

HONOLULU CHARTER COMMISSION

REPORT OF THE FINDINGS AND RECOMMENDATION OF THE PERMITTED INTERACTION GROUP

ON THE PROPOSAL RELATED TO FUNDING FOR THE HONOLULU ZOO

April 29, 2016

Committee members: Guy Fujimura, Edlyn Taniguchi, Rick Tsujimura, Kevin Mulligan and Reggie Castanares

Proposal -- This proposal is intended to establish by amendment of the Honolulu City Charter a dedicated source of funding by a set percentage of City revenue annually to support Honolulu Zoo operations.

Analysis and Findings:

The Permitted Interaction Group (PIG) evaluated the letter to the Honolulu Zoo Director from the Association of Zoos & Aquariums (AZA) and found that “insufficient financial support” was one of two major concerns of the AZA which “resulted in three recurring five-year AZA accreditation cycles of underachievement.” The other was “the lack of sustained leadership at the Honolulu Zoo as evidenced by a turnover of five directors in five years.” Also, “consistent financial support” was one of three points cited by the AZA to attain reaccreditation. The AZA letter advised that, “Denying accreditation now will provide sufficient time for the Honolulu Zoo to demonstrate sustained directorial leadership, productive collaboration between the City/County [sic] governing authority and Zoo Society, and consistent financial support.” PIG members were concerned that providing a dedicated funding source through a Charter amendment would not be sufficient to achieve reaccreditation if there was no comprehensive plan to address all the concerns and conditions of the AZA.

The PIG also reviewed the revenues and funds available to the zoo, as well as possible other revenue sources, in order to determine what should be an appropriate amount of revenue to be generated by a dedicated source of revenue. The Council Chair’s proposal was “0.75 of 1 percent of the City’s general fund revenue”. The Managing Director, at the April 14, 2016 meeting of the Charter Commission, suggested “0.5 of 1 percent” and pointed out the utilizing “property tax revenue” rather than “general fund revenue” would generate a different amounts of dedicated revenue for the Zoo. Moreover, he was of the opinion that the dedicated source of funding should not pay for all the funding needs of the Zoo. The Managing Director reported that there was on-going effort to develop a comprehensive funding strategy for the Zoo. The PIG’s preliminary review of the existing revenues available for Zoo operations found that there seemed to be a sufficiency of funds available and raised a question as to whether the insufficiency of funding issue raised by the AZA was for operating expenses or for capital improvements.

The PIG raised additional questions as to the funding of and role in fundraising of the Honolulu Zoo Society and as to restrictions and conditions that may be placed by the Queen Kapiolani Trust.

The PIG also had a question as to what would be the relationship between the current special events fund, which included revenue from other sources in addition to zoo related revenues, and the proposed dedicated funding for the Honolulu Zoo and whether a proposed amendment to the City Charter would have to include a clarification as to how this would be treated.

Members of the PIG also expressed a concern with the use of special funds with dedicated funding sources to resolve budget allocation issues, as such special funds reduce the flexibility of the City in determining budgetary priorities, especially if there is an economic downturn. Members of the PIG then questioned whether a Charter amendment establishing a special fund with dedicated funding for the Honolulu Zoo would be an appropriate way to address the funding issues raised by the AZA when accreditation was not granted to the Honolulu Zoo.

The Permitted Interaction Group, through its discussion, concluded that a Charter Amendment would not be the appropriate means by which to resolve the complicated and interconnected issues and concerns to achieve reaccreditation for the Honolulu Zoo by the Association of Zoos & Aquariums and that the questions of “insufficient financial support” and “consistent financial support” raised by the AZA should be dealt with through the City and County of Honolulu budget process rather than by Charter amendment.

The question of prioritizing funding for the Honolulu Zoo ahead of other funding needs of the City by dedicating a percentage of the City’s revenues would seem to be more properly within the responsibility and authority of the Administration and Council of the City and County of Honolulu. The PIG was also informed that A BILL FOR AN ORDINANCE 30 (2016) to establish the Honolulu Zoo fund had been introduced at the Honolulu City Council.

Recommendation:

The Permitted Interaction Group recommends no action on the proposed Charter amendment to establish a dedicated source of funding by a set percentage of City revenue annually to support zoo operations.