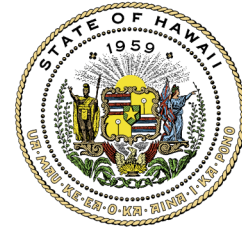




BARBARA MARUMOTO

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NEIGHBORHOOD BOARD REPORT

OCTOBER - NOVEMBER 2011

Legislative Issues

You Owe The State Government \$25,000

Reps. Ward & Marumoto sponsored a briefing on the extent of Hawaii debt. A speaker from Truth in Accounting, economist Paul Brewbaker, the Director of Budget & Finance and the Executive Director of the Maui Chamber of Commerce drew frightening and enlightening pictures for legislators. Our IOU includes the unfunded liability of the employees' retirement system and employees' health fund, plus the bonds we have sold. The briefing revealed that we the State is not reporting all expenses due to an antiquated budgeting and accounting rules, so legislators don't get a full picture of the financial situation. For instance, the 2009 audit report (CAFR) lists a \$924 million liability for "unrelated compensation" the ERS when the actual figure is close to \$9 billion! The state employee health system lists no liabilities, but the debt could be as high as \$5 billion!

The total state debt is \$22 billion so each man, woman and child owes \$25,000. B & F Director Kalbert Young stated that, while he sets the financial policy for the State, he does not know how much is on hand because revenues are collected by one department – Taxation. Another department, Accounting and Government Services, writes the contracts and the checks. Antiquated software does not allow sharing of information, but he is working on a new system that will take a few years to put into place. Because the June 30, 2010 CAFR just came out this November he has not been able to issue construction bonds.

HAWAII	
This State's Bills Exceed Its Assets	
Assets	\$19,555,468,000
Less : Capital Assets	\$13,244,809,000
Restricted Assets	\$2,381,139,000
Assets Available to Pay Bills	\$3,929,520,000
Less: Bills	\$15,419,842,000
Money Needed to Pay Bills	\$11,490,322,000
Each Taxpayer's Financial Burden	\$25,000



A water main break on Kilauea near 9th Avenue flooded the Kwak Family home

Long-Term Care Briefing Hosted by AARP

Ilene Henshaw from Washington, D.C. talked about ways Hawaii could leverage federal funds available through the Affordable Care Act (Obamacare). A new AARP study on long-term care shows that the number of caregivers (usually women in the 50's and 60's) will drop below the number of long term care patients (in their 70s and 80's) in 2030. With unaffordable institutional care, a crisis is looming. Ms. Henshaw proposed development of more community and home care services.

District Concerns

The New Aina Haina Shopping Center

Mahalo to Fred Noa of Shidler who worked with the community in redeveloping the Aina Haina Shopping Center. Good Fortune to the new and old businesses.

Kudos to Jose's in Kaimuki

Congratulations to Fred Martinez and his family for 38 years of serving Kaimuki residents at Jose's Mexican Cantina & Restaurant. It's the best neighborhood place to watch sports on TV and catch the bus to UH football games. Fred and Alan Nakamura of Kaimuki Auto Service were among those attending Neighborhood Board #4 to protest increased congestion with a bikeway on Waiialae Ave.

DOE District Office Gets A/C

The Dept. of Education Public Works Administrator announced that the Honolulu District office located next to Wilson Elementary School will have air-conditioning installed soon. The cost will be \$574,300.

The Maunaloa Bay Talk Story Meeting

Convened by Rep. Gene Ward of Hawaii Kai and Rep. Marumoto on Sat., Oct. 24th, the session gave residents a chance to ask questions and bring up topics of concern.

Go Get'um, Bob Jones

In his *MidWeek* column Bob Jones asks, "Where's The Law Enforcement?" He mentions items being sold in Diamond Head crater without permits with no enforcement by the DLNR. Thanks to Bob, the Attorney General is looking at whether the proceeds from these sales actually goes to genuine non-profit organizations.



Diamond Head Road Exercise Station

The City and KCC both agree that the other party is responsible for the maintenance of the exercise station near the Chapel, but according to Star-Advertiser Kokua Line columnist June Watanabe, news accounts say that the City should maintain the area, and I might agree. \$699,200 Bicycle Staging Area was a Waiialae Kahala Vision Team project developed during Mayor Harris' Administration. When it opened, a city spokesman said that "the city will maintain the facility (restrooms), but the school will be responsible for opening and closing it...."

A Bouquet...

... To Deena Dray, Executive Director of the Diamond Head Theatre, for putting on a spectacular Ilima Awards fundraiser. Local restauranteurs appreciate the recognition. East Honolulu eateries receiving awards included Big City Diner, Roy's, 12th Avenue Grill, Town and JJ's. Orchids to local dress designer Andy South. His creations and showmanship wowed the Hui Makaala luncheon crowd. Jeannie Chun also displayed her elegant fashions at Waiialae Country Club. Models included Donna Kim, Ann Kobayashi and Pamela Young while Linda Lingle, Mazie Hirono, Pat Saiki, Kymberly Pine, and Rep. Marumoto looked on. Legislators helped celebrate the 100th National Day of the Republic of China with the Taipei Economic and Cultural Office.



VIEW FROM THE TOP OF THE TUNNEL

Lawmakers were impressed with the high-tech control room above the H-3 tunnels.

MARUMOTO WILL CONTINUE OF FIGHT A STATE TAX ON PENSION INCOME

Honolulu - Last session Representative Barbara Marumoto opposed Governor Abercrombie's proposal to tax pension income, and she will continue to fight it next session too despite the dire financial straits of the State. The Governor proposed a tax on adjusted gross income of over \$37,500 that included pensions. Although it did not pass in the 2011 session, the House strongly supported a pension tax on individual income over \$100,000 AGI. The Senate opposed this tax as did the American Association of Retired Persons (AARP). Rep. Marumoto said that those in opposition feared that, if the bill passed, the income figure could drop down in future years – to \$50,000 or \$37,500.



Rep. Marumoto was among panelists that spoke to the Kokua Council regarding possible legislation that will affect senior citizens in the 2012 legislative Session and pledged that she will continue to oppose taxes on pension income.

Rep. Marumoto, Rep. Gene Ward and others in the Republican Caucus recently sponsored a briefing on Hawaii's Debt Crisis. The news turned out to be much worse than expected. That's because many figures are not reported. So Legislators do not get a true picture of Hawaii's financial situation. For instance, the annual audit report (CAFR) lists a liability of almost \$1 billion for the State retirement system (ERS) when the actual liability counting "unrelated compensation" is closer to \$9 billion. The state employee health system lists no liabilities, but the Institute for Truth in Accounting estimates the debt at \$5.1 billion. The total unfunded pension liability plus the EUTF cost amount to a staggering \$22 billion or \$25,000 for each man, woman and child in Hawaii.

In an op-ed in yesterday's Star-Advertiser, Colbert Matsumoto reported that the ERS unfunded liability is \$7.1 billion and the EUTF was underfunded by \$14.7 billion in 2009. Whatever the differences, it spells a big headache for Hawaii's taxpayers.

The Director of Budget & Finance Kalbert Young said that the State hopes to issue bonds for construction projects, but has been unable to do so because the CAFR for 2010 has not yet been issued. I hope it's come out since then.

In addition to Hawaii's debt crisis that burdens each person in the State with \$25,000 of debt, the State budget is facing a \$1 billion shortfall in 2013. Despite the massive financial problems, Rep. Marumoto has pledged to fight the pension tax as well as several other taxes that would heavily impact senior citizens.



ALOHA `AINA EARTH DAY # 129

Recycling Community Clean-Up & Fundraiser for



KALANI HIGH SCHOOL

SATURDAY, JAN. 14, 2012-8:00 AM-2:00 PM- 4680 Kalaniana'ole Hwy.

Please bring your recyclable waste, keep out of our landfills, and turn trash into cash for our community programs.

The following will be accepted at the site:

- Scrap metal, (non-freon appliance)
- HI-5 Beverage containers
- Used cooking oil
- Cellular phones, printer cartridges
- DVDs, CDs, Blue Ray, Games
- Plastic playground sets
- Newspaper, phone bks, magazines
- Plastics bags / bottle caps
- Cardboard egg cartons/drink trays
- Used eye glasses, hearing aids
- Batteries - all kinds
- Computers, monitors, printers
- One TV per car
- Career attire, prom dresses
- Usable building materials
- Pet food, blankets, towels, toys
- Usable clothing /household items
- Unwanted cars -call 306-1876
- **WILL NOT ACCEPT: Tires, Motor Oil, Air condtrs., Hazard Fluids, Microwave Ovens, Gas Tanks, Green Waste, Refrig.**
- **FREE roll-off bin service for metal**
- **Incandescent light bulb exchange for 2 CFLs (2 per person)**
- **Golf balls-recycle doz,- \$6 coupon**
- **Boogie boards, football helmets**
- **Canned goods for HI Food Bank**

Mahalo to: Congresswoman Colleen Hanabusa, Governor Neil Abercrombie, Senator Sam Slom, Rep. Barbara Marumoto, Rep. Mark Hashem, Rep. Scott Nishimoto, Mayor Peter Carlisle, Councilmember Stanley Chang, and our environmental partners:



Call for curbside pick-up REP. BARBARA MARUMOTO 586-6310, REP.MARUMOTO@CAPITOL.HAWAII.GOV OR Rene Mansho 306-1876 e-mail: