



FISCAL IMPACT STATEMENTS

Prepared by the Department of Finance per Section 15-4 of the County Charter, County of Hawai'i.

PROPOSAL #1

RELATING TO TECHNICAL, LINGUISTIC, AND GRAMMATICAL REVISIONS OF THE CHARTER: Shall the Charter of the County of Hawai'i be amended by making various technical, linguistic, and grammatical revisions throughout the Charter?

FISCAL IMPACT: Minimal. One part of the amendment would change the name of the auditor's office, requiring letterhead, business cards and other documents to be updated with the new name. Since most of the items to be updated are electronic or printed inhouse the cost should be minimal.

PROPOSAL #2

RELATING TO COUNCIL MEETING LOCATIONS: Shall the Charter of the County of Hawai'i be amended to require that the Hawai'i County Council hold an equal number of its regularly scheduled meetings in East Hawai'i and West Hawai'i?

FISCAL IMPACT: None. Council meetings, prior to COVID-19, were already being held in this manner. The budget already contains these costs so there would not be any additional costs or impact on the budget.

PROPOSAL #3

RELATING TO THE DEPARTMENT OF RESEARCH AND DEVELOPMENT: Shall the Charter of the County of Hawai‘i be amended by clarifying the Department of Research and Development’s powers, duties, and functions?

FISCAL IMPACT: None. The new language reflects what the Department of Research and Development is doing now, so no additional costs are expected.

PROPOSAL #4

RELATING TO AUTHORITY OF POLICE AND FIRE COMMISSIONS: Shall the Charter of the County of Hawai‘i be amended to authorize the Police Commission to discipline the Police Chief and the Fire Commissions to discipline the Fire Chief?

FISCAL IMPACT: None.

PROPOSAL #5

RELATING TO TERMS OF COUNCIL MEMBERS: Shall the Charter of the County of Hawai‘i be amended to change the terms of office for Council Members to four years from the current two years, starting with the 2022 County Council term, with no current member serving more than eight consecutive years?

FISCAL IMPACT: This proposed charter amendment does not eliminate the 2-year election cycle for other elected officials, so there are no expected cost savings related to elections. There could be a savings in Unemployment Benefits as staff hired by Council members could be retained for four years instead of two years. After the 2018 election, approximately \$60,000 was paid out in unemployment benefits related to the change in County Council staff.

PROPOSAL #6

RELATING TO THE PUBLIC ACCESS, OPEN SPACE, AND NATURAL RESOURCES PRESERVATION FUND: Shall the Charter of the County of Hawai‘i be amended to allow monies in the Public Access, Open Space, and Natural Resources Preservation Fund to pay salary, wages, and benefits for staff dedicated to supporting the Public Access, Open Space, and Natural Resources Preservation and Maintenance Funds?

FISCAL IMPACT: This proposal could reduce expenditures in the General Fund to cover staff time spent working on authorized activities. The entry level salary for a Property Management Technician, that may be assigned this type of work, is \$3,185 per month or \$38,220 per year. Only actual time spent working on allowed activities would be charged to the fund. This proposal could reduce the amount available for the purchase of additional parcels in accordance with this section if funds are used for salaries and wages.

PROPOSAL #7

RELATING TO DISCIPLINE OF COUNCIL MEMBERS: Shall the Charter of the County of Hawai‘i be amended to allow the County Council to discipline its members through temporary suspension without pay for disorderly or contemptuous behavior or failure to attend three or more regularly scheduled County Council meetings without being excused by the Chair of the County Council?

FISCAL IMPACT: Minimal. If this section is utilized, expenditures would be reduced by \$269 per day for Council members and \$296 per day for the Council Chair, based on current salaries set by the Salary Commission.

PROPOSAL #8

RELATING TO THE DEPARTMENT OF INFORMATION TECHNOLOGY: Shall the Charter of the County of Hawai‘i be amended by removing Department of Information Technology oversight of the information systems maintained by the Office of the Prosecuting Attorney and the Police Department?

FISCAL IMPACT: None. Office of the Prosecuting Attorney and the Police Department currently provide their own information technology services so there should be no increase in cost.

PROPOSAL #9

RELATING TO THE ESTABLISHMENT OF A DISASTER AND EMERGENCY FUND: Shall the Charter of the County of Hawai‘i be amended by establishing a Disaster and Emergency Fund for specific and limited purposes, to be funded by an annual appropriation of a minimum of one percent of real property tax revenues?

FISCAL IMPACT: Expenditures would increase by approximately \$3 million per year for an undetermined number of years. Currently \$250,000 is contributed to the Disaster and Emergency fund annually as required by Hawaii County Code. Based on fiscal year 2021 budgeted real property tax revenue, the total transfer to the Disaster and Emergency fund would be \$3.3 million per year if this amendment was adopted. The actual transfer would be based on actual real property tax revenue collected. It will take approximately five years to reach the \$20 million accumulation called for in the amendment if expenditures are not made from the fund in times of disaster.

Currently the Disaster and Emergency Fund has a fund balance of \$6.5 million. This balance has steadily increased since formed in fiscal year 2006 and the balance has exceeded \$5 million since fiscal year 2014. The fund continues to increase each year even in times of disasters as all reimbursements received from the Federal Emergency Management Agency (FEMA) are returned to the fund to replace the expenditures out of the fund.

If passed, this amendment would require revenues to be increased or expenditures to be decreased to keep the budget balanced. This amendment would bring mandated appropriations to 3.25% of real property tax revenue or approximately \$10.8 million annually.

We have received assistance from the State and Federal government in the past to help in times of disaster. Potential future impacts could include less State aid as we could be asked to utilize our own resources first.

PROPOSAL #10

RELATING TO THE PUBLIC ACCESS, OPEN SPACE, AND NATURAL RESOURCES PRESERVATION MAINTENANCE FUND: Shall the Charter of the County of Hawai‘i be amended to provide the Department of Finance full management responsibilities for the Public Access, Open Space, and Natural Resources Preservation Maintenance Fund and to expand the purposes for which the fund may be expended?

FISCAL IMPACT: The transfer of responsibilities from the Department of Parks and Recreation to the Finance Department should not have a significant impact on expenditures. As interest in the stewardship grants continues to grow and the projects become more complex, there could be a need for additional staff time and resources in the future. The amendment adds more allowable uses, which could impact the amount available for stewardship grants in the future.

PROPOSAL #11

RELATING TO MANDATORY CHARTER REVIEWS: Shall the Charter of the County of Hawai‘i be amended to align the process by which the County Charter Commission conducts its review of the Hawai‘i County Charter with the current requirements of State law?

FISCAL IMPACT: Minimal. The Charter Commission would be appointed approximately 6 months later but would be limited to one year to prepare their proposed amendments, which may or may not impact the number of meetings held compared to previous Charter Commissions. Costs for each meeting are minimal and limited primarily to mileage payments for the members to get to the meetings.

The amendment also requires review and the option for proposing alternatives by the County Council. This process could increase the length of future Council meetings in the year of the charter review. The costs to stream and record the meetings are a set rate per year, however, the cost to provide the captioning is \$145 per hour.

PROPOSAL #12

RELATING TO CORPORATION COUNSEL: Shall the Charter of the County of Hawai‘i be amended to require that qualifications to serve as the Corporation Counsel include being licensed to practice law for at least five years and having at least three years of supervisory experience?

FISCAL IMPACT: None. The additional experience requirements are not expected to require an increase in salary that is set by the Salary Commission.

PROPOSAL #13

RELATING TO THE HAWAI‘I FIRE DEPARTMENT: Shall the Charter of the County of Hawai‘i be amended to modify Fire Department functions, Fire Chief qualifications, and Fire Commission powers and duties?

FISCAL IMPACT: None. Water safety is currently under the Fire Department and included in their budget. This change is not expected to impact expenditures. The additional experience requirements are not expected to require an increase in salary that is set by the Salary Commission.

PROPOSAL #14

RELATING TO MEMBERSHIP ON BOARDS AND COMMISSIONS: Shall the Charter of the County of Hawai‘i be amended to remove political party membership limits for the makeup of County boards and commissions?

FISCAL IMPACT: None.

PROPOSAL #15

RELATING TO THE CAPITAL BUDGET AND CAPITAL PROGRAMS: Shall the Charter of the County of Hawai‘i be amended to require that capital improvement priorities be based on criteria aligned with the County General Plan, County community development plans, emergency expenditures, and other pertinent functional plans?

FISCAL IMPACT: None known. This amendment changes the way the projects are prioritized in the capital budget. The amount to be spent on the capital projects is limited by debt service in the operating budget and the County’s borrowing capacity.

PROPOSAL #16

RELATING TO THE BOARD OF ETHICS: Shall the Charter of the County of Hawai‘i be amended to clarify that the rules of procedure of the Board of Ethics shall have the force of law and grant the Board of Ethics authority to impose civil fines for violations of the Code of Ethics?

FISCAL IMPACT: The imposition of civil fines could increase revenues if the fines are collected. The amount is unknown until the Board of Ethics’ rules are adopted.