and 6) to serve as a leader and advocate on behalf of older persons in Hawaii County, especially in the areas of planning, long-term care, and resource development.

To accomplish its goals, the Office assesses the levels of services needed, develops programs to address those needs, awards contracts to qualified service providers, provides technical assistance, evaluates provider performance, coordinates the administration of services, represents older persons' interests in the public and private sectors, coordinates provider training programs, and assures convenient access to information and assistance programs. Planning is the Office's major role.

Non-contracted services and services funded through the Office but provided by various state, county and private agencies include, but are not limited to: adult day care; assisted transportation; transportation; caregiver support; case management; community planning; congregate meals; education and training; employment; home-delivered meals; homemaker/housekeeping; home modification; legal assistance; long-term care access; nutrition education; personal care; and respite.

The Office has nine positions, two of which are federally funded. All but one position is filled. The Administration section (one position) directs all office functions, programs and activities. The Planning, Evaluation and Program Development section (five positions) performs the activities specified in the above paragraph, and the Staff Support section (three positions) carries out the accounting, data processing and clerical functions. A Committee on Aging, appointed by the Mayor, provides advisory planning assistance to the Mayor and the Office.

Findings

Following its review of documents, including organization charts, the 2002-2003 Budget Proposal, the August 30, 2002 Annual Report, the Office's Functional Statements, and testimony furnished by the Executive Director and Program Planner, the Cost of Government Commission finds:

1. The Office operates efficiently, with minimum staff, by contracting with service providers to perform most functions, thereby avoiding duplication of effort.
2. The Office's grant-writing has been successful, in that grant revenue of \$1,111,000 accounts for more than two-thirds of the Office's budget, with the balance coming from the County's general fund and other sources.
3. The County Council's approval response time for grant acceptance limits the Office's ability to seek short-view grants.
4. The Office is inhibited from seeking grants that require matching funds.
5. The County's procurement process can be unnecessarily burdensome and time-consuming.
6. The County's hiring procedure for filling short-term, grant-related positions is unduly time-consuming.

Recommendations

Having considered and reviewed the documents and testimony provided by the Office of Aging, the Commission recommends as follows:

1. The Office should work with the Corporation Counsel and County Council to develop a streamlined procedure for obtaining approval for short-view grants.

Rationale: Although careful deliberation by the Council is necessary, the process, which requires two-readings, inhibits and often prevents the Office from seeking short-view grants.

2. The Office should work with the County Council to set aside funds for use with grants requiring cash matching.

Rationale: Artificial limits on grant revenue projections unnecessarily prevent the Office from seeking grants requiring cash matching.

3. The Office should work with the Corporation Counsel and County Council to streamline the procurement process and permit the use of a Memorandum of Agreement when contracting with a qualified organization for the performance of services in certain, well-defined circumstances.

Rationale: Although the formal procurement process is designed to assure that public funds are expended properly, its application to relatively small procurements from certain established and responsible organizations in the community is time-consuming and needlessly difficult.

4. The Office should work with the Department of Civil Service to develop a streamlined hiring procedure for filling short-term, grant-related positions.

Rationale: The Civil Service Department procedures are time-consuming and burdensome when the position to be filled is short-term, whether the work is to be done by an employee or by an independent contractor.

OFFICE OF THE CORPORATION COUNSEL

Organization and Responsibilities

The Office of the Corporation Counsel, a major staff agency headed by the Corporation Counsel who reports to the Mayor, provides legal representation and support for all County departments, boards, commissions, officers and employees. Its primary purpose is to empower County agencies and employees to perform their duties effectively. The office is organized into three divisions: Counseling and Drafting; Litigation; and Family Support. It also supports the Board of Ethics.

The Corporation Counsel maintains three offices. The main office in Hilo houses the Counseling and Drafting Division and the Litigation Division, and provides services island-wide. The other two offices, one in Hilo and one in Kealekekua, house Family Support Division staff.

The Counseling and Drafting Division provides legal advice and counsel to all County agencies and staff, drafts and reviews documents, including appellate briefs, and appears before and represents boards and commissions.

The Litigation Division helps County employees, officers, agents and departments, and when necessary, resolve legal disputes through formal litigation and informal dispute resolution methods such as mediation and arbitration. The Division provides civil liberties training for new police recruits and ongoing in-service training on relevant legal issues for all County departments. The Division also evaluates and investigates claims for damages against the County, and pursues the County's claims against private parties or other government entities.

The Family Support Division's primary work consists of collecting child support debts owed the State and custodial parents.

Findings

Following its review of documents, including organization charts, the 2001-2002 and 2002-2003 Budgets, the Corporation Counsel's August 21, 2002 letter to the Commission, the Office's Functional Statement, and testimony furnished by the Corporation Counsel and selected staff, the Cost of Government Commission finds:

1. The Office operates economically and efficiently, having returned more than \$200,000 to the general fund in the last fiscal year, and adding only three attorneys since 1987, despite the greatly increased demand for legal services.
2. The new Best Record Access Information Network ("BRAIN") program has improved the flow of needed information within the office and between the office and other departments.

3. The Office has developed a risk management program in an effort to reduce exposure to liability.
4. County Departments are not accountable for litigation losses.
5. Attorneys are charged with supervising support staff.
6. Attorney and support staff (secretarial) departmental assignments are changed periodically to afford a broad range of experience.

Recommendations

Having considered and reviewed the documents and testimony provided by the Office of the Corporation Counsel, the Commission recommends as follows:

1. The Office should continue to refine its risk management program in order to further reduce the risks of litigation, and continue its efforts to add staff and resources in order to more effectively provide preventive legal services to County agencies.

Rationale: The cliché, “An ounce of prevention is worth a pound of cure,” is especially apt with respect to the provision of legal services. Awareness of the legal issues associated with various activities and situations can significantly reduce the County’s risk exposure. By assigning an attorney to serve as the “primary” counsel for each County agency, the Office fosters greater reliance on legal advice before actions are taken, thereby minimizing exposure to risk and maximizing monetary savings.

2. The Office should continue efforts to create an office manager position.

Rationale: An office manager will relieve attorneys from time-consuming staff management responsibilities, allowing them to concentrate on legal matters, and enhance support staff efficiency.

3. The Office should, if necessary, recommend legislation that assigns liability for litigation losses to the responsible County agency.

Rationale: Making County agencies responsible for litigation losses will enhance agency awareness of and sensitivity to risks, and give great incentive to minimize risk.

4. The Office should reconsider the practice of periodically and routinely reassigning secretarial staff to different departments and agencies.

Rationale: Although routine, periodic reassignment of attorneys may be appropriate to afford staff counsel with valuable experience in dealing with varied legal issues, similar reassignment of secretaries can result in loss of efficiency and continuity for the “client” department or agency.

COUNTY CLERK and COUNCIL

Organization and Responsibilities

The County Clerk's office, a major staff agency headed by the County Clerk who reports to the Mayor, furnishes information to the public regarding County government activities, carries out voter registration and election-related responsibilities, and assists the County Council with the policy making process of legislation.

The legislative powers of the County are vested in the County Council, whose primary function, pursuant to the County Charter, "shall be legislation and public policy formulation, as distinct and separate from the executive administration of county government."

The County Clerk's office is organized into the following principal divisions: Council and Committee Services Sections; Reprographics Division; Legislative Auditor's Office; and Election Division.

The goals of the Council and Committee Services Sections are to:

1. Prepare and publish agenda summaries, notices of public hearings and special meetings as required by law;
2. Prepare and provide minutes of all Council and committee meetings;
3. Help members of the public to obtain copies of public documents, file claims, and register as lobbyists;
4. Explore ways to provide Council information on the Internet; and
5. Display a helpful, friendly and professional attitude.

The Reprographic Division seeks to provide prompt and efficient reprographic and mailing service to all County departments.

The Legislative Auditor's Office:

1. Helps the Council and committees by providing information required in deliberations and in lobbying efforts before the state legislature;
2. Helps the Council in its representation on State and National Associations of Counties, and the Western Interstate Region; and
3. Helps the Council comply with post-audit, budget and program review requirements of the County Charter.

The Election Division conducts and administers all County elections in compliance with state laws, and seeks to maximize voter registration and turnout and to provide convenient access to registration stations and polling places.

Findings

Following its review of documents, including the proposed 2002-2003 Operating Budget, testimony furnished by the County Clerk and staff, and the Chair of the County Council, the Cost of Government Commission finds:

1. The Clerk's office is undertaking efforts to reduce the high costs incurred for duplicating proposed ordinances, notices and other documents. Those efforts include printing documents on both sides, assessing duplication costs, printing the Charter in a loose-leaf binder, and making it available on the Internet.
2. The Clerk's office has begun to computerize some County records, but hard copy records are in physical danger where presently stored.
3. The cost of televising Council and committee proceedings on a gavel-to-gavel basis, with captions for the hearing-impaired, is excessive.
4. The absence of street names and addresses in many areas adds to the cost of voter registration and identification.
5. The Legislative Auditor's Office focuses on supporting the Council's legislative efforts but does not regularly examine government operations for efficiency and economy.
6. Although morale in the Clerk's office is generally good, there are some concerns with a few civil service employees.
7. The Mayor and members of the County Council confer regularly with department heads regarding issues before the County Council.
8. As with all proposed ordinances, those providing for the acceptance of grants require two readings before the Council.

Recommendations

Having considered and reviewed the documents and testimony provided by the County Clerk, his staff and Chair of the County Council, the Commission recommends as follows:

1. The Clerk's Office should put the County Code on the Internet and in loose-leaf binders.

Rationale: Making the Code available on the Internet and publishing it in loose-leaf binders will reduce duplicating costs and enhance accessibility for users.

2. The Clerk's Office should explore the use of volunteer help, including University of Hawaii-Hilo student-interns, to computerize County records, starting with records covering the last ten years.

Rationale: Computerizing records will enhance their accessibility and physical safety, and using student-interns for the project should reduce the cost of the effort.

3. The Clerk's Office should consider eliminating gavel-to-gavel coverage of Council and committee meetings, and polling the hearing-impaired to ascertain their willingness to accept more cost-effective ways, including post-meeting written summaries, to communicate the substance of proceedings.

Rationale: Gavel-to-gavel coverage is costly and unnecessary to communicate the substance of Council and committee deliberations, and the television exposure can lead to overlong discourses. Polling the hearing-impaired will help to provide insight regarding an acceptable yet economical method to provide them with information on Council and committee proceedings.

4. The County should consider requiring that all streets, including private roads, be named or numbered.

Rationale: Although TMK numbers are used to identify voters' residences where there is no street name and address, the process is inefficient and time-consuming. Naming or numbering all public and private streets will reduce the costs and increase the efficiency of voter registration and identification.

5. The County should consider conferring tenure on the Legislative Auditor in order to depoliticize the position and thereby facilitate the Auditor's study of possible cost-savings and efficiencies in County government operations.

Rationale: Although the Auditor is charged with reviewing budgets and programs, politicalization of the position can inhibit the review function.

6. The County should consider amending the County Charter to eliminate the requirement of two readings for ordinances calling for the acceptance of grant funds in "routine" (to be defined) circumstances.

Rationale: The two-reading requirement for acceptance of grant funds not entailing an unbudgeted expense of County funds is unnecessarily time-consuming, costly, and inefficient.

FINANCE DEPARTMENT

Organization and Responsibilities

The significant functions of the Finance Department, a major staff agency headed by the Director of Finance who reports to the Mayor, are financial planning and administration. The department is organized into five divisions: Accounts; Budget; Purchasing; Real Property Tax; and Treasury.

The Accounts Division processes all County payments, including pension payments and payroll for County employees, maintains financial and inventory records, disposes of surplus assets, and provides administrative support to the Pension Board.

The Budget Division directs and coordinates the formulation, preparation, execution, review and analyses of the County's operating budget, monitors appropriations and expenditures, and advises on budgetary and long-range planning matters.

The Purchasing Division provides a centralized purchasing service in support of all County agencies and programs, ensures compliance with applicable laws and regulations, promotes economies in purchasing goods and services, and supports the Standardization Committee.

The Real Property Tax Division uniformly and equitably assesses all real property in the County, collects real property taxes as levied, and provides administrative and clerical support to the Board of Review.

The Treasury Division is the custodian of cash and securities, manages the County's investment program, issues vehicle, dog and bicycle registrations and business licenses, and collects the designated fees and taxes and improvement district assessments.

Findings

Following its review of documents, including organization charts, the proposed 2002-2003 Operating Budget, a chart indicating expenditures and sources of funds, an explanation of the accounting system, summaries of responsibilities, mission statements, current and proposed efforts to increase efficiency and reduce costs, a chart showing a proposed reorganization, and testimony furnished by the Finance Department Director and Division heads, the Cost of Government Commission finds:

1. The WANG computer system used by the Finance Department is outdated and inadequate for the purposes intended in that it requires multiple, manual entry of time sheet data and accounting records, creates the likelihood of error, inhibits ready access to needed information, frustrates efforts to increase efficiency, and fails to identify various sources of funds for specific projects.

2. Communications within the Department, between the Department and other departments, and with the public are inefficient and not uniform, which creates the likelihood of inaccuracies and leads to dissatisfaction with government services.
3. The Department's organizational structure doesn't accurately reflect some current responsibilities. For example, the Property Management Specialist in the Accounts Division has been assigned duties beyond property management, and a proposed reorganization may shift the position to a new General Services Division.
4. The system for valuating property for tax purposes fails to consistently identify improvements.
5. The billing system doesn't closely track changes of ownership to assure that property tax bills are sent to the current owner or lessee, especially when the state or the Department of Hawaiian Home Lands owns the property.
6. The property tax billing system, which involves two mailings per year to each individual taxpayer, is costly in terms of postage and labor.
7. The purchasing and procurement system can result in untoward delays and unnecessary costs for needed equipment and services.
8. Various fees, including motor vehicle weight taxes and fees, are too low as compared with those charged by other counties and private industry for similar services.

Recommendations

Having considered and reviewed the documents and testimony provided by the Finance Department, the Commission recommends as follows:

1. The Department should, as soon as possible, obtain and install a new computer system to handle payroll and other accounting and financial reporting functions, and centralize employee records.

Rationale: A new system, though initially costly, will greatly reduce errors resulting from multiple data entry, permit consolidation of employee records in one site, facilitate charging time and expenses to discrete sources of funds, provide increased flexibility, permit efficient reporting of financial data to County departments, and streamline the purchasing process.

2. The Department should develop and implement written procedures for dealing with and responding to requests for assistance from the public and government employees.

Rationale: Written procedures can help to assure that the correct answers to commonly asked questions are uniformly and promptly provided.

3. The Department should move promptly to implement a reorganization that places similar functions together in order to maximize the use of employee skills and improve service.

Rationale: The proposed reorganization, which establishes four divisions (Fiscal Services, Taxation, Vehicle Services/Licensing, and General Services) is a good start in that it attempts to group like services under discrete divisions. Further refinement and study, however, is needed. For example, Inventory Record keeping in the Fiscal Services Division might be combined with Procurement & Contract Management in the General Services Division.

4. The Department, in conjunction with the Building Department, should establish a program to share information regarding improvements to real property in order to accurately value the property for tax purposes and assure that building code requirements are met. Homeowner exemptions should be denied where improvements have been made without required permits.

Rationale: Information sharing will enhance and make more efficient the real estate valuation operations of the Finance Department and inspection and permitting operations of the Building Department.

5. The Department should support a requirement that the Bureau of Conveyances establish an electronic data system to maintain records of property conveyances so as to facilitate tracking ownership for tax purposes. With respect to state and Hawaiian Home Land properties, the Department should support legislation requiring lessees of such properties to notify the Bureau of Conveyances of lease terminations and transfers, indicating the name and address of the new lessee.

Rationale: An electronic data system for maintaining records of conveyances will facilitate obtaining information for tax billing and collection. Because the County cannot require the state and the Department of Hawaiian Home Lands to furnish data identifying their lessees (even assuming they have such data), it will be necessary to require the lessees to furnish the information.

6. The Department should implement a program to mail tax bills to property owners and lessees only once per year, with half due at that time. A tear-off coupon for the second installment, due in six months, should be included with the billing

Rationale: Reducing the number of mailings by one-half can result in substantial savings in terms of postage and labor. Although there are approximately 30,000 conveyances each year, implementation of recommendation #5, above, should help assure that the tax bills are sent to the current owners.

7. The Department should shorten the deadline for other County departments to submit requisitions and specifications for capital equipment, and explore other avenues for reducing the time involved in obtaining such equipment. Use of procurement cards, with appropriate

controls, and implementation of a computerized system for large purchases, should be implemented.

Rationale: Reducing the length of time between perceived need and acquisition will result in improved service to the public.

8. The Department should consider requiring “Most-Favored-Nation” clauses in contracts for the purchase of goods and services. Such clauses require that the seller charge the County its lowest price.

Rationale: The County, as a major purchaser of many goods and services, should be assured that it is receiving the best possible price from its vendors.

9. The Department should increase the charge for returned checks to \$20 from the current \$7.50.

Rationale: The County’s cost of processing returned checks is at least as much as is incurred by the private sector, so County fees should be in line with those charged by industry, currently \$20 to \$25.

10. The Department should raise motor vehicle registration fees to levels commensurate with those charged by other counties in the state, and consider biannual instead of annual renewals.

Rationale: Motor vehicle registration fees should be sufficient to recover the County’s costs, including labor, postage and materials. Otherwise, those persons not owning vehicles are subsidizing those who do. Biannual instead of annual renewals can further reduce costs and increase efficiency.

11. The Department should ensure that fees charged for publications produced by the County are sufficient to cover the actual cost of printing, publishing and distribution.

Rationale: In addition to assuring that the County recovers its costs and that all taxpayers don’t subsidize those publications desired by only a few, the examination of publishing costs will provide information regarding the cost-effectiveness of in-house versus outside vendor printing.

FIRE COMMISSION

Organization and Responsibilities

The Fire Commission was established pursuant to an amendment to the County Charter adopted in 2000. The nine members, each representing a district, are appointed by the Mayor and confirmed by the Council, and may be removed upon the Mayor's recommendation and the Council's approval. The commissioners serve staggered five-year terms, and each may serve no more than five years, except that those initially appointed to one and two-year terms may serve an additional five years. Although unpaid, the commissioners may receive compensation for expenses and, if not paid by their employers while performing commission work, are paid by the County at their hourly rate, but no more than five times the state's minimum wage, for actual work hours lost.

The commission is empowered, in its sole discretion, to appoint and remove the Fire Chief, except that a motion for removal must contain a statement of reasons, to which the Chief must be allowed to respond.

The commission is also empowered to:

- a) Adopt rules for the conduct of its business and for the review of Fire Department Administration;
- b) Review the Department's annual budget and make recommendations thereon to the Mayor, Managing Director, and Council;
- c) Review Department operations to recommend improvements to the Chief;
- d) Evaluate, at least annually, the Chief's performance and report to the Mayor, Managing Director, and Council;
- e) Review personnel actions for conformance with Department policies as enumerated in the charter;
- f) Hear citizen complaints concerning the Department or its personnel, and make recommendations to the Chief on appropriate corrective actions if necessary;
- g) Submit an annual report to the Mayor, Managing Director and Council on its activities.

Findings

Following its review of documents, including the relevant charter provisions (Article VII, Chapter 4, Section 7) organization chart, statement of responsibilities, and after hearing the testimony of the vice chair of the Commission and the Corporation Counsel, the Cost of Government Commission finds:

1. The Fire Commission, which meets monthly and borrows a secretary from the Corporation Counsel's office, has, in the short time since its establishment, adopted rules necessary for its efficient operation and is otherwise effectively and economically fulfilling its statutory responsibilities.

2. Actual Fire Commission expenditures during 2001-2002, and planned for 2002-2003, are *de minimus*, consisting primarily of reimbursements for Commissioners' expenses for travel to Commission meetings.
3. The Fire Commission perceives that Department personnel are pleased with the Commission's operations, and that morale is generally good.
4. Fire fighting or emergency medical service experience is not a prerequisite, and may not be desirable, for appointment to the Commission.
5. The charter provisions governing the Fire Commission's composition, authority, and operations are, in all material respects, identical to those of the Police Commission.

Recommendations

Having considered and reviewed the documents and testimony provided by the Fire Commission and Corporation Counsel, the Cost of Government Commission recommends as follows:

1. The Mayor and County Council should prepare and recommend to the voters a charter amendment that combines the Fire Commission and Police Commission into one, nine-member "Public Safety Commission," with the authorities and responsibilities now delegated to the Fire and Police Commissions.

Rationale: As earlier indicated, the charter provisions governing the Fire and Police Commissions are virtually identical, and fire and police experience are not prerequisites for commission membership. Although the Cost of Government Commission acknowledges that the Police Commission, unlike the Fire Commission, has focused on hearing and resolving citizen complaints, we believe that a single Public Safety Commission, meeting monthly, can effectively perform the required functions, thereby eliminating the redundant costs, little as they may be, of maintaining two commissions with similar duties.

2. The Mayor should consider appointing one member to the Public Safety Commission with fire protection experience (and one person with law enforcement experience).

Rationale: Although experience in fire protection (and law enforcement) is not a prerequisite for appointment to the Fire (and Police) Commissions, the Cost of Government Commission believes that the practical experience can help the Public Safety Commission in its work. We acknowledge, however, that there are valid arguments against appointing commissioners with specific experience in the field, including a tendency to rely solely on past experience in making decisions. Nevertheless, we include the recommendation in the belief that the Mayor (and County Council) should be encouraged to consider such appointments.

FIRE DEPARTMENT

Organization and Responsibilities

The Fire Department's goal is to prevent loss of life and minimize property losses from fire. It provides fire suppression services, emergency medical (pre-hospital) services, land and sea rescue services, and vehicle and other emergency extrications. The Fire Chief is appointed by, and reports to, a nine-member Fire Commission appointed by the Mayor and confirmed by the County Council. The Department is organized into seven divisions: Fiscal; Personnel; Fire Prevention; Volunteer Training; Emergency Medical Services; Fire Auxiliary Services; and Fire Protection.

The Fire Chief coordinates the allocation of the Department's resources, activities, and services. The broad responsibilities encompass all aspects of fire safety. In addition, the Chief's duties include policy formulation, planning, and administrative coordination, control and communications. The Deputy Chief position (presently vacant) is responsible for directing fire suppression forces.

The Fiscal Division plans and coordinates the Department's fiscal activities. It controls budget development and expenditures, manages the purchasing, accounts receivable and payroll functions, prepares reports as required, serves as liaison with other government and private agencies on fiscal matters, and evaluates all fiscal organization procedures.

The Personnel Division administers the Department's personnel functions, classifying positions, creating position descriptions, administers the plan and benefits, ensures compliance with laws affecting employment, maintains an employee appraisal system, counsels for workers' compensation, and provides technical assistance to division heads on personnel matters.

The Fire Prevention Division coordinates fire education programs, conducts life safety and fire hazard inspections, corrections and enforcement programs, conducts fire cause and arson investigations, maintains fire prevention codes, and recommends fire safety laws to minimize loss of life and property. The Division reviews new-construction plans to assure compliance with applicable fire safety codes, access to hydrants, and access by fire-fighting apparatus.

The Volunteer Training Division directs the training of volunteer firefighters.

The Emergency Medical Services Division provides pre-hospital life-support services, emphasizing the treatment of trauma and acute medical illness patients.

The Fire Auxiliary Services Division maintains the Department's equipment and provides communication services.

The Fire Protection Division provides direct emergency services, including fire suppression, control and removal of hazardous materials, and rescue.

The Budget Division directs and coordinates the formulation, preparation, execution, review and analyses of the County's operating budget, monitors appropriations and expenditures, and advises on budgetary and long-range planning matters.

Findings

Following its review of documents, including organization charts, statements of major functions, the proposed 2002-2003 Operating Budget, and testimony furnished by the Fire Chief and Division heads and staff, the Cost of Government Commission finds:

1. The dual role training resulting in the ability of firefighters to also provide EMT (paramedical) services, which program is unique to Hawaii County, is highly commendable.
2. The Department is seriously understaffed and key vacancies exist, resulting in excessive overtime costs, lowered morale, and delayed building inspections.
3. The Department does not charge fees for inspections and many other important services, and the State of Hawaii does not pay for state-mandated inspections.
4. Fees collected go to the County's general fund.
5. Fire equipment is routinely called to the scene of auto accidents.
6. Fire equipment used by Hawaii County and other state and federal fire agencies is not standardized.
7. Courier, janitorial and other common services are not shared with other county departments.
8. The Department's computer software system is old and inadequate.
9. Equipment and material requisitions at the station level are subject to duplication.

Recommendations

Having considered and reviewed the documents and testimony provided by the Fire Department, the Commission recommends as follows:

1. The County should, as soon as possible, provide funding needed to fill key vacancies, including the position of Deputy Chief.

Rationale: Because the Department's services are among the most essential of those provided by County government, their efficient performance is in the public interest. The desired efficiency, however, is unduly compromised by delays in the performance of vital

services such as inspections and lowered morale, if the Department is understaffed. In addition, increases in costs due to greater staffing will be offset in large part by reductions in overtime expenses.

2. The Department should charge fees for all required inspections, and seek, if necessary, charter amendments to permit the County to charge, and statutory amendments to require the State to pay for inspections mandated by state law. Such fees should be sufficient to cover the actual cost of such inspections, and should be credited to the Department.

Rationale: Because fees for required inspections will facilitate hiring more inspectors, the delay in inspections should be reduced, thereby enhancing safety. Crediting fees to the Department will provide an incentive to collect the fees and enable the Department to use the revenue for inspection and other fee for service activities.

3. The Department should evaluate the practice of routinely sending emergency vehicles (ambulances and fire trucks) to the scene of auto accidents. Although their presence might often be required, it may be possible to develop a “triage” system within the communications section to evaluate the need for fire fighting and medical equipment in given situations.

Rationale: The routine dispatch of emergency fire equipment to the scene of all auto accidents is expensive. It is more efficient and cost-effective to evaluate the need for such equipment when the report of an accident is received. Furthermore, unnecessary assignment of emergency vehicles could make them unavailable in the event of their actual need in another emergency.

4. The Department should continue to work with state and federal fire agencies to achieve equipment standardization.

Rationale: Standardizing equipment will facilitate achieving economies in purchasing and maintenance costs.

5. The Department should work with the County to develop cross-island courier and janitorial service programs that can be used by all County departments.

Rationale: Because cross-island courier and janitorial service programs are common needs of many County departments, economies can be achieved by sharing their use between departments.

6. The Department should upgrade its computer system as soon as possible.

Rationale: Because the existing system cannot operate new software, its update is required.

7. Order logs should be kept at each station.

Rationale: In the absence of a station supervisor, material and equipment requisitions are subject to duplication. Maintaining order logs should eliminate the problem.

OFFICE OF HOUSING & COMMUNITY DEVELOPMENT

Organization and Responsibilities

The Office of Housing and Community Development was originally created to administer the HUD-Federal rent subsidy program. It was later combined with the Community Development Block Grant program under the administration of the Mayor's Office. Except for in-kind services from the County, the Department is funded with federal funds. With a staff of 43, the Department administers federal grant programs worth between \$11 and \$13 million dollars a year.

The Department is divided into four divisions. The Administrative Division provides support services to the other divisions. The Community Development Division is responsible for federal grants, which primarily benefit low and moderate-income persons. The Development Division provides opportunities for the residents of the County to secure reasonably priced, safe, sanitary homes located in suitable environments. The Existing Housing Division is responsible for the management of the County's rental housing programs and projects.

The Department's mission is to provide for the development of viable communities in the County by providing decent housing, suitable living environments and expanded economic opportunities.

Findings

1. The Department does not actively pursue Community Development Block Grants.
2. The Department's offices are separated from other County departments with which it works.
3. Department administration and planning are not federally funded.
4. The Development Division is under-staffed.
5. The processing of contracts with the State is slow and cumbersome.

Recommendations

1. Pursue Community Development Block Grants with priorities for public facilities, economic development and public services needs.

Rationale: To provide a funding source for public service needs in the County's rural districts.

2. Office space for the entire staff should be centrally located and in close proximity to other County departments.

Rationale: The location and physical space of the Armory has inhibited the Department's ability to implement and coordinate its mission and goals.

3. The County should provide general fund monies to pay for administrative and planning functions.

Rationale: At times, federal funds are difficult to obtain, and may not be used to pay for administrative and planning functions.

4. The County should look into long-range planning and monitoring of current housing conditions by staffing the Development Division.

Rationale: With the current economic condition of the work force, the County should initiate, with the private sector, development of affordable housing.

5. The County should work with the State to process contracts on a timely and expedient basis.

Rationale: Time constraints in contract processing between the State and County can result in undue delays in program implementation.

OFFICE OF MANAGEMENT

Organization and Responsibilities

The Office of Management includes the Mayor, Managing Director, County and Assistant County Physicians, and clerical support staff. A Deputy Managing Director, four full-time and one part-time Executive Assistants (one position is vacant), along with Immigration Information and Public Relations Specialists report to the Managing Director.

The Office of Management's primary functions are to provide leadership, direction and supervision for County departments and agencies; to ensure that the duties and responsibilities of the executive branch are faithfully discharged in accordance with the provisions of the County Charter; and to represent, plan for and address the needs, concerns and interests of the people of the County.

The Office seeks:

1. To create a framework that encourages economic stability, job opportunities and public participation in the decision-making process.
2. To develop government/community partnerships that work in cooperation to improve the health, safety and quality of life on the island of Hawaii.
3. To anticipate the challenges confronting the County's future and effectively plan for the community's expected needs.
4. To provide for the public safety and the basic public services of the community.

The Clerical Services Center's objective is to improve the centralized clerical pool concept, which provides clerical support for the entire County government.

The Office also supports volunteer committees on People With Disabilities, Children and Youth, and Status of Women, all of which work to ensure that interests, needs and concerns of those segments of the population are served.

Findings

Following its review of documents, including organization charts, the 2002-2003 Budget Proposal, and testimony furnished by the Mayor and Managing Director, the Cost of Government Commission finds that the Mayor has effectively assumed the reins of, and is managing County government by, among other things:

1. Implementing a policy to reduce cost in government by ordering a zero-increase budget, cutting back on travel expenses, and not filling the Executive Assistant vacancy.
2. Convening meetings twice a month with department heads to monitor progress in their areas of responsibility and improve inter-department coordination and communication.

3. Referring inquiries raising policy issues to the relevant departments for consideration and advice.
4. Recognizing the serious issues facing the County, including the need to improve infrastructure, improve police and fire protection, provide for solid waste recycling and disposal, reform the property tax system, facilitate the County's economic recovery, preserve natural resources and the island's ambience, and provide for the maintenance of 900 miles of "roads in limbo," all within severe budget constraints.

Recommendations

1. Expedite the conversion to a new computer system in departments that are still on the Wang system.

Rationale: As noted in our recommendations for the Finance Department, a new system, though initially costly, will greatly reduce errors and facilitate inter-department communication of data.

2. Continue to encourage measures to increase revenues from outside sources, reduce unnecessary cost and increase efficiency, including simplifying the grant application and approval process, exploring the availability of grant and other outside sources of funds to subsidize compliance with EPA rules regarding sewer system upgrades, ADA requirements for public facilities compliance, and maintenance of "roads in limbo."

Rationale: The Mayor's office is uniquely positioned to champion measures that reduce unnecessary cost and improve efficiency, and to explore outside revenue sources, all with a view toward decreasing the property tax burden of the County's residents.

3. Forward to the County Council and support an ordinance extending the term of the Cost of Government Commission members for one year and establishing the Commission as a permanent body.

Rationale: Although the Charter Amendment adopted in 2000 calls for the appointment of the Commission, it effectively limits the term to 11 months every four years, which is insufficient to complete the assigned task. Extending the terms of the current members for one year will permit the Commission to efficiently complete its initial review of County departments and provide a complete base line for future reviews of County operations. Furthermore, the Commission believes that ongoing review of County government to assure that its operations are cost-effective and economical is in the best interest of the public.

MASS TRANSIT AGENCY

Organization and Responsibilities

The Mass Transit Agency is responsible for planning, directing, coordinating and administering the County's public transportation system, which includes bus transportation, ride sharing and shared-ride taxi programs. The Agency also provides administrative support to the County's nine-member Transportation Commission, which is responsible for granting taxi licenses, enforcing Hawaii County rules and regulations concerning taxis, and serving as an advisory board for the Agency.

Essentially, the Agency's goals are: 1) to improve transportation mobility for the public, with emphasis on serving the mobility impaired; and 2) to facilitate public use of transportation alternatives to the private automobile such as buses, vanpools, car-pools, and shared-ride taxis for to travel to work, health care centers, educational institutions, business and commerce centers, and recreational sites.

Findings

Following its review of documents, including organization charts, the 2002-2003 Budget Proposal, the Agency's Functional Statement, and testimony furnished by the Transit Administrator, the Cost of Government Commission finds:

1. The shared-ride taxi program involves six taxi companies in Hilo and one in Kona. Reduced rate coupons are sold at KTA stores, UH-Hilo and in the Agency office, and the proceeds go into the County's general fund.
2. Cash fares for bus transportation range from 75 cents to \$6, while discount fares range from 50 cents to \$4, depending on distance. Bus drivers are provided pursuant to a contract with a private vendor, and are not County employees. The contract calls for payment to the vendor of \$21 per hour of driving, and the drivers are paid \$13 per hour by the vendor.
3. Vanpools have largely supplanted the ride-sharing program, described as a "dating service" for transportation, and the Department of Parks Recreation handles transportation for the physically handicapped.
4. The Agency has six authorized positions, but one additional position (Transportation Specialist) has remained unauthorized for the past two years for lack of funding. Absence of the position requires the Director to spend time on operations matters rather than administration and planning, and often results in inadequate office staffing and clerical staff performing supervisory functions.
5. The County provides approximately \$1.2 million of the Agency's annual funding needs, with revenues from transportation services accounting for 75 percent of that amount.

The balance comes from Federal sources. To obtain volume discounts, the Agency piggybacks with the County of Honolulu for bus purchases.

6. The Transportation Commission, which normally meets quarterly, has authorized the Agency Administrator to investigate and resolve alleged violations of taxicab regulations, and must afford the accused an opportunity for hearing within thirty days. Such hearings have not been needed for the past six or seven years.
7. Bus route design is determined by supply and demand, and the County Council determines bus fares.
8. State law prohibits advertising displays on buses, thereby reducing ad revenues.
9. Agency mechanics provide routine maintenance services for Fire Department automobiles when time permits.
10. Agency buses transport approximately 380,000 passengers per year.

Recommendations

Having considered and reviewed the documents and testimony provided by the Mass Transit Agency, the Commission recommends as follows:

1. The County Council should restore the Transportation Specialist position to the budget for fiscal year 2004.

Rationale: Restoration of the position will permit the Agency Director to spend more time on long-range planning and administration, allow a supervisor to be on-duty during daytime working hours, and facilitate adequate office staffing to handle phones and walk-in customers.

2. The Agency should conduct an experiment to determine the effect of bus fare reductions on ridership and revenue.

Rationale: Although bus fares have remained relatively constant, ridership remains low. A six-month experiment with lower fares on one or more lightly used routes may show that ridership increases occasioned by lower fares can result in increased profitability.

3. The Agency, Mayor and County Council should seek an amendment to state law allowing the display of advertising messages on buses, thereby increasing revenue and helping local businesses.

Rationale: Although there may be a concern that advertising placards on buses might despoil the landscape, the Cost of Government Commission believes that the concern is

minimal given that most commercial vehicles already display their company name and logo.

4. The County should display its website address on County buses.

Rationale: Prominent display of the website address will remind residents that information regarding County government activities is readily available on the website.

5. The County should consider abolishing the Transportation Commission, assigning its regulatory and enforcement responsibilities to the Mass Transit Agency and, when necessary, convening an independent panel for appeals from the Agency's decisions.

Rationale: The Transportation Commission has already authorized the Agency to investigate and resolve complaints, and it has not been necessary to conduct a hearing for the past six or seven years. There appears little justification for retaining the Transportation Commission under the circumstances.

PARKS AND RECREATION DEPARTMENT

Organization and Responsibilities

The principal function of the Parks and Recreation Department, one of the largest departments in the County, is to oversee the care and staffing of all County parks including soccer fields, baseball diamonds, beach parks, community centers, community swimming pools, golf courses, cemeteries, and county activity centers. Included under this Department are the County band, the zoo, elderly activities division, and the culture and arts department.

The Parks Maintenance Division is responsible for tree trimming, rubbish collection, lawn mowing, and herbicide application, building maintenance (painting, cleaning, rubbish removal, cleaning, and general repairs) and parks construction, including nursery maintenance for replanting as necessary.

The Recreation Division oversees all County parks and community center facilities and is responsible for scheduling activities within those areas under its immediate control and responsibility and for meeting the staffing requirements for each community center.

The Aquatics Division is responsible for staffing at all County swimming pools and ocean beach parks with qualified lifeguards, scheduling activities, and maintaining all pools.

The Municipal Golf Course is a separate division that maintains and oversees the County golf course in Hilo.

The Special Activities Division includes Elderly Activities, the Panaewa Zoo, the County Band, and the Culture and Arts activities. Each of these activities is a specialized function run independently to fit the needs of each.

Findings

Following its review of documents, including organization charts, the proposed 2002-2003 Operating Budget, summaries of responsibilities, mission statements, proposed efforts to increase efficiency and reduce costs, and testimony furnished by the Parks and Recreation Director and Division heads, the Cost of Government Commission finds that the Department, while an income-producing branch of the County, does not, with the exception of the Culture and Arts Division, generate enough income to offset its expenses.

Recommendations

1. Initiate a standard fee for non-fund raising events that minimally covers all direct expenses, and a percentage-of-income-based fee for income-producing events using any County park or recreational facility under its control and from which no organization or person is exempt exclusive of the County Golf Course, prior contractual agreements between other County and State departments, and County run youth and adult activities.

Rationale: The Department should seek to recover its actual costs in order to reduce subsidization of private events by taxpayers.

2. Work with other County and State offices to identify and eliminate duplication of effort.

Rationale: There may be areas where duplication of effort can be identified and eliminated, resulting in cost savings for all.

3. Implement an “on-line facility use” program capable of taking charge cards and automatic checking account withdrawals.

Rationale: Ease of payment will facilitate timely payment and reduce delinquencies.

4. Review fees for the County Golf course every two years and adjust them, as necessary, to meet current and anticipated expenses.

Rationale: Golf course fees should be sufficient to avoid subsidization by non-users.

5. Enlist qualified volunteers to help in all areas of Parks and Recreation facilities and services as soon as possible.

Rationale: The Department’s use of qualified volunteers will reduce costs, permit expansion of services, and give the community a feeling of “ownership.”

6. Seek individualized agreements with community organizations willing and able to operate and maintain County recreational facilities, and to use fees collected for the maintenance of the facility, for additional property development, and for additional program offerings.

Rationale: This will reduce costly maintenance expenditures from the Department’s budget while helping to assure that facilities are maintained in optimal condition and that new programs are funded.

7. The population to be served by each facility should determine the staffing of County parks and recreation facilities.

Rationale: This would eliminate inequities caused by over-staffing at various County facilities and facilitate the provision of services to under staffed areas.

8. A manual should be written and personnel supervision training provided for all department heads and supervisors to help them deal with personnel issues from a position of knowledge and strength, with full backing by higher departmental supervisors and directors.

Rationale: There is no Policies and Procedures manual to help administrative personnel deal with personnel issues and work with union officials toward equitable solution for all concerned.

9. The Department should prepare a “Use of Facilities Policy and Procedure” statement that clearly sets forth the expectations for cleanup and rubbish disposal, what will or won’t be provided by the County, what the user is expected to provide, and any special charges that might be required, and provide a copy to anyone using or renting a park facility.

Rationale: There is no clear statement of policy regarding the use of park facilities, leading to confusion and misunderstanding of the requirement for facility cleanup and the need to provide supplies by those using the facilities.

10. The Department should establish close liaison with the Planning Department in particular, and with other County departments in general, to assure that it is promptly notified of plans to create a new or modify an existing park.

Rationale: The Parks and Recreation Department needs to know of plans for new and expanded park facilities as soon as possible so it can work with other County agencies on issues affecting the placement, size, and requirements of the park, and prepare to include additional resources that will be needed for maintenance of the park in its budget planning.

DEPARTMENT OF WATER SUPPLY

Organization and Responsibilities

The Department of Water Supply is a semi-autonomous agency (as are the water supply departments in the three other counties in the state). The County Charter charges the Water Board, a nine-member board appointed by the Mayor with the Council's approval, with responsibility for managing, controlling and operating the County waterworks, and adopting rules and regulations having the force of law related to the management, control, operation, preservation and protection of the waterworks. The Water Board also has the power to acquire property by eminent domain, to issue revenue bonds, and to appoint and remove the manager of the Department of Water Supply.

The Department, with headquarters in Hilo, operates and maintains the water systems with revenues derived primarily from water sales. It employs 146 people and is subject to the provisions of the Civil Service regulations and the Hawaii Government Employee Association (HGEA) and United Public Workers (UPW) union contracts. The Corporation Counsel provides legal representation.

The Office of the Manager (Administration) directs the day-to-day operations of the Department through three (3) major divisions.

The Management/Administration Division is responsible for managing the operation of the Department and for implementing policies, rules and regulations adopted by the Water Commission.

The Operations Division, which includes the Field, Plant, and Maintenance Sections and the Mechanical Repair Branch, maintains and operates the water distribution systems, transmission mains, sources, reservoirs, pumps, treatment plants, communication and controls; and coordinates work with the Engineering and Finance Divisions.

The Engineering Division, which includes Engineering, Water Resources and Planning, Land, Water Quality Assurance and Control, and Support Sections, is responsible for the design and construction of water system projects, reviewing the water systems, and anticipating and solving problems.

The Finance Division, which includes Customer Service, Management Accounting and Computer Service Sections, bills water service customers and maintains the Department's financial records.

The Water Department has divided the island into four districts, each served with a base yard for equipment and supplies, plus an office where customers can pay water bills.

The Department's goals (from Dept. of Water Supply Goals & Objectives 2000) are:

1. Compliance with all applicable Environmental Protection Agency's (EPA) regulations.
2. Water systems efficiency through review and analysis.
3. Planning to provide water for future needs.
4. Financial planning necessary for the accomplishment of major goals.
5. Continual organizational reviews and revisions necessary to attain efficient use of personnel.
6. Continual review and analysis to attain spatial data retrieval efficiency technologies.

Findings

Following its review of documents, including organization charts, goals and objectives, 2001-2 and 2002-3 Budgets, and testimony furnished by the Director and selected staff, the Cost of Government Commission finds:

1. The Department operates economically and efficiently, providing quality water while keeping the cost of water service at a minimum.
2. The Department has a plan for growth in place, and maintains a capital improvement reserve fund.
3. The Department has the best employee safety record and lowest turnover rate of all County departments.
4. Thirty percent of the County's population does not have access to county water. Of that 30%, 5-8% are connected to a private system. The County has available to the remainder an improvement district process utilizing low interest bonds. A recently enacted County ordinance stipulates a subdivision cannot be approved without a completed water system acceptable to the Department of Water Supply.
5. Thirty-three percent of the cost of water is for electricity for pumping, but the Department has worked to reduce costs through greater use of renewable energy sources.
6. Although there is no shortage of high quality water on the island, the cost of supplying water to some areas can be prohibitive.
7. The Department has instituted several new policies and programs designed to address the 40% delinquency rate. They include removing the meter after a four month (previously six month) delinquency, automatic bill payment, and acceptance of credit cards. The Department also offers flexible payment plans. If necessary, it uses a private collection agency.
8. The employee morale is excellent and the Department has a substantially lower accident rate than all other County departments.

Recommendations

1. The Department of Water Supply should change its motto from “Water is Progress” to “Water is Life.”

Rationale: The current motto may imply an unchecked growth philosophy. “Water is Life” implies that quality water should not be wasted and reinforces the need to conserve our natural resources.

2. The Department should use precise language to describe potential problems of reserve water volume and pressure in its reports to the Planning and Public Works Departments in connection with applications for rezoning and variances.

Rationale: To ensure the availability and quality of water for health and safety, and to minimize adverse economic effects of business downtimes, decisions regarding rezoning and variances should be based upon, among other things, on the availability of sufficient, quality water for consumption, fire control, and other emergencies.

3. The Department should look into state and other resources to resolve the long-standing issue of delinquencies from Hawaiian Homes leases. Other methods, including direct payments by Hawaiian Home Lands to the Department for services and water should be investigated.

Rationale: The Department is caught in the middle, between the lessees of Hawaiian Home Lands and the Department of Hawaiian Homes, and the Department’s other customers are subsidizing the delinquency.

4. The Department should share it’s secret for maintaining high employee morale with other County departments.

Rationale: Low morale can lead to high employee turnover and accident rates, inefficiency, and lost time.