

COUNCIL OF THE COUNTY OF MAUI

BUDGET AND FINANCE COMMITTEE

April 20, 2001

Committee
Report No.

01-72

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on March 13, 2001, March 15, 2001, and March 23, 2001, makes reference to County Communication No. 00-239, from the Community Development Block Grant (CDBG) Coordinator, transmitting the following:

1. Community Development Block Grant Program Fact Sheet, 2001 Program Year; and
2. County of Maui 2001 Consolidated Plan (CDBG) Submission Schedule.

Your Committee notes that County Communication No. 00-239 was referred to the prior Council's Budget Committee at the Council meeting of September 15, 2000.

At its meeting of November 28, 2000, the Budget Committee recommended that County Communication No. 00-239 be referred to the Council Chair for the term beginning January 2, 2001, for a recommendation as to referral or other disposition.

At its meeting of January 12, 2001, the Council referred County Communication No. 00-239 to your Budget and Finance Committee (County Communication No. 01-13).

By memorandum dated February 1, 2001, the Council Chair transmitted a letter dated January 24, 2001, from the CDBG Coordinator, transmitting the following:

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1. Executive Summaries for the 2001 Grant Year (a summary that includes the listing of programs being reviewed for proposed funding);
2. CDBG Budget 2001 Program Year Administrative Account; and
3. Other related information.

By memorandum dated February 1, 2001, the Council Chair transmitted a letter dated January 19, 2001, from Judge Shackley F. Raffetto, Second Circuit Court and Director, Friends of the Maui Drug Court, providing information regarding the Maui Drug Court, and transmitting 21 letters in support of the program.

By memorandum dated February 1, 2001, the Council Chair transmitted a letter dated January 30, 2001, from Judge Shackley F. Raffetto, Second Circuit Court and Director, Friends of the Maui Drug Court, transmitting six letters in support of the Maui Drug Court.

By memorandum dated February 27, 2001, the Council Chair transmitted a letter dated February 26, 2001, from Judge Shackley F. Raffetto, Second Circuit Court and Director, Friends of the Maui Drug Court, transmitting six letters in support of the Maui Drug Court.

By letter dated February 27, 2001, your Committee Chair requested that the CDBG Coordinator provide: (1) one set of the complete grant applications; (2) evaluation criteria and ranking explanation for the projects; (3) a status report of the current CDBG projects; and (4) current amounts of funds available for reallocation to existing programs as a result of unused funds.

By memorandum dated February 28, 2001, the Council Chair transmitted a letter dated February 12, 2001, from Fumio Tsuji, Chairman, Long Range Planning Committee, J. Walter Cameron Center, regarding a request for CDBG funds for the infant and child care center in the amount of \$350,000.

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By memorandum dated March 1, 2001, the Council Chair transmitted a letter dated February 27, 2001, from the CDBG Coordinator, transmitting a proposed resolution entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM".

The purpose of the proposed resolution is as follows:

A. To authorize the Mayor or his representative to execute and file an application on behalf of the County of Maui with the U. S. Department of Housing and Urban Development (HUD) for a grant of \$1,936,000 to aid in the development of the following projects:

1. Aloha House\$ 56,700
Renovation of septic system and facilities
2. Hale Makua..... 100,000
Replacement of emergency generator
3. County of Maui, Department of Public Works340,000
& Waste Management
ADA wheel chair ramps
4. J. Walter Cameron Center200,000
Early childhood day care center construction
5. Maui Drug Court..... 100,000
Expansion of the program to include Molokai
and Lanai
6. Maui Academy of Performing Arts100,000
Renovation of façade of Old National
Dollar Building

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7.	Maui Farms	204,300
	Design, Planning and construction of independent living facility	
8.	Maui County, Department of Fire Control.....	400,000
	Purchase of a fire truck for Puko`o, Molokai	
9.	Paia Training Center	235,000
	Construction of Paia Training Center	
10.	CDBG Program Administration	<u>200,000</u>

TOTAL: \$1,936,000

- B. To authorize the Mayor or his representative to: (1) receive and accept any grant award; (2) execute and file all understandings and assurances contained therein; (3) furnish information as requested by the HUD in connection with the application which is authorized to be filed; (4) accept the grant upon its approval by the HUD; and (5) execute all documents necessary for the acceptance and implementation of any grant award received pursuant to the application filed.

- C. To authorize, since the grant amount may vary, that the grant shall be applicable to the amount or amounts specified in the notification of grant award or similar comparable document, and that such amounts may be expended if appropriated under the terms of the budget ordinance or any amendment made to the budget ordinance.

By memorandum dated March 1, 2001, the Council Chair transmitted a letter received on February 23, 2001 and attachment from Patrick Tahl, opposing funding for the proposed Maui Youth and Family Services (MYFS) facility, and requesting a complete certified audit of MYFS records.

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By memorandum dated March 5, 2001, the Council Chair transmitted a letter dated March 3, 2001, from Brian and Shannon Ward opposing the construction of the MYFS facility on Omaopio Road, Kula.

By letter dated March 5, 2001, the CDBG Coordinator provided copies of the complete applications submitted by the 17 proposers for the 2001 CDBG grant year.

By letters dated March 5, 2001, your Committee Chair transmitted a copy of the proposed resolution regarding CDBG funding to the CDBG Program Year 2001 proposers, and requested their attendance at the March 13, 2001 Budget and Finance Committee meeting to present a brief project overview and to be available for questions.

By memorandum dated March 7, 2001, the Council Chair transmitted a letter dated March 1, 2001, from Beverly Pauole-Moore, Chairperson and Charlene M. Aquino, Treasurer, Molokai Main Street Association, requesting assistance in securing \$150,000 for the Wailuku Main Street Association, Inc./Tri-Isle Main Street Resource Center (WMSA/Tri-Isle RC).

By memorandum dated March 8, 2001, your Committee Chair transmitted a facsimile letter dated March 1, 2001, from Paul Janes-Brown, Development Director, MYFS to the CDBG Coordinator, requesting not to be included for CDBG funding.

By letter dated March 8, 2001, the CDBG Coordinator provided the following:

1. An evaluation criteria and ranking selection system used on proposed CDBG activities;
2. A summary status report for all open CDBG activities; and
3. A listing of uncommitted funds that may be available for reprogramming to existing activities.

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By memorandum dated March 9, 2001, your Committee Chair transmitted an electronic mail dated March 8, 2001, from Elliott Krash, President, Kula Community Association (KCA), transmitting written testimony from the KCA opposing the MYFS Omaopio Road facility and program.

By letter received on March 12, 2001, Madelyn D'Enbeau, Chair, Makawao Main Street Association, requested continued support of the WMSA/Tri-Isle RC.

By memorandum dated March 12, 2001, the Council Chair transmitted the following: (1) a letter dated March 7, 2001, from William Kennison, Business Agent/PAC Chair, ILWU Local 142, Maui Division, requesting dedicated funding support of \$150,000 for the WMSA/Tri-Isle RC; and (2) a facsimile letter dated March 12, 2001, from Don Hibbard requesting continued funding level of \$150,000 for the WMSA/Tri-Isle RC.

By memorandum dated March 12, 2001, the Council Chair transmitted a facsimile letter dated March 12, 2001, from Wat and Joyce Mukai opposing the MYFS facility on Omaopio Road.

By memorandum dated March 12, 2001, your Committee Chair transmitted a letter dated March 8, 2001, from Brian McCafferty, Interim Project Director, Paia Community Learning Center, providing information on the project and requesting support for CDBG funding.

By letter dated March 12, 2001, the CDBG Coordinator transmitted the following:

1. A draft copy of the CDBG Annual Community Assessment Report that was prepared by HUD; and
2. A copy of the 1999-2000 Consolidated Annual Performance and Evaluation Report (CAPER) which is referenced in HUD's assessment report.

At its meeting of March 13, 2001, your Committee met with the Budget Director, the CDBG Coordinator, and a Deputy Corporation Counsel.

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Your Committee received the following documents:

1. A pamphlet from Frank Freda, CEO, The ARC of Maui, regarding the organization;
2. Written testimony dated March 21, 2001, from Tony Krieg, CEO, Hale Makua;
3. Written testimony dated March 12, 2001, from Fumio Tsuji, D.D.S., Chairman, Long Range Planning Committee, J. Walter Cameron Center;
4. Written testimony dated March 13, 2001 and attachments, from Barry Gay, CEO, MEO Business Development Corporation;
5. Written testimony dated March 13, 2001 and pamphlet from Bettye S. Williams, Executive Director, Maui Family Support Services, Inc.; and
6. Written information regarding program statistics on the Maui Drug Court, from Judge Shackley F. Raffetto and Friends of the Maui Drug Court.

Your Committee received testimony from 17 individuals in support of their programs and requests for CDBG funding.

Thirteen individuals spoke in support of the Maui Drug Court. Of the 13 individuals, ten were clients of the Maui Drug Court program who testified about how drugs had affected their lives and how important the program is to their success in overcoming the effect of drugs on their own lives, their families, and the community. Three volunteers of the program provided additional support for the request.

Two individuals spoke in support of the Tri-Isle Resource Conservation and Development Council, Inc. and its request for Miconia eradication. One individual spoke in support of the WMSA/Tri-Isle RC and its request for small

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town funding. One person spoke in support of the firefighters and the request for equipment at Puko`o, Molokai.

Your Committee received written testimony from the following applicants: (1) Judge Shackley F. Raffetto expressed support for the Maui Drug Court; (2) Jud Cunningham expressed support for the Aloha House expansion and modification project; and (3) Frank Freda expressed support for The ARC of Maui Work Activity Center for severely disabled.

The CDBG Coordinator informed your Committee that three grant applications had been withdrawn from consideration under the CDBG program. They are as follows: (1) The Maui Farms request for \$204,300 for expansion of The Maui Farms Phase III; (2) MYFS request for \$350,000 for the MYFS Omaopio Residential Facility; and (3) Maui County Police Department request for \$24,100 for the Child Safety Seat Project.

The CDBG Coordinator informed your Committee that the Administration was recommending that the \$204,300 previously recommended for The Maui Farms project be redirected to the J. Walter Cameron Center for the Infant & Child Care Facility (\$150,000 for a new total of \$350,000) and to the Maui Academy of Performing Arts (MAPA) for facility renovation (\$54,300 for a new total of \$154,300). Since the applications for the MYFS Omaopio Residential Facility and the Child Safety Seat Project were not recommended by the Administration, these funds were not requested to be redirected.

Your Committee recessed its meeting to March 15, 2001.

By letter dated March 13, 2001, Dr. Larry Schlesinger, M.D., President, Friends of the Maui Drug Court, requested an additional \$100,000 to serve another 40 clients in the program (\$200,000 total request).

By memorandum dated March 13, 2001, the Council Chair transmitted a letter dated March 12, 2001, from Norma Barroga, School Renewal Specialist, State Department of Education, in support of the Paia Community Learning Center.

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By letter dated March 14, 2001, Lillian Koller Schmidt, Esq., Coordinator of the Maui Drug Court Program, provided additional information regarding the capacity to accommodate more clients per year.

By letter dated March 14, 2001, Frank Freda, CEO, The ARC of Maui, provided additional material to support their request for CDBG funds.

At its reconvened meeting of March 15, 2001, your Committee met with the Budget Director, the CDBG Coordinator, the Fire Chief, the Director of Public Works and Waste Management, and a Deputy Corporation Counsel.

Your Committee received the following documents:

1. Written testimony, dated March 13, 2001, from Audrey Rocha Reed, Executive Vice President, J. Walter Cameron Center; and
2. "Maui County Grant Request - Fiscal Year 2002" for the WMSA/Tri-Isle RC, and related information submitted by Jocelyn Perreira, Executive Director, WMSA/Tri-Isle RC.

Your Committee received written testimony from the following applicants: (1) Audrey Rocha Reed expressed support for the J. Walter Cameron Center Infant and Child Care Facility; (2) Tony Krieg expressed support for the Hale Makua replacement generator; (3) Francie von Tempsky expressed support for the Maui Academy of Performing Arts renovation of the Old National Dollar Store; (4) Bettye Williams and Edy Salenger expressed support for the Maui Family Support Services, Inc. Early Childhood Service Center; (5) Barry Gay expressed support for the MEO Business Development Corporation Microenterprise Program; (6) Brian McCafferty expressed support for the Paia Community Learning Center; and (7) Jocelyn A. Perreira expressed support for the WMSA/Tri-Isle RC and its program for Revitalization of Wailuku and Other Maui County Small Towns.

In addition, your Committee received overviews from the Department of Public Works and Waste Management regarding the request for ADA Accessibility, and from the Fire Chief regarding the request for a fire apparatus for the Puko'o, Molokai station.

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The Director of Public Works and Waste Management informed your Committee that the request for ADA wheel chair ramps is for the second year of a seven-year program to correct 459 intersections for ADA compliance. This requirement is related to a consent decree signed with the United States Department of Justice. In addition, the Director stated that it appears that there will be some funds available from the United States Department of Transportation TEA 21 Program. This will assist in complying with the consent decree, which has been estimated to cost five and one-half million dollars over seven years. Your Committee was informed that the bids for this past year came in higher than estimated and that County funds are required on a one-to-four match to the Federal TEA 21 funds.

The Fire Chief informed your Committee that the Department's request is to replace a 1985 fire pumper. The condition of this apparatus is poor due to the years of wear since no garage was available for protection. The Fire Chief further informed your Committee that an enclosure is currently being constructed. In addition, he stated that the replacement of this equipment is in accordance with the national standards for equipment replacement.

The CDBG Coordinator clarified that this equipment meets the CDBG qualifications since the island of Molokai was designated, based on the 1990 census, as an area where 51 percent of the families are of low to moderate income.

Your Committee received testimony from five individuals in support of their programs and requests for CDBG funding. The testifiers spoke in support of the Maui Drug Court, the J. Walter Cameron Center, the WMSA/Tri-Isle RC, and the Paia Community Learning Center. In addition, the Prosecuting Attorney provided support for the Maui Drug Court.

Your Committee deferred the matter pending further discussion.

By memorandum dated March 19, 2001, the Council Chair transmitted a letter dated March 12, 2001, from Mercer K. "Chubby" Vicens, Chairperson, Paia Main Street Association, informing that the Paia Main Street Association and its

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Board members are in total support of funding \$150,000 for the WMSA/Tri-Isle RC.

By memorandum dated March 22, 2001, Councilmember Tavares transmitted a letter dated March 22, 2001, from Barry Gay, CEO, MEO Business Development Corporation, including a report listing the loans awarded since the Microenterprise program was implemented and the jobs created from the loans.

By letter dated March 23, 2001, the CDBG Coordinator transmitted a revised proposed CDBG Program Administrative Budget. The revision reflects the actual salaries with an itemized salary adjustment, a redistribution of other current expenditures, and a recalculation of indirect costs. However, the total for administrative expenses remains unchanged.

At its meeting of March 23, 2001, your Committee met with the Budget Director, the CDBG Coordinator, the Mayor, and a Deputy Corporation Counsel.

Your Committee received testimony from eight individuals in support of programs and requests for CDBG funding. The programs supported included the J. Walter Cameron Center, the MEO Microenterprise Program (six individuals), and the WMSA/Tri-Isle RC.

The CDBG Coordinator informed your Committee that pursuant to Federal requirements, there are certain limitations to the County's allocation for CDBG funds that must be considered when reviewing the individual projects. Twenty percent or less of the County's allocation for this year (\$387,200) can be used for administrative projects. In addition, a maximum of 15 percent of the CDBG funds (\$290,400) may be used for public service activities.

Your Committee deliberated on the allocation of funding for the various projects.

Your Committee recommended that the WMSA/Tri-Isle RC for the Revitalization of Wailuku and Other Maui County Small Towns project be funded in the amount of \$100,000 in addition to those projects recommended by the CDBG staff and the Office of the Mayor.

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After extensive discussion, your Committee voted not to recommend CDBG funding for the Miconia Eradication Project. Your Committee recognized the importance of this project for the protection of our watershed and requested that a letter be sent to the Department of Water Supply requesting what funding source has been committed by the Department to the Miconia Eradication Project for FY 2002. In addition, your Committee noted that there are opportunities to fund this project elsewhere in the Mayor's Proposed Budget.

The CDBG Coordinator informed your Committee that the recent change from MEO to MEO Business Development Corporation for the Microenterprise Program is considered a name change and will not jeopardize the current CDBG grant.

Your Committee voted to recommend adoption of the revised proposed resolution and filing of the communication.

Your Committee is in receipt of a revised proposed resolution entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM". The purpose of the proposed resolution is to recommend funding of the following projects in the amounts noted:

1. Aloha House\$ 60,000
Renovation of septic system and facilities
2. Hale Makua 100,000
Replacement of emergency generator
3. County of Maui, Department of Public Works340,000
& Waste Management
ADA wheel chair ramps
4. J. Walter Cameron Center251,000
Construction of early childhood day care center

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5.	Friends of the Maui Drug Court.....	100,000
	Expansion of the Maui Drug Court Program	
6.	Maui Academy of Performing Arts	150,000
	Renovation of façade of Old National Dollar Building	
7.	Maui County, Department of Fire Control	400,000
	Purchase of a fire truck for Puko`o, Molokai	
8.	Community Work Day Program	235,000
	Construction of Paia Learning Center	
9.	Wailuku Main Street Association/	100,000
	Tri-Isle Main Street Resource Center Revitalization of Wailuku and Other Maui County Small Towns	
10.	CDBG Program Administration	<u>200,000</u>
	TOTAL:	\$1,936,000

Your Budget and Finance Committee RECOMMENDS the following:

1. That Resolution No. _____, as revised herein and attached hereto, entitled "AUTHORIZING THE FILING OF AN APPLICATION WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, UNITED STATES OF AMERICA, FOR A GRANT UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM" be ADOPTED; and
2. That County Communication No. 00-239 be FILED.

Adoption of this report is respectfully requested.

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G. RIKI HOKAMA Chair

PATRICK S. KAWANO Member

ALAN M. ARAKAWA Member

MICHAEL J. MOLINA Member

ROBERT CARROLL Member

WAYNE K. NISHIKI Member

JO ANNE JOHNSON Member

CHARMAINE TAVARES Member

DAIN P. KANE Member