

Draft

COUNCIL ON REVENUES

Total Personal Income Meeting Minutes
Wednesday, October 30, 2024

Virtual Meeting
Meeting was held virtually and video [recorded](#).

Wednesday, October 30, 2024
2:00 p.m.

PRESENT:

Council Members:

Kurt Kawafuchi (Chair), Kristi Maynard (Vice-Chair), Carl Bonham, Scott Hayashi, Regina Ostergaard-Klem, and Mike Hamasu

Staff Members:

Department of Taxation: Deputy Director Kristen Sakamoto, Seth Colby, Baybars Karacaovali, and Roderick Tuliao

CALL TO ORDER:

The Chair called the meeting to order at 2:00 p.m. A quorum was present.

COMMUNICATIONS TO THE COUNCIL AND PUBLIC COMMENT:

Chair Kawafuchi asked if there was any communication to the Council on Revenues (the Council). There were no communications to the Council and no public comment.

APPROVED MINUTES OF THE MEETING OF SEPTEMBER 5, 2024:

Chair Kawafuchi called for a motion to approve the minutes. Ms. Maynard moved to approve the minutes. Mr. Hayashi seconded.

It was moved by Ms. Maynard and seconded by Mr. Hayashi that the minutes of the September 5th meeting be accepted. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi L. Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes

DISCUSSION AND VOTE ON TOTAL PERSONAL INCOME FORECAST FOR CY2024:

Mr. Kawafuchi asked Dr. Bonham to start the discussion for Total Personal Income Forecast for CY2024.

Dr. Colby interjected and suggested that the Council use Table 6 from the booklet as a good reference point which provides the current forecast of 5.0% for CY2024 and 5.0% for CY2025 along with the outputs for all the different models including DBEDT and UHERO forecasts.

Dr. Bonham started the discussion by referencing Table 6 of the Council's September TPI forecast which was 6.4% in the general fund meeting compared to now which shows a TPI forecast of about 5.4% in the Council's model.

Dr. Bonham stated the reason for the lower forecast was entirely because CY2023 started off from a higher base.

Mr. Hayashi asked Dr. Colby if there has been any clarification regarding the Wildfire settlement and whether or not that it would constitute as personal income.

Dr. Colby responded that the Wildfire settlement would be included as personal income to some extent.

Dr. Colby asked Dr. Karacaovali to help with the clarification of the Wildfire settlement.

Dr. Karacaovali stated that the FEMA payments for Trans. Accommodations would be included as part of current transfer receipts.

Ms. Maynard asked the Council if they are comfortable with the current forecast of 5.0%.

Dr. Bonham said that he would feel more comfortable with 5.5%.

Mr. Hayashi moved for 5.5% Total Personal Income growth for CY2024.

Mr. Hamasu seconded 5.5% Total Personal Income growth for CY2024.

Mr. Kawafuchi asked the Council if there was any further discussion of the motion at 5.5%.

There were no further comments or questions.

It was moved by Mr. Hayashi and seconded by Dr. Bonham that the Total Personal Income forecast be 5.5% growth rate for CY2024. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi L. Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes

DISCUSSION AND VOTE FOR ON TOTAL PERSONAL INCOME FORECAST FOR CY2025:

Dr. Bonham moved that the Council adopt the Council on Revenue General Fund meeting forecast from September 2024 of 4.8%.

Mr. Kawafuchi asked Dr. Bonham to briefly explain the slight drop in forecast from 5.0%.

Dr. Bonham said that in real terms the Council's forecast have lowered due to the coming down of inflation forecast in the Councils model from 4.5% in 2024 to high 2.0% which in real terms consist of an increase.

Dr. Bonham stated that the surprise shelter component of the Honolulu CPI coming down two full percentage points since its peak which is a little faster than expected along with energy prices coming down has brought down the forecast for inflation by fifty basis points from what it was just in September.

Mr. Kawafuchi asked the Council if there was any further discussion regarding Dr. Bonham's motion of 4.8% Total Personal Income growth for CY2025.

Ms. Maynard said that she is comfortable with 4.8% growth for Total Personal Income for CY2025.

Ms. Maynard seconded 4.8% Total Personal Income growth rate for CY2025.

It was moved by Dr. Bonham and seconded by Ms. Maynard that the Total Personal Income forecast be 4.8% growth rate for CY2025. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Kristi L. Maynard	Yes
Carl Bonham	Yes
Scott W. Hayashi	Yes
Regina Ostergaard-Klem	Yes
Mike Hamasu	Yes

NEXT MEETING:

The Council tentatively agreed to meet on Wednesday, January 8, 2025, at 2 p.m.

ADJOURNMENT:

The meeting adjourned at 2:34 p.m.