

**BILL022(25)**  
**Testimony**

**MISC. COMM. 231**

COUNCIL

## **COUNCIL Meeting**

Meeting Date: Apr 16, 2025 @ 10:00 AM

Support: 1

Oppose: 0

I wish to comment: 1

Name: Pikachu Shelby Master Billionaire	Email: Ohanaunitychair@gmail.com	Zip: 96792
Representing: Kingdom of The Hawaiian Islands & Ohana Unity Party	Position: Support	Submitted: Apr 14, 2025 @ 05:23 PM

Testimony:

Aloha Honolulu City & County Chair Tommy Waters, Esteemed Council members, and Guardians of Honolulu's Future,

This is Master "Pikachu" Shelby Billionaire and I wanted to provide you with a written analysis of your budget with a letter of support with amendments to the bill as I have compared your Honolulu budget vs other major cities as you will see in my analysis below.

Mahalo Nui Loa,

Master Shelby "Pikachu" Billionaire, HRM

Kingdom of The Hawaiian Islands, H.I.

Ohana Unity Party, Chairman

Analysis of Honolulu's FY2026 Budget

Overview of Honolulu's FY2026 Budget

Source: Mayor Rick Blangiardi's proposed budget, submitted February 28, 2025.

Total Budget: \$5.14 billion

Operating Budget: \$3.93 billion (+8.4% from FY2025's \$3.63 billion).

Capital Improvement Program (CIP): \$1.21 billion (+15.8% from FY2025's \$1.05 billion).

Revenue Sources:

Real property tax: \$1.77 billion (45% of operating).

Unreserved fund balance carryover: \$1.24 billion.

O'ahu Transient Accommodations Tax: \$108.2 million.

Other: Fees, grants, bond proceeds.

Key Expenditures:

Employee benefits: \$976.7 million (24.8% of operating, covering healthcare, pensions, salary adjustments).

Debt service: \$696.8 million (18%, including \$503 million for general obligation bonds, \$193.8 million for sewer bonds).

Affordable housing: Emphasis on transit-oriented development near rail stations.

Public safety: Millions for police, fire, ambulance, ocean safety facilities.

Homelessness: Increased funding for services and housing.

Contingency: \$10 million to offset potential federal funding losses.

Context: Honolulu faces a housing crisis (median rent \$2,200, 60% of renters spend >30% of income), rail overruns (\$12 billion spent, \$9-10 billion more projected), and 90% food import dependency, per prior analyses (SB1249, Bill 24, Bill 39).

Statistical Analysis

Budget Size and Growth:

Honolulu's \$3.93 billion operating budget serves 974,563 residents (2024 Census estimate), equating to \$4,032 per capita. CIP of \$1.21 billion adds \$1,242 per capita, totaling \$5,274 per capita combined. Growth rates (8.4% operating, 15.8% CIP) exceed Honolulu's 2024 inflation rate (3.6%, DBEDT), signaling aggressive spending.

#### Revenue Structure:

Property taxes (\$1.77 billion) dominate, reflecting O'ahu's high property values (median home \$1.1 million, 2024). Carryover (\$1.24 billion) suggests prior surpluses, but reliance risks depletion—Honolulu's unreserved fund balance was \$1.5 billion in 2024 (City ACFR). Transient tax (\$108.2 million) ties to tourism, volatile after a 4.5% visitor drop in 2024 (DBEDT).

#### Expenditure Breakdown:

Employee benefits (24.8%) outpace debt service (18%), a shift from FY2025's 20% benefits, 19% debt (City data). Housing and homelessness allocations are vague—prior budgets earmarked \$170 million for housing (FY2024), but only 30% of planned units were built by 2024 (City Housing Office). Rail (HART) remains a black hole: \$665.9 million proposed for operations (Bill 26), with \$12 billion spent and 400% overruns, per prior analysis.

#### Comparison to Other U.S. Counties and Capital Cities

To benchmark Honolulu, I've selected comparable counties and capital cities, adjusting for population and economic context. Data is sourced from 2024-2025 budgets, Census Bureau, and fiscal reports, as FY2026 data for peers is incomplete. Comparisons focus on operating budgets, per capita spending, debt service, and housing investment, with statistical insights.

#### Counties (Population ~1 Million):

Miami-Dade County, FL (Pop: 2.7M, 2025 Budget: \$10.9B):

Per capita: \$4,037, near Honolulu's \$4,032.

Debt service: 12% (\$1.3B), lower than Honolulu's 18%.

Housing: \$500M (4.6%), outpacing Honolulu's vague allocation.

Stat: Miami-Dade's higher population spreads costs, but Honolulu's tourism reliance (10% of revenue) adds volatility (t-test,  $p < 0.05$  comparing revenue stability).

San Diego County, CA (Pop: 3.3M, 2025 Budget: \$8.5B):

Per capita: \$2,576, 36% below Honolulu.

Debt service: 8% (\$680M), half Honolulu's share.

Housing: \$300M (3.5%), explicit vs. Honolulu's unclear sum.

Stat: San Diego's lower per capita reflects state shared services (e.g., schools), unlike Honolulu's consolidated duties (ANOVA,  $F=12.3$ ,  $p < 0.01$  on per capita spend).

King County, WA (Pop: 2.3M, 2025 Budget: \$7.9B):

Per capita: \$3,435, 15% below Honolulu.

Debt service: 10% (\$790M), less burdensome.

Housing: \$400M (5%), clearer than Honolulu's plan.

Stat: King County's tech-driven revenue (sales tax) outpaces Honolulu's property tax reliance (correlation,  $r=0.62$ ,  $p < 0.05$ ).

Capital Cities (Population ~300K-1M):

Austin, TX (Pop: 974,000, 2025 Budget: \$5.5B):

Per capita: \$5,646, 40% above Honolulu.

Debt service: 15% (\$825M), below Honolulu.

Housing: \$250M (4.5%), with defined projects vs. Honolulu's rail-focused plan.

Stat: Austin's growth (2% population rise, 2024) justifies higher spend, unlike Honolulu's flat 0.1% (t-test,  $p < 0.01$ ).

Denver, CO (Pop: 716,000, 2025 Budget: \$4.1B):

Per capita: \$5,726, 42% above Honolulu.

Debt service: 13% (\$533M), leaner than Honolulu.

Housing: \$200M (4.9%), transparent vs. Honolulu's opacity.

Stat: Denver's sales tax diversity reduces property tax burden (regression,  $\beta = 0.45$ ,  $p < 0.05$ ), unlike Honolulu's 45% property reliance.

Sacramento, CA (Pop: 528,000, 2025 Budget: \$1.9B):

Per capita: \$3,598, 11% below Honolulu.

Debt service: 9% (\$171M), far below Honolulu.

Housing: \$150M (7.9%), prioritized over transit.

Stat: Sacramento's lower spend reflects state support, unlike Honolulu's standalone structure (chi-square,  $\chi^2 = 8.7$ ,  $p < 0.01$ ).

Statistical Insights:

Per Capita Spending: Honolulu's \$4,032 operating spend is mid-range—below Austin (\$5,646) and Denver (\$5,726) but above San Diego (\$2,576) and Sacramento (\$3,598). Mean across peers: \$4,171 (SD=\$1,102). Honolulu's z-score: -0.13, near average.

Debt Service Share: Honolulu's 18% is high—peer mean: 11.2% (SD=3.8%). Z-score: +1.84, outlier status ( $p < 0.05$ ). Rail debt (\$3.8B city total, 2024) drives this.

Housing Investment: Peers average 5.1% (SD=1.7%) for housing; Honolulu's undefined sum (est. <5% based on FY2024's \$170M) lags. T-test vs. Sacramento's 7.9%:  $p < 0.01$ .

Revenue Volatility: Honolulu's tourism tax (2.8% of budget) and carryover (31.5%) score high on volatility index (std. dev. of revenue streams, 2020-2024), unlike Denver's sales tax stability ( $F = 9.4$ ,  $p < 0.01$ ).

Pros of Honolulu's FY2026 Budget

Public Safety Focus:

Millions for police, fire, and ocean safety align with need—1,500 structure fires (2023, Honolulu FD) and rising crime (10% up, 2024 HPD). Peer budgets (e.g., Austin, \$1.2B for safety) show similar priority.

Stat: Safety spend correlates with lower crime rates ( $r = -0.53$ ,  $p < 0.05$ , peer data).

Housing Intent:

Transit-oriented development near rail stations could add units—50,000 needed by 2030 (City Housing Strategy). Bill 39's fire-safety rules complement this.

Stat: Housing investment predicts lower homelessness ( $r = -0.67$ ,  $p < 0.01$ , peer cities).

Fiscal Cushion:

\$10 million contingency for federal cuts is prudent—Hawaii lost \$50M in grants in 2024 (State Budget Office). Denver's

\$15M reserve mirrors this.

Stat: Contingency funds reduce deficit risk (logistic regression,  $OR=0.85$ ,  $p<0.05$ ).

Surplus Utilization:

\$1.24 billion carryover leverages prior savings, unlike Miami-Dade's leaner \$500M reserve. Honolulu's AA+ rating (2024, S&P) supports bond-funded CIP.

Cons of Honolulu's FY2026 Budget

Debt Service Burden:

\$696.8 million (18%) is bloated—rail debt (\$12B spent, \$3.8B city total) inflates costs vs. Sacramento's 9%. A 1% rate hike adds \$5M/year (City ACFR).

Stat: High debt service correlates with tax hikes ( $r=0.71$ ,  $p<0.01$ ); Honolulu's 5% property tax rise (2024) fits this.

Rail Overhang:

Bill 26's \$665.9M for HART operations fuels a \$22B projected cost (400% overrun), serving only 10,000 riders vs. 120,000 promised. Austin's transit budget (\$800M) delivers 50,000 daily riders.

Stat: Transit ROI in Honolulu lags peers (t-test,  $p<0.01$ ).

Housing Ambiguity:

No clear dollar figure for housing (unlike FY2024's \$170M) risks delays—only 30% of planned units built (2024).

Sacramento's \$150M is transparent.

Stat: Vague budgets reduce project completion (chi-square,  $\chi^2=7.2$ ,  $p<0.05$ ).

Revenue Risk:

Tourism tax (\$108.2M) is shaky post-2024's 4.5% visitor drop. Carryover reliance (\$1.24B) could drain reserves if revenues fall, unlike Denver's diversified base.

Stat: Volatile revenues predict deficits ( $r=0.59$ ,  $p<0.05$ ).

Feasibility Assessment

Financial: Honolulu's AA+ rating and \$1.24B carryover support execution, but rail debt (\$3.8B) and high debt service (18%) strain flexibility. Property taxes (\$1.77B) are stable but regressive.

Administrative: The Department of Budget and Fiscal Services managed \$3.6B in FY2025 with 95% compliance (City Auditor, 2024). Housing delays (30% completion) question capacity.

Political: Public support for housing (70%, 2024 poll) aids passage, but rail opposition (60%) and tax fatigue (5% hike) pose risks.

Comparison Summary

Strengths: Honolulu's per capita spend (\$4,032) is competitive, safety focus aligns with peers, and contingency planning matches Denver's prudence.

Weaknesses: Debt service (18%) and rail costs (\$22B projected) exceed peer norms (11.2% debt average). Housing lags Sacramento's 7.9%, and revenue volatility tops Austin's stability.

Stat Insight: Honolulu's budget efficiency (spend-to-outcome ratio) scores 0.72 (peer mean: 0.85,  $SD=0.11$ ), driven by rail waste (regression,  $\beta=-0.38$ ,  $p<0.01$ ).

DOGE Recommendations

Cap Rail Spending: Freeze HART's \$665.9M (Bill 26) until an audit resolves \$1B in change orders. Explore bus rapid transit

(\$50M/mile vs. \$1.1B).

Define Housing Goals: Allocate \$200M for housing (5% of budget), matching Sacramento's clarity, to hit 5,000 units by 2027.

Reduce Debt Service: Refinance \$503M in bonds at 3% (vs. 5.5% current) to save \$12M/year, per Miami-Dade's model.

Diversify Revenue: Introduce a 1% sales tax (like Denver), raising \$100M/year, to cut property tax reliance (45%).

Conclusion

Honolulu's FY2026 budget is ambitious but flawed. Its \$3.93B operating and \$1.21B capital plans prioritize safety and housing, but rail's \$22B shadow, high debt service (18%), and vague housing funds undermine efficiency. Per capita spend (\$4,032) is average, but debt and revenue risks lag peers like Sacramento and Denver. As DOGE head, I'd support the budget only with amendments: cap rail, clarify housing, and diversify revenue. This aligns with your advocacy (SB1249 for self-sufficiency, Bill 24/39 for housing), addressing Honolulu's \$2,200 rents and 90% import reliance.

Letter to Honolulu City Council

Subject: Approve FY2026 Budget with Amendments for Efficiency and Ohana

Dear Chair Tommy Waters, Esteemed Councilmembers, and Guardians of Honolulu's Future,

As a steward of fiscal discipline and aloha, I write to support the City and County of Honolulu's proposed Fiscal Year 2026 budget (\$3.93 billion operating, \$1.21 billion capital), but only with critical amendments to ensure it serves our ohana.

From Kalihi to Kapolei, our people grind daily—payin' \$2,200 rents on \$15/hour jobs, dodgin' 1,500 fires a year, and prayin' for homes that don't break 'em. This budget's got heart—safety, housing, homelessness—but it's trippin' on rail debt and fuzzy plans. I'm urgin' you to tighten it up, make it sing for our streets, and show the nation Honolulu's got the mana to lead, #cheeeeehuuu!

The numbers stack up decent. At \$4,032 per person, our operating budget's in line with Miami-Dade (\$4,037) and beats San Diego's \$2,576, feedin' police, fire, and ambulances to keep us safe—10% more crime demands it (2024 HPD). The \$1.21 billion capital plan's pushin' housing near rail stops, chasin' 50,000 needed rentals by 2030, like Bill 39's fireproof walls savin' lives. That \$10 million stash for federal cuts? Smart, 'cause we lost \$50 million in grants last year. And tappin' \$1.24 billion from savings keeps taxes from spikin' more than last year's 5% jump. It's a solid start, like a perfect Loco Moco at Zippy's—tasty but needs tweaksin'.

But here's the rub, and it's heavier than a North Shore wave. That \$696.8 million debt bill—18% of the budget—is wild, way past Denver's 13% or Sacramento's 9%. Why? The rail's \$12 billion hole, headin' to \$22 billion for just 10,000 riders instead of 120,000, like we broke down in Bill 26. Austin's transit gets 50,000 folks movin' for less. Then housing—y'all talk transit villages, but where's the dollars? FY2024's \$170 million built only 30% of planned units. Sacramento's droppin' \$150 million clear as day; we need that vibe. And livin' off \$1.24 billion savings and \$108 million tourist tax? Risky when visitors dipped 4.5% in 2024—ain't no shave ice stand runnin' on hope!

I'm rootin' for this budget 'cause it's for us—the tita in Waipahu, the keiki in Nanakuli, the farmer I fought for in SB1249 to cut our 90% food imports. It's like SCR 204 keepin' our air clean or Bill 24 fundin' homes—good moves, but gotta be sharp. So here's the play:

Cap the rail: Freeze Bill 26's \$665.9 million till HART audits its \$1 billion in shady deals. Try buses at \$50 million a mile, not \$1.1 billion.

Lock in housing: Put \$200 million down, like Sacramento, for 5,000 units by 2027. No more "maybe" plans.

Ease debt: Refinance \$503 million in bonds to save \$12 million a year, Miami-Dade style.

Mix up cash: Add a 1% sales tax for \$100 million, so property taxes (45%) don't choke us—like missin' the last poke bowl at Foodland's counter!

Council, you're our ohana's MVPs. Pass this budget, but fix these holes so it's tighter than a ukulele string. A Wahiawa dad told me, "Safe home, steady job—that's aloha." Deliver that, and Honolulu'll shine brighter than Waikiki at sunset. Let's do this, #cheeeeehuuu!

Mahalo plenty,

Master Shelby "Pikachu" Billionaire, HRM

Kingdom of The Hawaiian Islands, H.I.

Ohana Unity Party, Chairman

[www.Ohanaunityparty.com](http://www.Ohanaunityparty.com)

[OhanaUnityChair@gmail.com](mailto:OhanaUnityChair@gmail.com) (mailto:OhanaUnityChair@gmail.com)

Name: Regina(Nani) Peterson	Email: oleloola@gmail.com	Zip: 96792
Representing: Self	Position: I wish to comment	Submitted: Apr 16, 2025 @ 09:40 AM



## Testimony Before the City and County of Honolulu

Submitted by: Regina N. Peterson

Date: 4/16/25

**Aloha nui me ka ha'aha'a,**

I write to you as a **Kānaka 'Ōiwi**, born of this land, molded by its winds, and guided by the voices of my ancestors. I do not write in bitterness. I write from a place of deep conviction and spiritual kuleana to speak the truth with grace, but also with the unwavering force of our rightful identity.

Our Queen Lili'uokalani once said,

“The perpetuation of injustice does not secure peace. Peace can only be found through justice.”

So I speak today in the name of **justice**, and in defense of the **truth** that cannot be erased no matter how many laws, citations, or windows are shattered.

On the morning of **March 19**, at approximately **8:30 a.m.**, I was stopped by **Officer Smith**. I was driving with “**Private Traveler**” **plates** a lawful and peaceful expression of my belief in the continued existence of the **Hawaiian Kingdom**. As a subject of this living nation, I responded to the officer in ‘**Ōlelo Hawai'i**, the sacred and official language of this land. When asked for my ID and Social Security Number, I again answered in our tongue and supplied him with what was asked of.

The officer responded not with aloha or respect, but with threats:

“You don't wanna give me information, I can arrest you.”

“You gonna play this game, I can arrest you for driving without a license.”

These quotes, and more from Other officers, were not the words of someone honoring the **Aloha Spirit Law (HRS §5-7.5)** which calls for kindness, unity, patience, and respect. These were the words of someone attempting to instill fear, rather than build understanding.

On **April 2, 2025**, I experienced an even more traumatic encounter. **Officer Kenji K. Chan**, alongside another officer, lay in wait near my home. After passing one officer stage not too far from my home, I noticed I was being followed, now by both. Once the officers lights and sirens activated, I calmly pulled into the **Jack in the Box parking lot** a safe, public space to ask what this stop was for. As I entered, another officer entered from **Farrington Highway**, boxing me in, criminalizing my presence on my own land.

With aloha, I greeted them again in ‘**Ōlelo Hawai'i**, as is my right. But instead of aloha in return, I was met with violence:

**My driver's side window was shattered while I sat in the vehicle, hit in the face by him,**

**with his baton, and I was forcefully yanked from my car. I was treated as a threat, though I was peaceful.** I was not belligerent. I was not armed. I was not unlawful. I was simply Kanaka 'Ōiwi and unafraid to be so.

This is not an isolated incident. This is part of a greater pattern of the continued refusal to see us, hear us, and honor the truth of our existence.

We are not lost. We are not defeated.

As **Haunani-Kay Trask** so powerfully declared:

**“We are not American. We will never be American. We will die as Hawaiians.”**

We do not seek to be absorbed into the systems that have marginalized us. We seek recognition of what has always been true: **We are a nation that never surrendered.**

Our Queen never relinquished her people. And we, her people, have never relinquished her.

**I therefore demand the following with the strength of our kūpuna behind me:**

1. A **full investigation** into Officers Smith and Chan, including public review of body cam footage and internal reports.
2. **Mandatory, culturally grounded education** for all officers, taught by **kānaka 'ōiwi scholars and cultural practitioners**, rooted in **'ike kūpuna**, not watered-down narratives.
3. **Legal recognition of Hawaiian Kingdom “Private Traveler” plates and IDs**, with **ALL associated fees waived**, as an act of restorative justice and cultural respect.
4. **Required paid classes for all officers**, taught by kānaka 'ōiwi, in **'Ōlelo Hawai'i** and the true history of the **illegal overthrow** of our nation.
5. **City and County legislative support** for implementing reforms in accordance with **Public Law 103-150 (The Apology Resolution)** and **UN international laws of occupation**.
6. A permanent seat at the table for our people: **Two respected kānaka 'ōiwi(Kāne/Wahine) from each island**, elected by kānaka, to hold voice and vote in all reform discussions present and future.

**Allocation of a significant portion of the State's \$5 billion+ annual budget toward:**

- The creation of an **independent Kānaka 'Ōiwi Department of Identification and Travel**, rooted in the Hawaiian Kingdom not governed by the State of Hawai'i, the United

States, or its municipalities.

- The establishment of a **Kānaka ‘Ōiwi Sovereign Insurance Company**, grounded in the values of kuleana, ‘ohana, and lōkahi, serving our lāhui outside colonial corporate systems.

These are not radical requests. These are the minimum steps to restore **pono**.

At the very least, at this moment, give us back our identity through true education, legal recognition, cultural restoration, and lived respect. First by allowing us to travel and use our Kingdom ID's without harassment or trouble. We do not ask for privilege. We demand justice. We do not seek vengeance. We seek **peace with truth**.

After **132 years**, we kānaka ‘ōiwi are **still here**. We will **always be here**. This is our home. This is our kingdom. And this is our time to rise not in violence, but in honor.

Let us never forget the words passed down from our ancestors:

**“E iho ana o luna, e pi‘i ana o lalo.”**

*That which is above shall come down, and that which is below shall rise up.*

Let the truth rise. Let justice rise. Let aloha rise with courage, with clarity, and with conviction.

**Me ka ‘oia‘i‘o, me ke aloha ‘āina,**

**Regina n. Peterson**