



COUNCILMEMBER IKAIKA ANDERSON DISTRICT 3 UPDATE MARCH 2011

Aloha,

Proposed Fiscal Year 2012 Budget

The Mayor recently presented his proposed budget for Fiscal Year 2012. Keep in mind that the City's "budget" is comprised of three separate budget bills; Capital Improvement Projects (CIP), Operating and Legislative. The CIP budget primarily funds major projects and acquisition of land and major equipment. The Operating budget funds salaries, employee benefits, utilities, minor equipment and other expenses necessary to keep City government running. The Legislative budget provides funding for the Legislative branch which includes: the City Clerk's office, the City Auditor's office, the Office of Council Services and the City Council. When compared to the current year's budget, the Mayor's proposed budget breaks down as follows: the Operating budget realizes a 6.2% increase, the CIP budget realizes a 34% decrease and the allocation for the Legislative budget remains relatively unchanged.

But as you well know, it's not so much the total percentile change that matters so much as what it is that's contributing to those changes. If we completely eliminated fire and police functions from our budget we'd see a near 15% reduction in the budget – however, such cuts would not be wise. Similarly, while a 34% decrease in the proposed CIP budget is both commendable and certain to help reduce future debt payments, it's critical that we understand where those cuts are coming from and ensure that they don't create unforeseen problems in the future.

Cuts and Complexities

Admittedly, cuts of any kind can always be difficult and often very easily questioned. It's not uncommon to hear from an agency facing cuts the argument that the proposed reductions – regardless of their nature – will impact services, impact public safety or create a liability. This isn't to suggest that cuts won't have these impacts but the issue really is the extent to which "services" and "public safety" are impacted. Often it isn't clear cut and we have to use our education, experience and best judgment when cutting (or increasing) services. The problems also become compounded when the full story doesn't get out to the public.

The City's budget process begins in March and concludes in early June; the City Charter requires that the Council approve a budget no later than June 15. The Mayor's proposed budget, including all supporting documents, is roughly 3,000 pages. By the time the Council has received testimony from all the departments and members of the public, and it has received all the responses to the inquiries of the various Councilmembers, the one year's "budget" can take up an entire filing cabinet. Despite these massive amounts of information, media may dedicate only a few paragraphs to it once every other week. This lack of information often makes comprehensive (and equally complex) reforms very difficult to enact. In fact the day after the Mayor released his proposed budget, in which he

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CITY COUNCIL COMMITTEE MEETING SCHEDULE

Monday, March 28

| | |
|-------------------|---------------------|
| SEDGA | 9 am |
| Public Works | 10 ³⁰ am |
| Executive Matters | 1pm |

Tuesday, March 29

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|--------------------|---------------------|
| Zoning | 9am |
| Parks & Human Svcs | 10 ³⁰ am |
| Planning | 1pm |

Wednesday, March 30

| | |
|----------------|------|
| Budget | 9 am |
| Transportation | 1 pm |

District 3 Staff

Paulyne Anakalea
Executive Secretary

Gail Myers
Senior Advisor

Andrew Malahoff
Senior Legislative Aide

Venus Roschi
Legislative Aide

Sharon Basmayor
Legislative Aide

District 3 Events

3TALKS

“3Talks” are held throughout the district every month. All 3Talks start at 7pm and the public is encouraged to come and meet with their Councilmember and staff.

Tuesday, March 15
**Kaneohe Community &
Senior Center**
45-613 Puohala Street

Tuesday, April 12
St. John Lutheran Church
1004 Kailua Road

TBA
Waimanalo Public Library
41-1320 Kalanianaʻole Hwy.

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proposed a residential tax rate of \$3.50, I began to receive emails from people concerned that their property taxes were going to increase and they would be paying the same property tax as “investors.” First, there is only one property tax class for all residential properties – “residential”. Secondly, ALL owner-occupants receive a discount on their property tax bill through the standard exemption. Thirdly, the proposed 3% increase in the tax rate would be offset by the continued decline in property valuations. Lastly (and most importantly) the tax rate has yet to be set by the Council. But the underlying reason for this immediate flood of emails is the misleading title of a newspaper article, “Mayor banks on higher taxes.” A quick look at the Mayor’s proposed budget shows that tax revenue would remain about the same as last year – that is not an increase in taxes. Now this by no means is indicative of my support for (or opposition to) the Mayor’s proposed budget; I am simply pointing out how quickly and how easily this budget process can become confusing and misleading.

End Results

I want to see, at the very least, taxes kept at their current level. Ideally, I would like to see some additional decreases but those will require additional cuts. As I work with my staff and begin the process of reviewing the department reports, requests and justifications, I will get a better idea of what we’re dealing with and what the tax rates and user fees will be. While I applaud the Mayor’s efforts with his first budget, I am very interested in seeing the mechanics behind it all. After all, it comes down to: details, details, details.

If you should have any questions regarding the budget, the process or any other matter, please do not hesitate to contact me. My staff and I are always happy to assist you.

Mahalo,

Ikaika

LANDFILL UPDATE

The City has announced that all refuse convenience centers (Ewa, Laie, Wahiawa, Waianae, Waimanalo and Waipahu) have resumed accepting non-combustible waste from households on a limited basis of one load per week throughout the month of March (until further notice). Beginning Sunday, March 6, Waimanalo Gulch Sanitary Landfill (WGSL) will begin accepting residential bulky waste on Sundays only, 7 a.m. to 4:30 p.m. Commercial loads are being accepted at WGSL on all days of the week except Sundays. City Refuse Transfer Stations are not yet accepting any bulky waste items. Residential curbside bulky waste pick up has resumed in all locations. Please continue to place your items curbside the evening before, or by 6 a.m. the day of, your scheduled pick up. Bulky items may be collected over a 3-4 day period.

FY—12 BUDGET HEARING INFORMATION

The City’s Fiscal Year 2012 Budget discussions will begin in March. These will be separate Budget Committee meetings and will be held over several days in March. If you would like a copy of the budget hearing schedule, please do not hesitate to contact my office and we will be happy to provide you with a copy.