

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

April 2, 2024

TO: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee on Finance

FROM: Richard T. Bissen, Jr., Mayor
Josiah K. Nishita, Managing Director

SUBJECT: **COMMENTS FOR HCR 117 HD1, URGING THE COUNTY OF MAUI TO ADOPT A FINANCIALLY PRUDENT BUDGET FOR FISCAL YEAR 2025-2026 THAT MAINTAINS CURRENT OPERATIONAL LEVELS EXCEPT FOR CERTAIN MANDATORY OR CRITICAL INCREASES**

We respectfully offer our comments on House Concurrent Resolution 117, HD 1 for your consideration.

The impact of the Maui wildfires has placed an inordinate amount of demand on the County for both human and financial resources, including rescue operations, recovery, housing, provisioning, debris removal, and infrastructure replacement and repair. These efforts continue into FY 2025, as we start the process of healing our community, while continuing everyday County operations on Maui, Molokaʻi and Lānaʻi.

The County of Maui FY 2025 budget proposal represents a nearly flat budget for our departments carrying out normal County operations. Excluding any wildfire expenses, there is only a 1.2% increase (approximately \$5.4 million) in our operating budget.

This year, primarily in response to wildfire recovery efforts, we are facing a \$429.2 million increase to the FY 2025 budget. This is a 33.9% increase from last years' Council-adopted budget of \$1.268 billion, due in large part to new revenue streams addressing our emergency recovery needs.

Including the general fund, revolving and special funds, transfers among funds within the County, anticipated grant revenue, and other revenue from sources outside Maui County, my balanced budget proposal for FY 2025 totals \$1.697 billion.

While a 33.9% increase in FY 2025 is indeed significant, this is based on an increase due to wildfire-related revenue and expenses within our existing departments that we're required to balance within the budget.

Some of these expenses include the Office of Recovery that provides staffing and a framework to lead the implementation of best practices for recovery efforts in six focus areas: community planning, housing, infrastructure, natural, historical and cultural resources, economic resiliency and health, and social service systems.

It also includes \$75 million in funding for housing relief efforts to assist in keeping our West Maui residents' home in Lahaina and to assist the State in decreasing its financial obligations in Non-Congregate Shelter (NCS).

Other Maui wildfires departmental expenses include: communication system improvements for our Police Department, and additional personnel for our Fire and Public Safety Department, and MEMA.

Another change in FY 2025 is the establishment of the Department of 'Ōiwi Resources and the East Maui Water Authority budgeted at \$1.8 million and the bifurcation of the Department of Housing and Human Concerns budgeted with no significant increase, which were adopted by the council and voted into approval by our residents in 2022 under the mandatory guidelines of the Maui County Charter.

My budget reflects approximately a \$153 million increase in FY 2025 operating funds. And just over \$146 million, or 95.3% of that increase is attributable to wildfire-related departmental expenses.

We have requested approximately \$150 million from the State, and a bridge loan from Hawai'i Community Foundation for \$54.5 million to directly support recovery efforts, including housing and infrastructure. We are also pursuing federal grant opportunities and public assistance reimbursements. These new revenue sources are absolutely critical to ensuring anticipated revenue streams can continue to serve ongoing operations for ALL of Maui County, and must be reflected in a balance budget.

We recognize and embrace the cumbersome fiduciary responsibility we have to our residents, and to our State, Federal and private partners. As such, I have asked all departments to maintain level budgets to the prior fiscal year, except

for wildfire recovery related costs. This is an incredibly significant fiduciary sacrifice considering our departments are carrying out their normal operations, while additionally managing critical disaster recovery efforts that are essential to the needs of Lahaina and Kula survivors, as well as our community.

I realize that the impact of the financial implications of the Lahaina wildfires are being felt statewide; however, none have felt it more than our 12,000 survivors who have lost everything. Never has Maui County been presented with a more critical and justified need. And while our County and State are faced with many priorities, none are of a higher priority than the needs of the people and town of Lahaina.

This budget was constructed to address Maui County's recovery efforts, primarily towards critical housing and infrastructure challenges. It also ensures that ongoing projects and current services continue to be provided, and addresses preparedness and mitigation efforts for future disasters.

Rightfully noted, it is our understanding that our proposed budget indeed reflects maintaining current operational levels, except for certain mandatory or critical increases and is consistent with the intention of proposed HCR 117, HD1.

Above all, I believe it is all of our kuleana to keep the people of Maui Nui safe. My administration and I look forward to continued collaboration with the State of Hawaii in serving our community.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

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March 30, 2024

TO: The Honorable Kyle T. Yamashita, Chair
and Members of the House Committee on Finance

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF APRIL 2, 2024: TESTIMONY IN SUPPORT OF
HCR117 / HR98, PROPOSED HD1, RELATING TO MAUI
COUNTY'S BUDGET**

I **support** this measure that calls on Maui County to adopt a fiscally prudent annual budget for the upcoming fiscal year *(please note that the date of the upcoming budget should be fiscal year 2024-2025 rather than 2025-2026)*.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The Maui County Council's Budget, Economic Development and Finance Committee will deliberate the budget through the month of April, and it is important for us to know the Legislature's perspective on the County's and State's economic outlook.
2. I agree that the County budget must be fiscally prudent if we expect the State to continue providing substantial financial support in the upcoming and future years in response to the August 2023 wildfires.
3. The County's current Fiscal Year 2023-2024 budget exceeded \$1 billion for the first time, and it was based on pre-wildfire economic projections that included significant revenue from real property, transient accommodations and general excise taxes, all of which will be notably decreased for the second half of this fiscal year and next fiscal year, and probably beyond.

Thank you for your consideration.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
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April 1, 2024

TO: Honorable Kyle T. Yamashita, Chair, and
Members of the House Committee on Finance

FROM: Nohelani U'u-Hodgins *Nohelani U'u-Hodgins*
Councilmember

SUBJECT: **TESTIMONY IN SUPPORT OF HCR 117/HR 98 URGING THE
COUNTY OF MAUI TO ADOPT A FINANCIALLY PRUDENT
BUDGET FOR FISCAL YEAR 2025-2026**

DATE: Tuesday, April 2, 2024
2:00 p.m., Conference Room 308

Thank you for the opportunity to testify in support of this resolution. The purpose of this resolution is to urge the County of Maui to adopt a financially prudent budget for Fiscal Year 2025-2026 that maintains current operational levels except for certain mandatory or critical increases.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

As the Maui County Council begins discussing the Mayor's Proposed Budget for Fiscal Year 2025, I will contribute constructively to this process. While we focus on Maui's recovery, it is imperative that we navigate these challenges carefully and consider not only the financial well-being of our community but the emotional one as well. I am committed to upholding fiscal responsibility while we work together to address the needs arising from the wildfires.

Mahalo for the opportunity to submit testimony in support of HCR 117/HR 98.

Council Chair
Services
Alice L. Lee

Vice-Chair
Council Services
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Presiding Officer Pro Tempore
Tasha Kama

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April 1, 2024

Director of Council
David M. Raatz, Jr., Esq.

Deputy Director of
Richelle K. Kawasaki, Esq.

TO: Honorable Kyle T. Yamashita, Chair
House Committee on Finance
Date

FROM: Yuki Lei Sugimura *Yuki Lei Sugimura*
Council Vice-Chair
Budget, Finance, and Economic Development Committee Chair

DATE: April 1, 2024

SUBJECT: **HOUSE CONCURENT RESOLUTION 117, H.D. 1**

I write to offer comments on House Concurrent Resolution 117, H.D. 1, Urging the County of Maui to Adopt a Financially Prudent Budget for Fiscal Year 2025-2026 that Maintains Current Operational Levels Except for Certain Mandatory or Critical Increase.

The Maui County Council's Budget, Finance, and Economic Development Committee, on which I have the privilege of serving as chair, will oversee the review of Mayor Bissen's budget proposal for the upcoming fiscal year. Our biggest responsibility is to review, adjust, and pass the annual budget. As our County continues to recover from last August's devastation wildfires, it behooves us to pass a financially prudent budget for FY2025.

As a County, we have long history of fiscal prudence and spending within our means. We will once again need to be realistic about how much the County can expend. We will also be cognizant of how to most efficiently use our available revenue, particularly as we prioritize recovery.

I look forward to the County and State continuing to work together to ensure our residents receive the services they need.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
Tuesday, April 2, 2024 AT 2:00 P.M.**

To The Honorable Representative Kyle T. Yamashita, Chair
The Honorable Representative Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

**SUPPORT HCR117 HD1 URGING THE COUNTY OF MAUI TO ADOPT A FINANCIALLY
PRUDENT BUDGET FOR FISCAL YEAR 2025-2026 THAT MAINTAINS CURRENT
OPERATIONAL LEVELS EXCEPT FOR CERTAIN MANDATORY OR CRITICAL
INCREASES**

The Maui Chamber of Commerce **SUPPORTS HCR117 HD1.**

We understand that Mayor Bissen has submitted a budget for the fiscal year 2024-2025 (FY25) and that, given the many challenges Maui is facing in the aftermath of the August 8 wildfires, he is requesting an increase of \$429,200,000 over the prior fiscal year, a 33.9 percent increase. We understand that some of this increase is due to necessary spending increases per charter mandate and others are needed to continue recovery efforts.

During this difficult time, it is critical to focus on funding high priority initiatives like housing, economic development/business assistance, and other post-fire relief efforts. We agree with the resolution that requests the adopted budget maintain current operational levels, such as staffing, and that the FY24-25 budget be financially prudent.

We appreciate the Legislature's concerns and observations.

For these reasons, we **support HCR117 HD1.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HCR-117

Submitted on: 4/2/2024 11:52:10 AM

Testimony for FIN on 4/2/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joseph D Pluta	West Maui Taxpayers Association Inc. (WMTA)	Support	Remotely Via Zoom

Comments:

Aloha Finance Committee:

My name is Joe Pluta, President of the West Maui Taxpayer Association and the West Maui Improvement Foundation.

On behalf of our many members and businesses in West Maui, we respectfully ask for your support of HCR117 HD1 which urges Maui County to adopt a “financially prudent budget” for FY25. Now is not the time to grow government, unless it is in ways that will help our businesses and residents who were affected by the West Maui fires. We all have to do our part....residents, property owners, businesses, non-profits, philanthropists, as well as the County, State and Federal governments. Let’s do the right thing and exhibit fiscal restraint in order to offset much-needed recovery funds for Maui County .

Mahalo,

Joe Pluta

President, WMTA and WMIF

HCR-117

Submitted on: 3/29/2024 5:31:39 PM

Testimony for FIN on 4/2/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sterling Higa	Individual	Support	Written Testimony Only

Comments:

As a resident of Maui, I support HCR 117 HD1. Maui County faces uncertain expenses related to the recovery from the wildfire. Because our county is receiving generous support from the state and federal government, we have an obligation to steward resources carefully.

Thus, we should keep our own financial house in order and express that in a financially prudent budget. Our elected officials at the county level should work collaboratively with state and federal officials to ensure alignment of intentions and actions. That way, we can recover quickly from the disaster and move toward a brighter future.

HCR-117

Submitted on: 4/2/2024 10:19:17 AM

Testimony for FIN on 4/2/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alvin K Pelayo	Individual	Support	Written Testimony Only

Comments:

I support House Resolution HCR117 HD1 that urges the County of Maui to adopt a financially prudent budget for FY25 that maintains current operational levels except for certain mandatory or critical increases.

Because Maui County is asking for a significant amount of funds from the State Legislature to help with the West Maui fire disaster, we ask that the County adopt a conservative FY25 budget and focus on the Lahaina Wildfire relief efforts and other critical issues. These are unprecedented times. The County has tough decisions and this resolution will help keep them on a responsible track.