

**Testimony in Opposition  
Budget, Finance, and Economic Development Committee  
Proposed FY2027 Budget**

Chair and Members of the Committee,

I am submitting testimony in opposition to the proposed Fiscal Year 2027 budget and the manner in which it continues to move forward through both the Council and the Administration.

After reviewing the materials associated with this budget, it is difficult to identify any meaningful structural reform to how Maui County manages public money. Instead, this proposal largely continues the same patterns that have existed for decades: expanding spending, increasing borrowing authority, and layering new programs on top of existing ones without addressing the underlying issues of oversight, accountability, and long-term planning.

Maui County now operates with a budget exceeding **\$1.6 billion** for a population of roughly **165,000 residents**. With that level of funding, residents should expect reliable wastewater systems, safe transportation corridors, coordinated emergency response, and long-term infrastructure planning that matches growth to capacity. Instead, residents continue to see delayed projects, strained infrastructure systems, and reactive decision-making while government spending continues to grow.

Over time, many residents have come to believe that the County's budgeting process primarily benefits a narrow group of insiders rather than the broader community. The perception—fair or not—is that favoritism, special treatment, and entrenched interests continue to influence how public money moves through this government. When the same spending structures persist year after year with little measurable improvement in public systems, those concerns inevitably grow stronger.

Public trust becomes even more fragile when serious questions arise about how funds are administered. Litigation recently filed in Circuit Court alleges that the Mayor's Chief of Staff reported suspected fraud involving grants issued through the County's Office of Economic Development and was later demoted and terminated after raising those concerns.

Regardless of how the courts ultimately resolve those allegations, their existence raises legitimate questions about financial oversight within the administration responsible for implementing this budget.

Oversight concerns also became visible during the emergency response following the Lahaina fires. Disaster response required rapid action and large amounts of public money began moving quickly through temporary programs and contractors. In my own experience managing rental property after the disaster, we received a rental application from a household whose reported income came from operating supply vans transporting goods into Lahaina at approximately **\$10,000 per week under County-funded emergency operations**.

Emergency spending is necessary during disasters. No one disputes that. But when public money moves quickly, oversight must become stronger—not weaker. Residents expect strong financial controls and transparency when taxpayer dollars are distributed at that scale.

Unfortunately, confidence in those controls is difficult to maintain when residents see the same patterns repeated year after year: limited audits, limited accountability, and little visible reform in how public funds are managed.

Another factor that cannot be ignored is voter participation. In recent county elections, turnout has often been **around 40 percent of registered voters**, which represents an even smaller share of the total resident population.

When fewer than half of registered voters determine the leadership responsible for managing more than a billion dollars in public funds annually, entrenched political structures can persist with little pressure for change. Low participation reduces accountability and allows long-standing practices to continue largely unchanged.

The result is the environment residents increasingly perceive today: a government that continues to grow its budget while struggling to demonstrate meaningful improvements in infrastructure capacity, housing development, wastewater systems, and long-term planning.

Maui County has every advantage necessary to build a well-managed infrastructure system. Our population is manageable. Our property tax base is strong. Tourism generates substantial revenue. Yet despite these advantages, we continue to face infrastructure limitations, slow project delivery, and persistent questions about fiscal oversight.

That is not a funding problem. It is a governance problem.

When a lawsuit alleging retaliation tied to the reporting of suspected financial misconduct within the administration is filed at the same time the County is asking the public to approve a billion-dollar budget, the issue before this Council is no longer simply about appropriations. It is about public trust.

For that reason, I respectfully advise the Council that it is your responsibility—as the legislative body charged with approving County expenditures—to initiate oversight before advancing a budget of this magnitude.

There are several actions available to the Council immediately:

First, the Council should request that the **Office of the County Auditor conduct an independent audit of the Office of Economic Development and related grant programs**, including review of internal controls governing grant approvals, reimbursements, and vendor verification.

Second, the Council should request that the **Board of Ethics review potential conflicts of interest related to grant administration within the Mayor's office and associated departments.**

Third, the Council should consider **placing reporting requirements or conditional release of funds on departments administering grant programs until independent audits confirm that adequate financial controls are in place.**

Fourth, the Council should require **public reporting to the Council regarding any internal investigations, audits, or corrective actions related to the administration of grant funds.**

These are not punitive actions. They are basic responsibilities of a legislative body entrusted with oversight of public spending.

Residents are paying close attention to how this situation is handled. The question many in the community are asking is simple: when credible concerns about financial oversight arise, will their elected representatives act, or will the system continue as it always has?

This Council has both the authority and the responsibility to ensure that taxpayer funds are administered with transparency, discipline, and accountability.

For that reason, I urge the Council not only to reconsider advancing this budget in its current form, but also to initiate the oversight actions described above before approving additional expenditures.

Restoring public confidence in government begins with demonstrating that oversight is real—not optional.

Thank you for the opportunity to testify.

Edward Codelia, Maui Resident