

Are you familiar with the workings of the county budget process?

THE CHAMBER VIEW

by Pamela Tumpap



With all that's going on, it's hard for residents and businesses to participate in government and sit through

lengthy county hearings, but there's an important process under way that soon will be coming to a close — the county budget process.

This process doesn't just set our fiscal spending for county departments and programs, it also sets taxes, rates and fees that affect us all, residents and businesses alike.

Here's a quick overview of the process, outlined in our County Charter.

Each year the mayor submits

an operating budget and a capital program to the council for consideration by March 15 for the coming fiscal year. The package includes an executive operating budget and a legislative operating budget, a capital program and an accompanying message. This budget package presents the administration's complete financial plan for the operations of the county and its departments for the ensuing fiscal year, showing all county funds on hand, and estimated reserves and revenues. It outlines the work to be done and describes proposed financial policies, indicating any major changes in financial policies and in expenditures, appropriations and revenues as compared with the fiscal year currently ending, and explains the reasons for any changes.

The budget is to be a balanced budget, meaning that the estimated revenues shall be equal in amount to the proposed expendi-

tures and total appropriations for the ensuing fiscal year.

The council then holds public hearings where people can share their thoughts on the budget, with the first meeting to be held between April 1 and 13.

After the public hearings, the council may pass the budget with or without amendment. In amending, the council may add new items or increase items in the budget, as well as decrease or delete items, except appropriations required by law and appropriations to pay any indebtedness, providing a balanced budget.

The budget must be passed by the council by May 31 of the current fiscal year or the mayor's budget becomes the enacted budget.

Once enacted, the budget goes into effect July 1 of the fiscal year to which it applies.

Many don't realize that this budget process sets all fees, rates, assessments and taxes imposed by the county, unless otherwise specifically provided for in the charter. That process includes establishing items, such as real property taxes and water rates — two crucial items being discussed at the moment.

When the county is faced with finding additional revenue — as we are right now with the reported \$19.3 million liability in retiree health benefits and our estimated \$220 million-\$350 million share of unfunded retiree health benefits outlined in long-standing union contracts (estimated at \$6.3 billion-\$9.7 billion statewide) — then taxes, fees and rates often are increased to obtain the revenue needed, with real property tax being the major source of income.

This search for additional revenue has council members scrambling this budget session to find money to pay off past debt. It's a horrible burden to confront, and there are no easy fixes. However, it's important to arrive at a fair response and not merely look

to the business community to absorb this debt through increased taxes and fees.

I continue to be surprised by the anti-business sentiment expressed by a few council members, as if business isn't paying its way and giving back to the community. Let's not forget the taxes and fees paid, employment provided, and contributions to social infrastructure and services. A few decades ago there were limited employment options for our children, but today Maui County offers an array of employment options that wouldn't be possible without the business sector. Business growth and economic diversification were and are desired, so why are they being chastised instead of appreciated?

Businesses are experiencing increased costs (rising fuel, cost of goods, labor costs, etc.) and our low unemployment is making it difficult for them to maintain operations, let alone try to expand them. While they are looking to create quality jobs to sustain their employees and grow their business, which gives back to us all, they are facing a number of concerns as well. Therefore, it's important to be aware of how the rising costs — such as increased tipping fees, sewer fees, water rates, commercial real property taxes, etc. — spread throughout the budget will individually and collectively have an impact on businesses. We need to find balance and not simply levy the weight of this debt on one sector. And, we must work together to avoid passing our burdens on to future generations.

Understanding the budget process and pulling together residents, government and business are vital to solving our challenges. Please get involved in the budget process to create equitable solutions and rates that will strengthen us all.

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