

# **DRAFT**

## **BUDGET AND FINANCE COMMITTEE**

**Council of the County of Maui**

### **MINUTES**

**February 17, 2009**

**Council Chamber, 8<sup>th</sup> floor**

**CONVENE:** 1:33 p.m.

**PRESENT:** Councilmember Joseph Pontanilla, Chair  
Councilmember Danny A. Mateo, Vice-Chair  
Councilmember Gladys C. Baisa, Member  
Councilmember Jo Anne Johnson, Member (in 1:47 p.m.)  
Councilmember Sol P. Kaho'ohalahala, Member (in 1:44 p.m.)  
Councilmember Bill Kauakea Medeiros, Member  
Councilmember Michael J. Molina, Member (in 1:34 p.m.)  
Councilmember Wayne K. Nishiki, Member (out 3:30 p.m.)  
Councilmember Michael P. Victorino, Member

**STAFF:** Gayle Revels, Legislative Analyst  
Yvette Bouthillier, Committee Secretary

Jock Yamaguchi, Executive Assistant to Councilmember Nishiki

**ADMIN.:** Frederick Pablo, Budget Director, Office of the Mayor  
Jo-Anne Inamasu, Deputy Coordinator, Office of Economic Development, Office of the Mayor (BF-20)  
Cheryl K. Okuma, Director, Department of Environmental Management (BF-18)  
David Taylor, Chief, Wastewater Reclamation Division, Department of Environmental Management (BF-18)  
Lori Tshako, Director, Department of Housing and Human Concerns (BF-99 and BF-19)  
Deborah Arendale, Office on Aging, Department of Housing and Human Concerns (BF-19)  
Tamara Horcajo, Director, Department of Parks and Recreation (BF-21)  
Patrick Matsui, Chief of Planning and Development, Department of Parks and Recreation (BF-21)  
Adrienne N. Heely, Deputy Corporation Counsel, Department of the Corporation Counsel

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Seated in the audience:

Brian T. Moto, Corporation Counsel, Department of the Corporation Counsel

**OTHERS:   Item 99:**       Sherri K. Dodson, Executive Director, Habitat for Humanity Maui  
Others (1)

**PRESS:**       Akaku: Maui Community Television, Inc.

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CHAIR PONTANILLA: . . .(*gavel*). . . Good afternoon, Members. The Budget and Finance Committee meeting is now in session. Today is February 17, 2009, and the time is 1:33 p.m. The Chairman would like, at this time, to introduce the Members, Committee Members that are here this afternoon. We do have Committee Member Baisa, Medeiros, Nishiki, our Council Chairman Mateo, as well as Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR PONTANILLA: Excused at this time are Members Molina, Johnson, and Sol Kaho'ohalahalahala [*sic*]. Long name.

VICE-CHAIR MATEO: One hala too many.

CHAIR PONTANILLA: Representing the Administration this afternoon we do have Fred Pablo, the Budget Director, Lori Tsuhako who is the Director of Housing and Human Services, and representing Corporation Counsel your name, ma'am? Adrienne Heely. Supporting the Committee this afternoon are Ms. Gayle Revels, who is our Legislative Analyst as well as Yvette Bouthillier, our Committee Secretary. Joining us at this time is our Council Vice-Chairman, Member Molina.

Members, there's no one signed up for public testimony at this time. If there's no objections the Chair will close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

**ITEM NO. 99:   AFFORDABLE HOUSING FUND PROGRAM FISCAL  
YEAR 2009 ANNUAL PLAN (C.C. No. 08-68)**

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**CHAIR PONTANILLA:** We do have several agenda items for this afternoon, and the Chair would like to take up the first one. The first agenda item this afternoon is BF-99, Affordable Housing Fund Program Fiscal Year 2009 Annual Plan. The Committee is in receipt of a proposed bill and a proposed resolution for the, for the 901 Lower Main Street project, Habitat for Humanity, Habitat for Humanity Maui for \$1 million. Members, the agency will be submitting a 201H application for a Change in Zoning at a later date. I, I believe it's going to be in the summer. The action of the Committee today will authorize the \$1 million from the Affordable Housing Fund to be allocated for the project.

Members, as you know, at the last meeting that we had, the Chair was going to bring this up on the March 3<sup>rd</sup> meeting, but looking at and discussing it with the Housing and Human Services Director, the Chairman, this afternoon, has brought it forward for your action. At the last meeting, we had a lot of discussion in regards to this project by Habitat for Humanity to provide affordable housing for our people here in Maui County. So at this time, the Chairman would like to call on the Budget Director and the Director of Housing and Human Services to provide some brief comments if you do have. Directors? We'll go with Mr. Pablo first.

**MR. PABLO:** Thank you, Chair, and good afternoon, Members. I think last week when we discussed the Affordable Housing Fund Members had asked for a balance, and I've done a little computing on it. And prior, I mean before we reconsider the Habitat for Humanity Maui the balance in the Affordable Housing Fund is at \$7,410,035. Thank you.

**CHAIR PONTANILLA:** Thank you. Ms. Tshako?

**MS. TSUHAKO:** Excuse me. Good afternoon, Mr. Chair, Members. Thank you for having us back today. The Department continues to support the allocation of this funding for Habitat for Humanity. As the Chair mentioned, the agency is going in for a 201H, and I think there was some discussion previously about giving the, granting the agency the money and perhaps the Council, this body, not approving the 201H as it comes forward towards the summer.

Ms. Dodson has indicated to the Department that she is committed to building these units regardless of whether the commercial property, as she suggested, be built on the first floor is going to be approved or not. So the

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40 units will be built whether or not the 201H is granted by this body. So she's very committed to this project as, as is the Department. We would ask for your consideration.

CHAIR PONTANILLA: Thank you. Members, any questions for either the Budget Director or the Director from Housing and Human Services at this time? Member Nishiki?

COUNCILMEMBER NISHIKI: Yeah, Fred, it is nice that you can give us a balance of the fund that you're speaking to, but my question is what are the other projects and amounts that has been spent from this fund?

MR. PABLO: Okay.

COUNCILMEMBER NISHIKI: Now, when I'm talking about this Affordable Housing Fund, does this include workforce housing? Because I think a lot of Members or maybe just me, myself, want to know if there is any kind of merging of workforce housing and the Affordable Housing Fund that the Charter mandates.

CHAIR PONTANILLA: Mr. Pablo or Director?

MR. PABLO: Let me get to the first question. You had asked which projects have thus far been, been considered on this fund, and I can go ahead and list them for you. And then regarding the second question whether on the workforce housing, I'll let Lori Tshako provide some information on that.

Excuse me. There's several provisos presently to set aside funds under the Affordable Housing Fund and the first one is for \$50,000 and that was for the Hana affordable housing study. The second one that this Budget Finance Committee considered was the Hale Mahaolu Ehiku project and that was for \$5,870,100. And a little while ago this Committee considered the Waiehu Mauka Rental Housing project. This was in coordination with Lokahi Pacific and that amount there was for 1,216,152. And presently under consideration is the Lower Main Street project being coordinated through the Habitat for Humanity Maui for \$1 million.

CHAIR PONTANILLA: Thank you. Mr. Nishiki?

COUNCILMEMBER NISHIKI: The reason why I ask this question, Mr. Chairman, is I think that Councilman Molina, at our last meeting, had

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asked Lori about looking at possible projects that were going to be built for people like policemen, teachers, the gamut. And I was curious, either/or can answer that question, about how this policy decision is made. And, and the reason why I'm concerned is this. We here in the Council am faced with individual projects, Mr. Chairman, coming in one by one. And, and, and then we look at them and make a decision on it. We do not have control over policy as to perhaps looking at a project that may be developed for a higher income group.

And so, my only question now, with this concern, is to ask Administration because they seem to be making the decision. We only review and either accept or reject. How do they consider, when they look at a fund that we have created, through the Charter and also through workforce housing, how do you make your policy decision on a, on a given project?

CHAIR PONTANILLA: Thank you, Mr. Nishiki. Before I call on Ms. Tsuhako, I think at the last meeting Ms. Tsuhako had provided us with some information in regards to the issue that you bring out this afternoon, and I think at the time when we created this fund, and last year actually was the first time we ever had allocated monies to any organization. And because of the number of applicants looking for funding from the affordable housing funding funds, the only ones that came up were, were non-profit organizations. But at this time, I would like to have Ms. Tsuhako provide you with some information.

COUNCILMEMBER NISHIKI: And, Mr. Chairman, I want to qualify, Lori, it may not be, have been during your tenure that you've since taken over. It could have been a previous director but, and maybe you may not be able to speak for her, but I'd like you to speak for yourself and what the policy is.

CHAIR PONTANILLA: Ms. Tsuhako?

MS. TSUHAKO: Thank you, Mr. Nishiki. The, as, as the Chair explained the Affordable Housing Fund was established by this body, and the Department, last year, offered to the community a request for proposals to non-profits as well as for profit agencies to build affordable housing. So the request for proposals had, in its body, in the criteria, a provision of housing, affordable housing for anywhere from 120 percent of the median income down to lower than that.

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The proposals that the Department received, I think last year, we received seven requests, were screened by a committee. The proposals were judged and the balances, the balance of the need was determined. Four agencies were selected for, for potential funding through this source. The first agency that came before this body...well, first of all, the, the Affordable Housing Plan was submitted to Council, I think, in February of last year. It wasn't until later in the summer that the, the Council considered it. And, and after, I think, the first hearing, Chair Pontanilla as well as the Department concurred that we should look at each of the projects that were proposed, each of the four projects that were proposed for funding to be evaluated separately rather than having a long, drawn-out hearing where all four of the proposals might be condensed or confused. So each of the applicants was reviewed separately.

Family Life Center was the first proposal that was reviewed by this body because that project proposed to purchase units. And so, it was the, we hope, the quickest to be reviewed and the quickest provision of housing, the most expedient way to provide housing. After some consultation with the owners at Harbor Lights, the proposed grantee decided to withdraw their request for funding. The next proposal that was taken up was Lokahi's. And as Mr. Pablo indicated the Waiehu Mauka project was approved by this body with, with provisos. And this Habitat for Humanity project that's before us today is the third project out of that initial Affordable Housing Fund Plan to be considered by, by the Council.

So in essence the Department created a description of what we wanted in terms of affordable housing and the, the fund was, was advertised, the availability of funding was advertised to entities in the community. Seven entities applied, four were recommended for funding. This year the same process occurred. There was an RFP and this year we had 13 applicants, and we haven't gone through all of those applications yet or made a determination of what the Department's recommendation will be.

**COUNCILMEMBER NISHIKI:** Okay, and, and this is important, Mr. Chairman. I don't know if Administration did submit to the Council all of the applicants, and I don't know if that process has gone through yet. However, I would like to know, personally, who consists of this committee that you people have so chose to make decisions, and was the Council aware of this committee being formed?

**MS. TSUHAKO:** Yes.

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COUNCILMEMBER NISHIKI: You know, you mentioned about the selection committee.

MS. TSUHAKO: Yes.

COUNCILMEMBER NISHIKI: Who are they?

MS. TSUHAKO: Mr. Nishiki, it was actually a committee to review the proposals. So that committee read all seven of the proposals last year and scored them according to a criteria that was, that was determined based on readiness, based on number of units. There, there was a variety of specifications. I, I don't believe that the committee, the committee members were discussed or received any approval from this body, because it was an administrative tool to help the Department determine the validity of the proposals as well as the, you know, the ratio of housing, units provided and things of that nature. So, no, it, it was not something that was approved by this body.

COUNCILMEMBER NISHIKI: Yeah, and, and, and, Lori, the Chairman is asking for transparency amongst our Council Members and hopefully this will carry through to the Administration. And so my question is, who were these members --

MS. TSUHAKO: Uh-huh.

COUNCILMEMBER NISHIKI: --if you would share with us, and is this committee still ongoing, and will they continue to make these decisions? We'd like to know the process. . .(inaudible). . .

MS. TSUHAKO: The, the members of the committee last, to review the last round of proposals I believe were Mr. Herman Andaya who's the former deputy director of our department; Jo-Ann Ridao who was then a executive assistant for the Mayor, she was our housing commissioner at the time; our Grants Management Administrator Rudy Esquer was also on that committee; and, Mr. Wade Oshiro who has since been named the Housing Administrator. He was a home program coordinator at the time. The last person who was on that committee was Lee Stein who is a professor at MCC and who's a former executive director of one of our local non-profits.

COUNCILMEMBER NISHIKI: And is this the same group that now continues to review projects and make, make basically the selection?

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MS. TSUHAKO: No, Mr. Nishiki, they do not make the selection. They, they review the, they review the proposals, and they can make a recommendation, but they do not choose the, the projects that are selected. That is an administrative task that our Department handles. So, it, it's not the committee that makes the decision. They help the committee by reviewing the proposals and everybody who was on that committee last year has different expertise, which they lent to the discussion. The Department has not convened a new committee to help us with that process for this year. We've, we've talked to one member of the previous committee who has graciously agreed to help us again this year, but we haven't formed the entire committee, at this point in time, for the 2010 review.

COUNCILMEMBER NISHIKI: Okay. I'll let other people ask questions. I got more.

CHAIR PONTANILLA: Thank you. The Chair would like to recognize Member Johnson as well as Member Kaho'ohalahala being present this afternoon. Members, any more questions for the Department at this time?

COUNCILMEMBER MEDEIROS: Chair?

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. And just following up on the questions just asked. It says the four that were selected or that met the criteria. So you're, you're saying, Director, that the four projects that was what your Department decided to recommend?

MS. TSUHAKO: Yes.

COUNCILMEMBER MEDEIROS: Okay. Mahalo, Director. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Nishiki, any more questions?

COUNCILMEMBER NISHIKI: Yes. Just a concern from a private citizen. Do non-profits in how you, how this Administration weighs choosing a project carry a lot more weight than a private developer perhaps?

MS. TSUHAKO: No, I don't believe they do, Mr. Nishiki.

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COUNCILMEMBER NISHIKI: Okay, and will you share with this Committee the 13 people that have pursued now requesting for proposals?

MS. TSUHAKO: I can share that in a communication.

COUNCILMEMBER NISHIKI: Yeah.

MS. TSUHAKO: I don't have the list with me right now. I'd be happy to.

COUNCILMEMBER NISHIKI: Okay. Thank you. I'm done.

CHAIR PONTANILLA: Thank you. Members, any more questions for either the Budget Director or the Housing and Human Services Director at this time? Seeing none, the Chair...

COUNCILMEMBER MEDEIROS: Chair? Chair, just one more question.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you. For the Budget Director. You were giving us a list of the previous and current funding projects, and you did mention the Hale Mahaolu. Can, can I get from you which number project that was?

CHAIR PONTANILLA: Budget Director, please?

COUNCILMEMBER MEDEIROS: And I believe...

MR. PABLO: Member Medeiros, the Hale Mahaolu Ehiku project is known as number two on the list of provisos.

COUNCILMEMBER MEDEIROS: Okay, and that's the Ehiku?

MR. PABLO: That's correct.

COUNCILMEMBER MEDEIROS: Okay, and that was for \$5,870,100?

MR. PABLO: One hundred dollars, that's correct.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Director. Mahalo, Mr. Chairman.

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CHAIR PONTANILLA: Thank you. Members, any more questions? If not, the Chair would like to make his recommendation.

UNIDENTIFIED COUNCILMEMBER: Recommendation.

COUNCILMEMBER MEDEIROS: Recommendation.

CHAIR PONTANILLA: Thank you. The Chair's recommendation is to pass, on first reading, "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2009, AFFORDABLE HOUSING FUND, 901 LOWER MAIN STREET PROJECT - HABITAT FOR HUMANITY MAUI".

COUNCILMEMBER VICTORINO: So moved.

COUNCILMEMBER MOLINA: Second.

CHAIR PONTANILLA: Moved by Member Victorino, second by Member Molina. Members, any more discussion? Member Nishiki?

COUNCILMEMBER NISHIKI: Yeah, I'm going to be voting for this; however, I am concerned, Mr. Chairman, about this process that we are now discussing. And it is only when the Administration has selected that those projects come through. I would hope that Administration would come before this Council to discuss all 13 projects so that perhaps we can have some input. But I'd like to ask those of you that sat on this Council prior to me taking office whether or not what and how the Administration is now handling this is what you were told would happen? And, and only because I've heard from the private sector, from people that may be interested that, as I said, they'd like to see more transparency and not have projects come through only what perhaps the screening committee has approved.

CHAIR PONTANILLA: Thank you, Mr. Nishiki. I'd just like to point out that last year when the Department came to Council the seven applicants were named at the Council meeting, but going forward I'm hoping that the Department would share with us, prior to any of our meetings, Committee meetings or Council meetings, in regards to who applied. And, you know, if we're going to be working together, hopefully, you know, the

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Department will meet each Council Member to provide information or if you have any question that would be a good time to answer those questions. So thank you, Mr. Nishiki. Members, any more discussion? Member Johnson?

**COUNCILMEMBER JOHNSON:** I would like to thank the Administration because I know that when we had the hearing the first time there were concerns expressed about one of the projects that had been designated, the rental project. And because of the concerns expressed by the neighbors that project was actually withdrawn. So I think there is a responsiveness both on the part of the Council, but also on the part of the Administration, and also the applicants, because if we don't work together and listen to one another, then these projects won't be successful and the people living in them will inherit many of the problems that we have not resolved at the Council level.

So I just want to, you know, maybe approach it from a little bit different perspective. And you could do it by lottery I guess, Mr. Chair. You could do it by other means. You could do it by requests for a proposal. But I think none of us totally could anticipate some of the criticism that came, particularly from that one project, because from everything I could understand that was a project that was widely supported and particularly rental, and then all of a sudden out of left field who would have thought that it would have such problems. So, anyway, we just do the best we can, and I want to thank the Administration and for the other Members too. Even sometimes when we make decisions they're not always without problems. Thank you.

**CHAIR PONTANILLA:** Thank you, Member Johnson. Members, any more discussion at this time? Member Medeiros.

**COUNCILMEMBER MEDEIROS:** Mahalo, Mr. Chairman. Either Budget Director or Director of Housing and Human Concerns. I just need little bit more further clarification because the final four projects didn't include the Hale Mahaolu Ehiku, and yet we're told that it was funded. Can, can you explain that to me please?

**MS. TSUHAKO:** Thank you.

**CHAIR PONTANILLA:** Maybe the Housing and Human Services Director can provide you that information.

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COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

MS. TSUHAKO: Thank you, Member Medeiros. The...you're correct. Hale Mahaolu Ehiku was not one of the four projects that was initially identified by the Department as a proposed grantee of this fund. However, subsequent to the submission of the affordable housing plan Mr. Dowling's project was approved and his in lieu contribution was earmarked for that Hale Mahaolu Ehiku project, excuse me, in Kihei. And that's the, and that was, was required to go through this fund and that's the reason that that project is identified as a grantee. It was not part of the Department's initial submission in our Fiscal Year '09 Plan.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that clarification. So the Dowling Company directed their I believe it was five million --

MS. TSUHAKO: Yes.

COUNCILMEMBER MEDEIROS: --to that fund and from that fund it, it funded that particular project?

MS. TSUHAKO: That's correct.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that clarification. Mahalo, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members, any more discussion? Member Nishiki?

COUNCILMEMBER NISHIKI: Yeah, I want to ask a question about this Dowling project, if I may? Someone that can give money into a fund can now move into a position where the County funds it?

CHAIR PONTANILLA: Director?

COUNCILMEMBER NISHIKI: The reason why I say this is because anyone that donates money can make a determination on who they wish that money to go to?

CHAIR PONTANILLA: Director?

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MS. TSUHAKO: If I understand your question correctly, Mr. Nishiki, you're saying, you're, you're asking if the Department supported that in lieu fee being contributed to Hale Mahaolu Ekolu [*sic*], Ehiku, excuse me?

COUNCILMEMBER NISHIKI: Yeah.

MS. TSUHAKO: We did.

COUNCILMEMBER NISHIKI: Okay, and, and, and the question will be I guess addressed in the Council when we take up workforce housing. Do we, as a policy, we've got workforce housing that I can see is for working people, okay. Workforce housing I thought that whole policy, that whole philosophy was towards working people. Now, I think that Mr. Dowling's donation was to workforce housing; wasn't it?

MS. TSUHAKO: I'm not sure I understand your question.

CHAIR PONTANILLA: Mr...

COUNCILMEMBER NISHIKI: Okay. Was that money that was...

CHAIR PONTANILLA: Mr. Nishiki, before you go further. Right now the agenda item is Habitat for Humanity and maybe we can bring it up when you bring up your workforce housing policy in regards to in lieu fees, and I think that's where it lies.

COUNCILMEMBER NISHIKI: Yeah, and, and you're right, Mr. Chairman, but I think that this is where this policy that we set, if we set it, whether it be workforce housing or affordable housing projects, and right now I think that they're mixing it all together in, in the monies that...and, and correct me, if I'm wrong, Mr. Pablo. Are you mixing it together, homogenizing it?

CHAIR PONTANILLA: Mr. Pablo?

MR. PABLO: Not at all. These funds are kept separate --

COUNCILMEMBER NISHIKI: Okay.

MR. PABLO: --and it depended on this particular case the, the donor had requested it.

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COUNCILMEMBER NISHIKI: Okay.

CHAIR PONTANILLA: Okay? Thank you. Members, any more questions for both Directors? Seeing none, the Chair would like to call for the question. All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any opposed? Seeing none, the motion is carried; nine ayes, zero nays. Motion is carried.

<b>VOTE:</b>	<b>AYES:</b>	<b>Councilmember Baisa, Johnson, Kaho'ohalahala, Medeiros, Molina, Nishiki, Victorino, Vice-Chair Mateo, and Chair Pontanilla.</b>
	<b>NOES:</b>	<b>None.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>None.</b>

**MOTION CARRIED.**

**ACTION: FIRST READING of revised proposed bill.**

CHAIR PONTANILLA: Members, I'd like to request that you give me permission to make non-substantive changes to the bill to incorporate any pending legislations.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. And the second part of this agenda item, the Chair is recommending that we pass the resolution entitled "APPROVING THE HABITAT FOR HUMANITY MAUI, 901 LOWER MAIN STREET PROJECT, PURSUANT TO SECTION 3.35.100(A), MAUI COUNTY CODE, PERTAINING TO THE AFFORDABLE HOUSING FUND".

COUNCILMEMBER VICTORINO: So moved.

VICE-CHAIR MATEO: Second.

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COUNCILMEMBER MOLINA: Second.

CHAIR PONTANILLA: Moved by Member Victorino, second by Member Mateo. Members, any more discussion? Member Nishiki.

COUNCILMEMBER NISHIKI: Yeah, and, and, and I like it only because of when this was described by Mrs. Dodson about sweat equity. I think that she mentioned how this is a lot different from somebody just applying and, and, and given a housing, are those that apply have to go actually in there and work on their future home and for this I applaud you, Sheri, for this type of qualification . . .(end of tape 1A). . .

CHAIR PONTANILLA: . . .Nishiki. Members, any more discussion? If not, the Chair will call for the question. All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any nays? Motion is carried. Nine ayes, zero nays, uh. . . motion is carried.

<b>VOTE:</b>	<b>AYES:</b>	<b>Councilmember Baisa, Johnson, Kaho‘ohalahala, Medeiros, Molina, Nishiki, Victorino, Vice-Chair Mateo, and Chair Pontanilla.</b>
	<b>NOES:</b>	<b>None.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>None.</b>

**MOTION CARRIED.**

**ACTION: ADOPTION of proposed resolution.**

CHAIR PONTANILLA: Thank you, Members, for that particular agenda item. Thank you, Lori, for being here this afternoon.

**ITEM NO. 18: FY 2009 BUDGET AMENDMENT (DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WASTEWATER**

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**RECLAMATION FACILITIES PROGRAM - SEWER  
FUND) (C.C. No. 09-40)**

**CHAIR PONTANILLA:** At this time the Chair would go onto the next agenda item. The next agenda item is BF-18, Fiscal Year 2009 Budget amendment, Department of Environmental Management, Wastewater Reclamation Facilities Program, Sewer Fund.

This Committee's in receipt of a proposed bill to amend the Fiscal Year 2009 Budget by \$1,992,000 to cover the increased cost of electricity and the sludge disposal. A certification of additional revenue from the Wastewater Fund dated January 30, 2009, has also been submitted to the Committee. At this time, the Chair would like to call on, first, the Budget Director for opening comments and next Director Okuma from the Environmental Management Department to follow. Mr. Pablo?

**MR. PABLO:** Thank you, Chair. I just have a few comments. The, the request from the Department of Environmental Management Wastewater came during the second quarter of next year. They are running low of, low in funds for, for the utility costs of electricity which have really skyrocketed over the past six months. We couldn't take it up in, in December. There were no new items taken up by this Committee and there was no meetings in January, and that's why we, we urge that it be taken up for this Budget Finance Committee. So I thank both Chair Mateo and Budget Finance Chair Pontanilla for, for bringing that up today.

When the budget request came in we looked at the other departments that have similar electrical costs and the only other one we were concerned about was the Department of Water Supply, but they were, they were able to adjust their budgets last year. I think you'll recall there was a budget amendment last year before this body where the adjustments were made in their budget, and they were able to carry that on for Fiscal Year '09. So the department that we're very concerned with is the Wastewater Program of the Department of Environmental Management. Excuse me. Thank you, Chair.

**CHAIR PONTANILLA:** Thank you. Before I call on Ms. Okuma, as stated before, the budget amendment is for \$1,992,000. What is being asked for, for electricity increase is \$1,500,000 and the remaining \$492 [sic], \$492,000 is for increase to cover the cost of sludge disposal resulting from an increase in the cost. So, at this time, the Chair would like to call on Ms. Okuma.

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MS. OKUMA: Thank you, Committee Chair and Committee Members. We're here to request your consideration for this budget amendment as mentioned due to certain increase in costs. And what I would like to do is to have Dave Taylor, our Wastewater Reclamation Division Chief, provide you with an overview. Thank you.

CHAIR PONTANILLA: Mr. Taylor?

MR. TAYLOR: Thank you, Mr. Chair. In general, sludge disposal and electricity are fixed costs. We don't have any control over how much we need. Both sludge disposal and electricity we, our, our analysis of how much we need we're always spot on with that. That doesn't go up and down. But the cost per unit of how much we pay for a kilowatt hour goes up and down; we have no control over that. And the cost of what we pay for sludge disposal is dependent on the County's contract with EKO, and as a division we don't have control of that.

So basically what happened in FY '09 is we accurately predicted the volumes of sludge to be disposed, and we accurately predicted how much electricity we need. But both those costs, the unit costs, were higher than projected. So this \$2 million is to supplement our FY '09 Budget to let us get through the year and pay these fixed costs. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Question?

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chair. Good afternoon, Madam Director and Mr. Taylor. Help me understand, you know, I guess it's, we're putting the blame on the electric company, and I guess EKO for these increases; am I correct? And because I'm, you know, for the person on the street we're seeing fuel prices go down. Now, is this also due in part, there's an increase in the amount of, I guess, sludge we're processing and other usages related to this? Can, can you sort of explain that? Because for me it's just kind of difficult to understand when fuel prices are going down yet the utility companies or whomever seem to be keeping the prices up. So I don't know who's basically, I don't want to say at fault, but I just want to get a clear understanding.

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MR. TAYLOR: Thank you, Member Molina. And, and I'll agree that I don't think anyone's at fault. Maui Electric bills us as per the Public Utility Commission tariff that regulates how they bill. And I think as everyone knows, it includes their base cost plus a fuel adjustment surcharge. That fuel adjustment surcharge is what goes up and down. And that basically, as you mentioned, is, is driven by the cost they pay for oil. And I'm not here to speak for Maui Electric, but we work with them a lot. We're one of the big customers of Maui Electric. The oil they're burning today, they had to buy say two or three months ago. So there's a lag between global oil prices going up and down and the MECO fuel oil adjustment going up and down. It's about two or three months.

So what happened is, in the first part of this year the global oil price was so high that that drove the cost up. Now, it's coming down, and you're seeing that in your bills, and we're seeing it in our bills. But we paid so much earlier in the fiscal year that our projections show we are just not going to make it through the year. So you're exactly right, our cost per kilowatt hour is plummeting at this point, but it's not going to make up for the high cost we paid earlier in the fiscal year.

COUNCILMEMBER MOLINA: Okay. Thank you. It just seems like we're being held hostage here. So, you know, a million dollars once again on the taxpayers' backs is never easy to swallow, but it is what it is, and we have to deal with it. Thank you. Thank you, Chair.

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR PONTANILLA: Thank you. Member Mateo, followed by Member Victorino, followed by Member Medeiros.

VICE-CHAIR MATEO: Chairman, thank you very much. Mr. Taylor, in the last budget process that we went through, the cost of electricity was factors that was real notable because of the continued increase. During that process we continued to ask the Department to provide recommendations or take a look at other means in helping alleviate some of the rapidly increasing electrical costs, be it solar energy or other alternative processes. Has the Department also taken a look at addressing those concerns other than coming to us and asking for one and a half million dollars in alleviating the electrical costs?

MR. TAYLOR: Thank you, Chairman Mateo. And absolutely, yes. What we're doing..., first, we're trying to reduce our energy usage. And for a group

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like ours, basically a utility, we're sort of an industrial functioning utility, it's not as simple as just having people turn the lights out. We need to change our operations and that's a major change, and it's expensive and takes a while. We're currently buying a bunch of equipment that will use a lot less energy. We've got a number of construction projects going on that will drop our energy usage. We've got some process training to run our plants so that the biological processes are doing more of the work rather than the electrical processes. Some of these are slower than others, some are faster. Some of this equipment we're buying literally has a one year manufacturer time from the manufacturer.

So we're trying to bring down our power usage 5 to 10 percent over the next two years. It's not something we can do overnight. Those projects are ongoing. They are major projects we're working on. And that's how we're first trying to address energy is by bringing down our consumption.

VICE-CHAIR MATEO: Okay. No, it's, it's not an overnight issue because this Council or prior Councils called to the Department not only, not only Wastewater, but other departments as well has been consistent throughout the years to look at alternative energy in helping us to reduce electrical costs. Coming in for a budget amendment for one and a half million dollars is not what I call being, helping us address the issue with alternative energy. There's got to be processes that's available because in this upcoming budget I'm sure we're going to see additional costs for electricity as well.

So it gets, it comes to a point where we're going to have to look at the Department and say, you know, you're going to have to help us streamline the process because we cannot continue in providing, I no like use the word "bailouts" because that's so flagrant, but this is what it is. This is what it is. You know, and the difficulty is you are at a difficult position because we've got to keep the wheel turning to help us process these things, but it's got to come to a point the Department going to have to make that hard call in coming up with what is energy efficient to help us offset the costs. We either going to pay, you know, a fortune upfront and help enjoy the depreciation throughout the years, or we're going to continue to go through this process of yearly requests for 1.5 million, 1.5 million.

So I'm hoping that the Department comes up with a solid plan in helping us through alternative energy to address the, the Department's need for meeting the rising costs. Thank you, Mr. Taylor. Thank you, Chair.

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CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Thank you. Mr. Mateo asked about 50 percent of the question I was going to ask. So the only other part I have is in regards to what the Department of Water Supply has done is try to alleviate peaks and valleys and being more consistent in...in other words not using peak time. Because you know as well as I do your electrical rate is also based on the peak times when you use it, the amount of, of kilowatts you pull out at a certain point of the day, and then they base it on that whole amount, right? And because I look at my electric bill, and I see that, you know.

And so, have you guys made efforts in that area, because that one could be more immediate. I know you just said that you guys are making operational changes, but how far along are you? Because for the Department of Water Supply by taking this peak usage and spreading it out, it has helped them balance off their electrical use, and they're hopefully not going to be coming in for additional monies like they have in the past. So what attempts have you made in that area? What other methodologies are you guys using beyond new equipment and all this other stuff which you just said takes time?

MR. TAYLOR: Unfortunately, Member Victorino, the way that the water system and the wastewater systems work are substantially different in that manner. I think as we all know sometimes you'll see a notice that the Water Department's doing a tank test, for example, and they shut off their well for 24 hours and feed off the tank, and we've all seen those notices in the paper. Because the way the water system works is they bring water, they treat it, and they fill tanks, then they can shut everything off and everybody can draw off the tanks for half a day or a day. So they have a choice of when they can turn on their equipment and when they can leave it shutoff.

Wastewater, we don't store wastewater. We treat it as we get it. Basically when you flush your toilet the amount of time it takes to get to the treatment plant that's when we get it. So we don't have, we can't really do off-peak treatment and basically our peak coincides with the, the high daily peak. So we have no, we really have no methodology to do what the waste...what the Water Department does. We can't save the wastewater until night and treat it then. So we have no new ability to do anything off peak. We have to treat it as we get it and that's during the peak times.

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COUNCILMEMBER VICTORINO: So, in other words, there is no other means beyond what you have mentioned about more efficient machinery, you know, alternative energy. But when it comes to trying to rearrange your schedule it's, you take the crap when it comes, and takes care of it, and get rid of it as it goes.

MR. TAYLOR: That's, that's exactly right.

COUNCILMEMBER VICTORINO: I mean, I mean putting it in a, I mean, excuse me, I'm not trying to be . . . *(inaudible)* . . .

MR. TAYLOR: That's a technical term in our business so you're allowed use it. . . . *(inaudible)* . . .

COUNCILMEMBER VICTORINO: Yeah. Yeah, using the, you know, not being facetious. Because again it bothers me, it bothers me that we, you know, we cannot make schedule changes, but if, if it's not, it's not. Maybe we ought to tell everybody that you can't between now and then and that's maybe the way we might take another approach, but let's not go there. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Mr. Victorino. Provide some humor here. Mr. Medeiros followed by Mr. Nishiki.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman, probably for Mr. Taylor because you're in direct management of wastewater. I, I'm interested in the rising costs for the sludge processing. Because as far as producing the sludge at the plant that hasn't changed, and as far as transporting the sludge to the landfill that doesn't change because that's part of your operational costs; is that correct?

MS. OKUMA: Maybe I can address that, Councilmember Medeiros.

COUNCILMEMBER MEDEIROS: Okay.

MS. OKUMA: This has to do specifically with the EKO composting part of the operation and as part of that operation, as you recall, they take the bio solids from basically what's produced by the treatment plant. It gets to EKO Composting and is basically mixed with the, with the green waste to produce the compost that EKO sells. So, as some of you are aware, the

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County has had a contract with EKO essentially for a period of about 14 years.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Director. So, for the Department. Are the plants, because of our population or increased population, producing more sludge than in the past?

MR. TAYLOR: Yes, the, the volume of sludge is directly proportional to the number of people using --

COUNCILMEMBER MEDEIROS: Okay.

MR. TAYLOR: --the wastewater system.

COUNCILMEMBER MEDEIROS: So does this increase in cost reflect an increase in cost by EKO to process a ton of this?

MS. OKUMA: Council Member, yes. It is an increase in the cost of EKO to process primarily because of the high fuel costs that were experienced last year. Just as it has affected the County and the wastewater operations, it too affected EKO to a point where, rather late actually for us, in February they came to us and informed them [*sic*], informed us that due to the high fuel costs that they were witnessing there was a need to renegotiate that rate.

COUNCILMEMBER MEDEIROS: Okay, and then, finally, so is it a combination of increase in costs by EKO by charging more per ton to process it combined with we're producing more sludge?

MS. OKUMA: No.

COUNCILMEMBER MEDEIROS: No.

MS. OKUMA: Basically the sludge that has been produced over the last few years has been between 24,000 to 25,000 tons. The increase that you see is truly an increase in the cost of EKO to do the processing, again, primarily due to the rise of fuel.

COUNCILMEMBER MEDEIROS: I see. Okay. Thank, thank you for that clarification, Department. Mahalo, Mr. Chairman.

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CHAIR PONTANILLA: Thank you. Members, any more questions for the Department? Mr. Nishiki?

COUNCILMEMBER NISHIKI: Fred, do you monitor electric bills for the entire County?

MR. PABLO: No, not on a regular basis. We, we may look at occasionally cert..., certain departments. We have 62 programs and so, it would be difficult to look at every one of them.

COUNCILMEMBER NISHIKI: But when a request for \$1.5 million just for electricity bills comes up, I'm sure that you would be concerned about it?

MR. PABLO: That's correct. And, and that's why, and that's why the first department we looked at also was, was the Water Department, but they were able to keep their costs pretty stable with what the, what the budget amendment was for last year.

COUNCILMEMBER NISHIKI: But in the Wastewater Department did you review, or who pays the electricity bill for the Wastewater Department?

MR. TAYLOR: We pay that.

COUNCILMEMBER NISHIKI: Fred, did you look at the bills --

MR. PABLO: Uh, no.

COUNCILMEMBER NISHIKI: --and, and that would serve as justification? Because obviously you, as the Budget Director, is saying, yes, they need this money.

MR. PABLO: Yeah, what we do is when we have a budget request like that we do look at what the, what, what the IFAS, what the finance accounting system states, and it, and it does show an increase.

COUNCILMEMBER NISHIKI: So you see what the bills have been and now you're projecting...

MR. PABLO: Well, not the bills. What, what you see is an accounting record. The, the Finance Department has, has their accounting system which would post these amounts. And by looking at the, at the expenditures you, you could track it there.

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COUNCILMEMBER NISHIKI: Yeah, so when you look at electricity bill given to you by Maui Electric, you can add those totals because you have a separate account just for electricity?

MR. PABLO: That is, that is not at the department level. They will get the bill and track that.

COUNCILMEMBER NISHIKI: Then for Ms. Okuma. Do you have your bills for electricity usage specifically for...and, and have a bottom line when you pay your...

MS. OKUMA: Those bills go directly to the Division and the Division does keep all that information which is readily available to anyone who would want to see it. But, yes, basically the Division takes care of...

COUNCILMEMBER NISHIKI: And you as a Director have looked at those bills and, and can back up the 1,500,000 that is going to be needed till the end of the fiscal year?

MS. OKUMA: I, I rely on my Division and my Chief to look at the specific bills, but certainly we have gone over the numbers, and I can see that the cost of that has certainly escalated over time. So that data has been discussed with me. Mr. Taylor has discussed that with me.

COUNCILMEMBER NISHIKI: Fred, when the last budget was being prepared did, was there any kind of allowance for electricity?

MR. PABLO: The...

COUNCILMEMBER NISHIKI: Given to this Council?

MR. PABLO: Well, the budgets are prepared usually about this time, February, February of the year. So these peaks which went up during the summer months we, we cannot have forecasted that.

COUNCILMEMBER NISHIKI: Right, and, and, of course, doing due diligence you would have asked Maui Electric what are your forecasts for electricity when you prepared the budget?

MR. PABLO: That's correct.

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COUNCILMEMBER NISHIKI: Right.

MR. PABLO: Yeah, we, we --

COUNCILMEMBER NISHIKI: And, and...

MR. PABLO: --work with our finance colleagues who do track that.

COUNCILMEMBER NISHIKI: Right, and what was given to you was far less than what was actually billed?

MR. PABLO: I don't recall what it was but, yeah, it, it was.

COUNCILMEMBER NISHIKI: Thank you.

MR. PABLO: Thank you.

CHAIR PONTANILLA: Thank you, Mr. Nishiki. Members, any more questions for the Director, Directors, at this time?

COUNCILMEMBER MOLINA: Recommendation.

CHAIR PONTANILLA: Before I do the recommendation, Mr. Molina, I, I have one quick question for Director Okuma. In regards to our contract with EKO, the contract includes the, the disposal charges in the particular contract? In other words, the contract is it in set amount of \$50 that's in the agreement and if there's any changes, then I, I guess they come to you to make those changes?

MS. OKUMA: Yes, and that's basically what happened late February of, of last year. Basically due to the increase of fuel costs they came to us and wanted to renegotiate that amount because we were actually looking at the option to extend for an additional five years, this contract. It was a five year contract which ended July 1 of 2008, and we had the option to renegotiate for an additional five years. However, due to this Council's desire for us to take a closer look at that contract, what we are doing is an audit. That RFP has gone out, and we agreed that we would only extend the contract for two and a half years and the rate that they wanted to negotiate ended up being, I believe it's about \$83 a ton.

CHAIR PONTANILLA: Thank you. And, and the audit that you say that you folks are now conducting will that audit be shared with this Committee?

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MS. OKUMA: We can certainly do that. We have, are just in the process of doing the selection, and we hope to have that audit report before the end of June in order to make a determination of whether to extend the last two and a half years of this last five year option. But just want, would like the Council to be aware that even when the last audit was done, a number of years ago, the auditor certainly recognized that the County needed some lead time. If we were ever to go with another consultant we would need at least a year to a year and a half out to take equipment down if we're going with another consultant and to bring new equipment in. So I think even at that we're kind of on a tight schedule.

CHAIR PONTANILLA: Thank you. Member Nishiki followed by Member Medeiros.

COUNCILMEMBER NISHIKI: Ms. Okuma, fuel costs are different from electricity costs?

MS. OKUMA: Yes, they specifically came in because of concerns about fuel costs.

COUNCILMEMBER NISHIKI: So you're talking about, when you say fuel you're talking about gasoline?

MS. OKUMA: Gasoline, petroleum to run their equipment, their trucks.

COUNCILMEMBER NISHIKI: And did you buy into it?

MS. OKUMA: You mean did we agree with them or...

COUNCILMEMBER NISHIKI: Well, the, the, the question is gasoline prices have gone which way to justify this?

MS. OKUMA: Well, now, they're going down --

COUNCILMEMBER NISHIKI: Okay.

MS. OKUMA: --but at that time they were going up.

COUNCILMEMBER NISHIKI: Okay, and so, whatever was projected by EKO was not equal now that it's gone down substantially? The reason why I

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ask this is because you run trucks back and forth, I, I would think, from the wastewater treatment to the sludge operation down in Kahului.

MS. OKUMA: That's, the County runs that. EKO does, does not, but we've, their operations has changed slightly because where they actually take the green waste, and grind, and do their composting activities today are on two separate locations on the landfill. So it's a little bit further, a little bit longer for them to run their vehicles back and forth. But the sludge that comes from the wastewater facilities those are delivered by County sludge trucks basically.

COUNCILMEMBER NISHIKI: Okay. I'm done.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yeah, I have a follow-up question from what you just presented in a response. So the contract was renegotiated, and it was agreed upon between the Department Division and EKO to raise the costs per ton; is that correct?

MS. OKUMA: That's correct.

COUNCILMEMBER MEDEIROS: Okay. Was there any consideration in the renegotiation to make energy costs separate from the cost per ton? And the reason I say that is because we know energy costs go up and down, if there's an agreement to a cost per ton to include energy costs or fuel costs, then when it goes down the cost doesn't go down?

MS. OKUMA: I think you raise a good point. I don't recall, but I think the request for proposal that went out five years ago may not necessarily allow for that kind of consideration, but I think you raise a, a point which is valid moving, moving out, moving forward.

COUNCILMEMBER MEDEIROS: Yeah, because of the volatility of energy costs you can see companies like MECO have a separate cost for energy that reflects a current cost to them, and I think we should do that with EKO. Otherwise, we're paying, you know, a regular cost per ton that doesn't reflect the true cost of the energy or fuel cost.

MS. OKUMA: I think your point is well taken, Councilmember Medeiros. As I said we may pretty much be stuck with the RFP that went out five years

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ago, but certainly moving forward we can consider that in any new RFP moving forward.

COUNCILMEMBER MEDEIROS: Thank you, Director. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: This would be a question for, I don't know if, maybe Mr. Pablo. Do we, as the County, have to pay all the State and County fuel taxes on the fuel when it's applied for Maui County?

CHAIR PONTANILLA: Mr. Pablo?

MR. PABLO: I'm not certain whether I can answer that question definitively. It's probably a question for our accounting section in Finance.

COUNCILMEMBER JOHNSON: Yeah, and the only reason I'm asking is because in many situations if we pay a lower cost, because we have certain exemptions, then if companies with which we do business, if we make an amendment either to our contracts or we give so much allotment for gas as a part of that that we will, in essence, supply the fuel, are we going to be able to provide that at a lower cost? You know, 'cause it just seems at this point if...I mean obviously if we're paying the tax there's no advantage, but I, I would really, at some point in time, like to know if that's any advantage because if we can supply, like in the case of the Maui buses, we supply the buses, and I think we also do, I don't know if we do the service or not. But if there's a way that we could actually offset some of those costs by providing some of that fuel on our own part. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more discussion at this time? Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chairman. Director Okuma and Mr. Taylor, taking into consideration this proposal to, you know, 1.5 million for electricity and another close to half a million for the sludge costs, looking ahead, can this body anticipate, and the public, a proposal to increase fees or rates at this point? Without getting too specific, but should we prepare ourselves?

MS. OKUMA: Yes, I, I just want to mention that, you know, what the Administration is doing with the budget, as we have proposed, that's still

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in process right now, but I think what's probably been discussed with this Council, you know, in recent times is, in order to keep up with the maintenance and the reliability of our system over the years moving forward, we would realistically be looking at rate increases. I think in terms of specifically what you may be seeing this budget session, I think that is currently being worked on right now as part of our budget proposal. So I can't really comment on that.

COUNCILMEMBER MOLINA: Sure. Thank you. I just wanted to get prepared. I'm sure, Mr. Chairman, we'll have a very interesting discussion this whole budget session not only with this matter, but other matters as well. Thank you.

CHAIR PONTANILLA: Thank you, Member Molina. I would just like to have a follow-up question for Mr. Pablo here in regards to budget. Recognizing carry-over savings at this point in the fiscal year how, how will this impact the upcoming fiscal year 2010 budget?

MR. PABLO: With regard to the carry-over savings this would impact on the Wastewater Fund only, and it would be affected by the same amount a million nine hundred ninety-two.

CHAIR PONTANILLA: Strictly the Wastewater Fund?

MR. PABLO: Strictly with the Wastewater Fund, yeah.

CHAIR PONTANILLA: Okay. Fine. Thank you. Members, any more discussion at this time? Seeing none, at this time the Chair would like to recommend the passage of the proposed bill, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, WASTEWATER RECLAMATION FACILITIES PROGRAM - SEWER FUND, TOTAL OPERATING APPROPRIATIONS AND TOTAL *...(change of tape 1B)...*(OPERATING AND CAPITAL IMPROVEMENT PROJECTS).

COUNCILMEMBER JOHNSON: So moved.

VICE-CHAIR MATEO: Second.

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CHAIR PONTANILLA: Moved by Member Johnson, second by Member Mateo. Members, any more discussion? And, Members, this is also filing of County Communication No. 09-40. All in favor...

COUNCILMEMBER MOLINA: Just, just one comment, Chair.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: I just wanted to make a comment, follow-up on Member Mateo's comments with regards to the Department moving forward in the direction of looking for alternative energy sources to save on electricity. I'm hoping that that process can be stepped up. You know, obviously I'm going to be supporting this, but at the same time we need to be mindful of looking for ways to be sensitive to the public's concerns about mounting costs just for our basic services.

So looking in that direction and maybe also looking at what other jurisdictions are doing because I'm sure we're not the only municipality having to deal with this type of problem to see what the other, maybe what our sister counties are doing as well as other municipalities on the mainland are doing on how they're addressing this problem. So maybe the whole key to all of this is looking at the good sound equipment and now that we have a presidential administration that's very pro towards alternative energy I think, you know, this is the time to step up and look in that direction so we can at least soften the blow a little bit when it comes to increasing costs for wastewater and sludge processing. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more discussion? All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any opposed? Seeing none, nine ayes, zero noes. Motion is carried.



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**RECESS: 2:37 p.m.**  
**RECONVENE: 2:50 p.m.**

**ITEM NO. 19: AMENDING FY 2009 BUDGET, APPENDIX A  
(DEPARTMENT OF HOUSING AND HUMAN  
CONCERNS, STATE OF HAWAII MENTAL HEALTH  
TRANSFORMATION - STATE INCENTIVE GRANT)  
(C.C. No. 09-41)**

CHAIR PONTANILLA: . . .*(gavel)*. . . The Budget and Finance Committee meeting is now reconvened. Thank you, Members, for that short recess. Members, we do have several more items on the agenda this afternoon. So with that the Chair is going to bring up the next item which is BF-19, "AMENDING FISCAL YEAR 2009 BUDGET, APPENDIX A, DEPARTMENT OF HOUSING AND HUMAN CONCERNS, STATE OF HAWAII MENTAL HEALTH TRANSFORMATION, STATE INCENTIVE GRANT".

This Committee is in receipt of a proposed bill to add this grant of \$24,000 to Appendix A. The purpose of the grant is to transform mental health services from prevention to effective intervention and recovery. At this time, the Chairman would like to call on the Budget Director first.

MR. PABLO: Thank you, Chair. The, the budget before you and another one which we will be discussing, they are, are grant revenues which are anticipated to be received during this fiscal year. At the time, the Budget Office received this request for proposed bills to add these grants on Appendix A, we didn't have detailed information, but we thought it was very important that it be brought to this Committee as soon as possible. We know that grants should be heard at this meeting or the subsequent one before we go into the budget deliberation process.

The departments have been very active in looking for more grant revenue, and we were pleased to hear about the, this one here that the Department of Housing and Human Concerns has got. As, as we all face a declining economy, we're looking for additional funds from both State and the Federal government. Regarding this particular grant I'll let Director Lori Tshako and her colleague, Beverly *[sic]* Arendale provide further information. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Tshako?

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MS. TSUHAKO: Thank you, Mr. Chair. This afternoon I'd like to introduce you to Deborah Arendale who's our new executive on aging. And Ms. Arendale was very critical in the Department applying for and receiving this grant funding of \$24,000. The, the funding is earmarked to assist in the Maui County Office on Aging's development of an aging and disability resource center. And I will defer your specific questions to Ms. Arendale.

CHAIR PONTANILLA: Thank you. Members, any questions for the Department at this time? Member Mateo?

VICE-CHAIR MATEO: Mr. Chair, thank you. If the Department could tell us what the 24,000 can be used for and cannot be used for in terms of 25,000 is not that much. So how do we get the biggest bang for this kind of money?

MS. ARENDALE: Okay. Thank you, Chair. Thank you, Members. The \$24,000 in our grant proposal we specified that that money would be utilized to aid in strategic planning and training for the aging and disability groups, because typically aging folks don't cross over and deal with disabled folks and the folks in the disability realm don't typically deal with issues of aging. So what we're trying to do is merge those two areas of expertise and find ways to work together. So we'll be finding a way for Maui County to work towards an aging and disability resource center, helping us gain one strategic plan, and provide cross training between those two disciplines.

VICE-CHAIR MATEO: Okay, and this is the beginning so 24,000 ain't going to take us very far. So it is, is it anticipated that, that additional funding is going to be requested for in the upcoming budget so we can solidify the, the intentions that you have with the, with this program?

MS. ARENDALE: Eventually, the goal would be to co-locate in one facility. So the whole purpose of this is to begin us all talking on the same page and heading in the same direction. Down the road, we would like one, a co-location of the aging and disability resources similar to what Hawaii County now has. They have one building that houses 12 agencies, I believe. So eventually, we would like to move towards that. What that means in terms of funding, at this point, we're not certain. I would imagine we would also co..., you know, we would also contribute all of the different agencies participating in the disability, the aging and

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disability resource center would, you know, join their funds as far as rent, and, and everything like that. So...

VICE-CHAIR MATEO: So the intent, then, is for all those organizations to pool their funding source together and that means that this organization will not come to County for funding or are these already County monies that you plan on pooling together?

MS. ARENDALE: The, the Office on Aging's portion are already County monies, but we would pool those monies. We would each be responsible for our own portion of, you know, whatever the building would require us to pay.

VICE-CHAIR MATEO: Would you have an idea of what, how big this target group is?

MS. ARENDALE: How many organizations?

VICE-CHAIR MATEO: Yeah.

MS. ARENDALE: At this point, we already have about 20 organizations that meet together on a regular basis. Not all of those organizations would be co-located. We might have one organization come in for a day, like, Legal Aide might come in for one day, and we'd have an office.

VICE-CHAIR MATEO: And that target population that you cumulatively service?

MS. ARENDALE: I don't have that, I don't have that number because I'm not certain of the total number of folks with disabilities on the island.

VICE-CHAIR MATEO: Okay. Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair, just a fairly simple question. Is it the intent that the County will be administering this grant or will it be contracting this out to a non-profit?

MS. ARENDALE: We will be, the County will be administering it.

COUNCILMEMBER BAISA: Thank you.

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CHAIR PONTANILLA: Thank you. Members, any more questions for the Department?

UNIDENTIFIED COUNCILMEMBER: Recommendation.

COUNCILMEMBER VICTORINO: No. Recommendation.

CHAIR PONTANILLA: Seeing none, the Chair's recommendation is for passage of the proposed bill on first reading, "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2009 BUDGET, FOR THE COUNTY OF MAUI, AS IT PERTAINS TO THE DEPARTMENT OF HOUSING AND HUMAN CONCERNS, STATE OF HAWAII, MENTAL HEALTH TRANSFORMATION, STATE INCENTIVE GRANT".

COUNCILMEMBER VICTORINO: So moved.

COUNCILMEMBER MATEO: Second.

CHAIR PONTANILLA: Moved by Member Victorino and second by Member Mateo. And, Members, again, the Chair would also like to file the County Communication for this item. Any more discussion, Members? If not, all in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any noes? Seeing none, motion is carried with nine ayes, zero noes.



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with approval from the State Legislature and by Governor Lingle signing Act 189 into law in 2008. These funds can be used for the administration of unemployment insurance, which the State Department of Labor will do, and for employment service programs including one stop service centers which we will take care of. Our one stop service centers are operated by the State Workforce Development Division located here in Wailuku and on Molokai. On Lanai they are serviced by our Maui office.

As mentioned by Committee Chair the allowable activities under the employment service programs, which we plan to continue executing, are for job service, excuse me, job search and placement services to job seekers, including counseling, testing, occupational labor market information, assessment, and referral to employers. Also for appropriate recruitment services and special technical services for employers.

We also plan to produce additional outreach and educational materials, targeted users of our one-stop employment and workforce information services, support staff for delivery of appropriate self service, and facilitated self help for job seekers, and offer support services to our employers. Expanded outreach to both adult and youth on Molokai, Lanai, and East Maui with regards to awareness of services and any assistance. We also plan to enhance career awareness programs with our youth programs, our adult and dislocated worker programs, and we also have plans to work in partnership with MEO and their prisoner reintegration program with regards to career awareness.

While we continue to work under the guidance of our workforce investment board, we will continue to seek partnerships to leverage funds and jointly deliver services that will benefit our community. Thank you for the favorable consideration and approval of this budget amendment that will help to benefit both the job seekers and the employers here in Maui County.

**CHAIR PONTANILLA:** Thank you. Members, any questions for the Budget Director or Ms. Shimizu [*sic*] from Economic Development. Member Mateo?

**VICE-CHAIR MATEO:** Chairman, thank you. Ms. Inamasu, thank you very much for sharing the information. Can you tell me why it is, being, coming through the Office of Economic Development via the Mayor's Office when this is really a function that the State Department of Labor,

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through their existing offices already do? I mean what is different with this particular program and funding source?

MS. INAMASU: Thank you. One of the reasons that we were chosen and just the same with the other counties is because we do implement and oversee the Workforce Investment Act which is also workforce development program. The difference between what these Reed Act funds can do or cannot do, they're very restricted, but one of the things that they cannot do is we cannot deliver training services because that is the duplication of services which is allowed under the workforce, excuse me, the Workforce Investment Act.

So this is more on the job seeker type of career awareness, helping employers look at retention options and figuring how do they look for good employees or from the job seeker side whether it be a dress for success type of thing. Looking at those things to get them into jobs and better position them to where they have to be. Then if the, through the assessments that the job seekers go through, and if there is training that is needed to bring them up to par to get them employed, then some of the other programs that are administered out there, whether it be through our office or through other partners, will then take place with that. And they'll do, like, as to programs they'll call it dual enrollment, and look at that, and trying to service them to the best that they can.

VICE-CHAIR MATEO: So this is more job prepping type services versus actual placement?

MS. INAMASU: Placement is involved too just the element of training is not included.

VICE-CHAIR MATEO: So is your, so then your office will be looking at contracting an organization to do these services?

MS. INAMASU: You are correct. And there are several agencies that are already assisting us under the Workforce Investment Act, one of them being the Workforce Development Division under the Department of Labor. They help us with two of our different programs. Also, Maui Community College who focuses on the youth programs, and then probably MEO because of their BEST program, their prisoner reintegration program. Looking at trying to touch on different populations as we can. Our board helps us look at diversity and projects within the restrictions and the guidelines that are set by the U.S. Department of Labor.

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VICE-CHAIR MATEO: Okay. Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Members, any more discussion? Member Medeiros followed by Member Baisa.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Ms. Inamasu, will the entire slate of program services under this, these funds be extended to East Maui? I heard you say that you would extend something to East Maui. So what would that be? Would it be whatever is available to people in Central Maui be made available in services to East Maui?

MS. INAMASU: Thank you, Council Member. Yes, you are correct. Whether it be through our youth programs, and touch the youth out in east, East Maui as well as Molokai and Lanai we'll do that. And then with the Workforce Development Division and taking their services out there, at least making the community aware and, and exposing them to whether it be classes, if there has to be classes that have to be put on we'll work with that as well, or at least getting them exposed to. There is a service through the Department of Labor for job seekers and employers called Higher Net Hawaii, which is a web based program and at least exposing them to that so they can do job searches via that, and doing resumes, and all of those things as well.

COUNCILMEMBER MEDEIROS: Okay. That, that's really good to hear. If these services are going to be provided in East Maui, whom do you coordinate that within the East Maui communities?

MS. INAMASU: We actually will leave that up to our service providers and work together with them. They have their contacts within the different communities that they'll work with. If you have recommendations on certain people you would like us, we'll be more than happy to take that and, and recommend that to our provider.

COUNCILMEMBER MEDEIROS: Thank you, Ms. Inamasu. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Thank you, Mr. Chair. Ms. Inamasu, this is wonderful news considering the employment situation that we're in right now, and I'm sure that unemployment claims are probably higher than

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we've ever seen. It was pretty low for so long. If, if I remember correctly not too long ago we got a rebate, well, they reduced the taxes on wages because we had such a big surplus. Well, that must be disappearing. But does the employment service, who I know you will be., or workforce investment folks that you'll be contracting with, do they use this for the one-stop center?

MS. INAMASU: Yes, they do. Some of the funds will be directed in the terms that, when we deal with these programs we look at sustainability, we look at longevity beyond the life of the funds. So part of the funds will be utilized to, within the one-stop centers there are resource centers where individuals can go self-help type of things, doing job searches, resume building, all of these things. So we're looking to make sure that the equipment there is up-to-date. So that's part of the investment whether it be on the Maui office or in the Molokai office as well.

COUNCILMEMBER BAISA: That's terrific because, you know, we really need this right now to get people to go out and prepare for job search and give them all the resources. So this is great. Thank you.

MS. INAMASU: Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions? Seeing none, the Chair at this time would like to make his recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: Thank you. The Chair's recommendation is for passage of the proposed bill on first reading, "A BILL AMENDING FISCAL YEAR 2009..." "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI, AS IT PERTAINS TO THE OFFICE OF THE MAYOR, REED ACT FUNDS".

VICE-CHAIR MATEO: So moved.

COUNCILMEMBER VICTORINO: Second.

CHAIR PONTANILLA: Moved by Member Mateo, second by Member Victorino. Members, any more discussion? Seeing none, all in favor of the motion please say aye.



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Parks and Recreation, War Memorial Complex Improvements. The Committee is in receipt of a proposed bill to amend Fiscal Year 2009 Budget in the amount of \$524,000 for the War Memorial Complex improvements project. The funds will be used to shore up structural members of the roof truss system at the Ichiro Iron Maehara Stadium. A certification of additional revenues dated January 30, 2009 from the General Fund has been received. At this time, the Chair would like to call on first the Budget Director, then Director Horcajo from the Parks Department. Director Pablo?

MR. PABLO: Thank you, Chair Pontanilla. This, this bill is for the War Memorial Complex. It doesn't only include the, the stadium, but I understand it also includes the, the baseyard. There is some work which Director Horcajo will, will, will be describing. As stated in this transmittal letter, there, there's work that the, that the contractors uncovered which had to be done, done immediately because it, it impairs on the integrity of the building. I'll let Director Horcajo and Pat Matsui from the Department of Parks and Recreation answer your questions in this area. Thank you.

CHAIR PONTANILLA: Thank you. Director Horcajo?

MS. HORCAJO: Thank you, Chairman Pontanilla and Members of the Budget and the Finance Committee. We are here today because in Fiscal Year 2009, the Parks Department did, was awarded 500,000 for the War Memorial Complex improvement, which included the Maehara Baseball Stadium. We were renovating, painting, rust proofing the area when our engineer in his investigation noticed there was some structural integrity problems with the, the roof area there. So we did immediately close the stadium area for renovation. We do have a consultant onboard who is working with us, and we do need an additional \$264,000 for this structure which Pat Matsui is here and can explain in more detail.

In addition, under this line item request today is an additional 260,000 for bringing a waterline across for this particular parcel where the baseball stadium stands and is also the site of our construction maintenance building. It was a requirement by the Water Department that we have a separate water meter for this location. So we have packaged this together so we can continue the completion of that project as well as making our baseball stadium safe for our community.

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CHAIR PONTANILLA: Thank you. Members, any questions for the Department at this time? Member Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. If we could, could we have Mr. Matsui give us the specific challenges with the integrity of Iron Maehara Stadium? I'm particularly interested to hear that, that part of it please, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. Matsui?

MR. MATSUI: Thank you, Mr. Chair. When we got the 500,000 appropriation we were looking at sandblasting, repainting, refurbishing the stadium. And so, we got a consultant on board. When he looked at it there was some areas that was completely rusted through. So he recommended we immediately, under emergency procedures, just do things to weld up and, and just keep it going until we go out to bid for the, for the rest of the painting and refurbishing of that Maehara Stadium. So that upped the cost, and we're looking at another \$250,000 that we need for that. And in addition, we talked about it was the baseyard that there was an additional requirement for fire flow and also to bring a waterline across Kanaloa Avenue to serve the baseball stadium. So we're talking a total of \$524,000.

COUNCILMEMBER VICTORINO: Okay. Thank you. What my, and I understand about, well, I do and maybe some others might not, we're talking about, let's go to this baseyard that we're referring to. That's the structure that's in front in that empty parking area or empty lot area fronting Iron Maehara Stadium along Kanaloa Avenue; that's correct?

MR. MATSUI: That's correct.

COUNCILMEMBER VICTORINO: And that has been sitting there for some two and a half years uncompleted primarily because of different reasons but one of them being no water because you were told that you had to have your own water meter?

MR. MATSUI: That's correct.

COUNCILMEMBER VICTORINO: And then some other permitting issues and all that where I won't get into, but that's the primary reason for that not being completed?

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MR. MATSUI: Correct.

COUNCILMEMBRE VICTORINO: Okay. I'm concerned more along the line of this integrity, this structural integrity because Iron Maehara Stadium has been a crown jewel for our baseball. We have probably the best field in all of the State when you're talking grass field and many State tournaments have been held, or AJA, high school, I don't want, I don't want to go into a long, long, drawn-out conversation. But when you say structural integrity of the stadium itself you're talking the roof area, that's what you're referring to?

MR. MATSUI: That's correct.

COUNCILMEMBER VICTORINO: Okay, and if this is, and you just said patched up, welded up, or whatever for now until we get...my question is this monies will ensure that not only the integrity will be corrected, but the long-term use of that, that facility will be continued?

MR. MATSUI: That's correct.

COUNCILMEMBER VICTORINO: Okay. That was my biggest concern because you said, you know, patching up, you know, I didn't think that was so great. I also have one more question. I recently noticed you guys put poles, and this is a little off the subject, but yet still it's something about the integrity of the stadium, for the dugouts. Was that because there was a problem with that cement covering over the dugouts that you are fearful that maybe one day that would collapse also?

MR. MATSUI: Yeah, the, the dugout was also was, it's a concrete structure that was cracking, so you had, the integrity of the structure was, was compromised. So, you know, we had to do to keep it going, to keep the stadium open.

COUNCILMEMBER VICTORINO: So my last question, Mr. Chair, if I may? I just want to be really clear on this. This additional money will ensure that Iron Maehara Stadium, once we've completed these repairs, that the structural integrity will be par none, and we can use this for many years to come because that is one of the biggest and heaviest used stadiums in all of our, our complexes. So I just want to make sure that that's, that's being done correctly and that's what this money is for?

MR. MATSUI: That's correct, yes.

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COUNCILMEMBER VICTORINO: Thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. For the Department, am I understanding the figure given that \$260,000 will cost to bring the waterline from across Kanaloa to the baseyard facility?

CHAIR PONTANILLA: Department?

MR. MATSUI: Actually, yeah, 260 is the additional cost. We, we initially got \$210,000, and we need another 260 to, to complete them. The additional cost was one for the waterline, two for a fire sprinkler system.

COUNCILMEMBER MEDEIROS: Okay. That additional 260,000 is for the waterline, and you said the irrigation, or the water --

MR. MATSUI: Fire sprinkler system.

COUNCILMEMBER MEDEIROS: --fire sprinkler system. Now, the requirement to bring the waterline from across Kanaloa, where is the existing water that services all the facilities there? Why wasn't we able to tap off that line for your purposes?

MR. MATSUI: Presently the entire War Memorial Complex is served by the water meter that's up at the entrance of Baldwin High School. You can see the standpipe the backflow preventers --

COUNCILMEMBER MEDEIROS: Uh-huh.

MR. MATSUI: --and that serves . . . *(change of tape 2A)*. . . since that time, you know, it serves several parcels, okay. And Water's policy is that only one meter per parcel. So they have been after us to separate the meters, put in a new meter for this complex but, you know, it hasn't been a priority for us 'cause we're fine with what we had. But when came down to needing a permit for this new building, that requirement was put on us to do.

COUNCILMEMBER MEDEIROS: Okay. So there wasn't the potential to tap off the existing waterlines? The Water Department demanded you put a separate meter which required the waterline to be brought from across Kanaloa to the facility?

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MR. MATSUI: That's correct.

COUNCILMEMBER MEDEIROS: Okay.

MR. MATSUI: There's also the additional requirement for fire flow for, for the sprinkler system.

COUNCILMEMBER MEDEIROS: Okay. And so, the baseball stadium that was the questions raised by Member Victorino. The consultant that you have that made that determination is a structural engineer or a civil engineer?

MR. MATSUI: He's a structural engineer.

COUNCILMEMBER MEDEIROS: Structural engineer. And it is his estimate that you need 264,000 additional monies to complete that particular project?

MR. MATSUI: That's correct.

COUNCILMEMBER MEDEIROS: What happens if that's not enough? Is there going to be a request for more money? That's, that's his, I guess, professional estimate of what it will cost?

MR. MATSUI: That's correct.

COUNCILMEMBER MEDEIROS: Okay. Thank, thank you, Department. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members, any more questions?

COUNCILMEMBER MOLINA: Question?

CHAIR PONTANILLA: Mr. Mateo followed by Member Molina.

VICE-CHAIR MATEO: Chairman, thank you. Mr. Matsui, the 260,000 for the waterline for, for meter, this is to that structure that the Department built in that storage area next to Iron Maehara?

MR. MATSUI: That's correct.

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VICE-CHAIR MATEO: So when the Department chose to, to construct that, that building it came with the intention that there was no need for additional meters, and you were just going to connect through existing lines?

MR. MATSUI: Yeah, I wasn't involved in the initial planning.

VICE-CHAIR MATEO: Okay. So...

MR. MATSUI: But what happened was that the baseball stadium itself is also on a separate parcel, so this new waterline will serve both the baseball stadium and the new parks baseyard.

VICE-CHAIR MATEO: It will serve, what's serving the baseball stadium area now?

MR. MATSUI: The existing meter that's serving the rest of the complex. We'll pull the baseball stadium water service off of that and connect on to this new connection that we're doing.

VICE-CHAIR MATEO: And the need to do that is because of the construction of that existing facility?

MR. MATSUI: It was a requirement that Water had sometime ago because the baseball stadium is on a separate parcel as the rest of the complex, and they wanted us to move off but, you know, we, it was not a high priority for us to move off. But now that we came up that we needed to get a building permit for this new baseyard, which is on the same parcel as the baseball stadium, that's when we decided, well, we need to put it in.

VICE-CHAIR MATEO: What's, in that structure what occupies, what occupies that structure, the new structure?

MR. MATSUI: The new structure is pretty much our construction maintenance people, offices for the supervisors, then there's also bays for the irrigator, electrician, carpenters, cabinet maker, the painters.

VICE-CHAIR MATEO: Okay. So you got, and you got all your, your, your required permits at this point?

MR. MATSUI: That's correct, yeah.

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VICE-CHAIR MATEO: So the only thing that's holding occupancy then is the water meter, or are you already occupying that facility?

MR. MATSUI: No, we're not. We had to get the handicap accessibility approval which we finally got. There's some minor changes we still have to do to the building; set it back a little bit. We did get Fire's write-off, Fire Department, and Water Department, once we put in the line.

VICE-CHAIR MATEO: So Fire signed off, and you still need to address fire flow issues?

MR. MATSUI: The fire flow issue will be taken care of when we add in the fire sprinkler system and that's what part of this additional money will fund.

VICE-CHAIR MATEO: The 260?

MR. MATSUI: Yeah.

VICE-CHAIR MATEO: Not the 210?

MR. MATSUI: Okay. We're kind of mixing money up. We had to award the contract, so we used part of the money that we had now to award the crossing on the highway.

VICE-CHAIR MATEO: That was the original 210?

MR. MATSUI: Right.

VICE-CHAIR MATEO: Okay.

MR. MATSUI: Okay. We held back on giving up the fire sprinkler system which was another, like, \$88,000 until we get this new money. Now, when we get the new money, we'll fund the fire sprinkler system plus all of the rest of the things we need to do like the electrical, roofing, interior partitions, plumbing, that kind of thing to complete the building. If, if you go down there it's just a shell. You got the foundation, and you just have the shell of the building up there. So the rest of the money would complete the building.

VICE-CHAIR MATEO: The 260?

MR. MATSUI: That's correct.

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VICE-CHAIR MATEO: So included in the 260 then is the 88,000 needed for the sprinkler system?

MR. MATSUI: That's correct.

VICE-CHAIR MATEO: Okay, and Fire already signed off?

MR. MATSUI: They will sign off when we put in all those improvements, yes.

VICE-CHAIR MATEO: They will sign off. Okay, so they haven't signed off yet. Okay. Thank you, Chair. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chair. Good afternoon, Director Horcajo and Mr. Matsui. Timetable for the completion of these repairs, I guess we got baseball season coming up, MIL? About, assuming if everything passes through Committee, Council, how long is the, well when would this project start? We're going to do this, I presume, prior to the MIL baseball season?

MR. MATSUI: Okay. The baseball stadium improvement we, we kind of split it up into two phases, if you will. The first phase was what we had to do like now. So we went out, we got authorization from the Finance Director to just go get purchase orders. So the work is ongoing now. We have some welders in there, and, and it's working so they can, we're not going to impact the MIL season, okay. The rest of the work we will delay until we get the additional funds and that would be to repaint and, and do some of the other work which we would then have to close the stadium. So we're looking at maybe August to do that. Okay, and we're looking at going out to bid in May.

COUNCILMEMBER MOLINA: Okay. Any users would be impacted by the baseball closure at, baseball stadium closure at that time?

MR. MATSUI: The stadium area. But, you know, there's, the only, I think, leagues were, like, there was a summer league, but mostly they use the field. You know, our impact is to the grandstand area --

COUNCILMEMBER MOLINA: Okay.

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MR. MATSUI: --where, where you have the spectators.

COUNCILMEMBER MOLINA: Okay. So you could...

MR. MATSUI: Not so much the field.

COUNCILMEMBER MOLINA: So you could still have the activities, teams practicing or playing, but just don't use the stands basically --

MR. MATSUI: That's correct.

COUNCILMEMBER MOLINA: --the grandstand area. Okay, and most of the activities that occur at the baseball stadium is it the State, you know, like MIL that uses the stadium the majority of the time or is it just other entities?

MR. MATSUI: There's MIL. I know there's senior Little League, and there's some softball tournaments. Yeah, there, there's a whole lot of --

COUNCILMEMBER VICTORINO: AJA . . .*(inaudible)* . . .

MR. MATSUI: AJA, that's correct.

COUNCILMEMBER VICTORINO: Open league.

COUNCILMEMBER MOLINA: Okay, so just to make sure. And, and where I was going with this, Chairman, was that if the majority of users are, are related to the State, any possibility of some cost sharing, you know, kind of that age old problem that we've been having a long time with the, you know, so I just wanted to make sure and find out who uses the stadium. If it's the majority of the time State or just more County and other, other entities. So, okay. Well, anyway it's much appreciated that you folks are doing these repairs and, you know, by, I don't know if it was a stroke of luck that the engineer found this, these problems. It could have saved us a whole lot of other issues down the road had this not been discovered. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chair, just to follow up on one question. So the requirement to do immediate repairs is what's ongoing

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now and are those repairs just temporary repairs or are they permanent repairs?

MR. MATSUI: They're permanent repairs.

COUNCILMEMBER MEDEIROS: Okay. Was there a requirement to change any of the metal roofing truss to that facility?

MR. MATSUI: We're not changing, we're shoring them up. We're doubling up on the, welding another piece of, you know, two pieces of metal to shore it up.

COUNCILMEMBER MEDEIROS: Okay. So you, you're scabbing the truss on both sides?

MR. MATSUI: Right.

COUNCILMEMBER MEDEIROS: Okay. All right. Thank you, Department. Mahalo, Mr. Chairman.

CHAI PONTANILLA: Thank you. Members, any more questions or any. . .for the Department at this time? If not, the Chair is ready for his recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: Thank you. The Chair's recommendation is for passage of the proposed bill, on first reading, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2009 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, DEPARTMENT OF PARKS AND RECREATION, WAILUKU-KAHULUI COMMUNITY PLAN AREA, PARKS AND RECREATION, WAR MEMORIAL COMPLEX IMPROVEMENTS, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

COUNCILMEMBER JOHNSON: So moved.

VICE-CHAIR MATEO: Second.

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CHAIR PONTANILLA: Moved by Member Johnson, second by Member Mateo. Members, any more discussion? All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any opposed? Seeing none, there's nine ayes, zero noes. And, Members, this will include filing of the County Communication.

MS. HORCAJO: Thank you.

COUNCILMEMBER MOLINA: No objections.

COUNCILMEMBER MEDEIROS: No objection.

CHAIR PONTANILLA: Thank you. Motion is carried.

<b>VOTE:</b>	<b>AYES:</b>	<b>Councilmember Baisa, Johnson, Kaho'ohalahala, Medeiros, Molina, Nishiki, Victorino, Vice-Chair Mateo, and Chair Pontanilla.</b>
	<b>NOES:</b>	<b>None.</b>
	<b>ABSTAIN:</b>	<b>None.</b>
	<b>ABSENT:</b>	<b>None.</b>
	<b>EXC.:</b>	<b>None.</b>

**MOTION CARRIED.**

**ACTION: FIRST READING of proposed bill; and FILING of communication.**

CHAIR PONTANILLA: Thank you very much, Members, for --

COUNCILMEMBER VICTORINO: Thank you, Mr. Matsui.

CHAIR PONTANILLA: --being here this afternoon. I wanna thank Ms. Heely as well as Mr. Pablo for being here, Director Horcajo, and our Staff Ms. Revels as well as Ms. Bouthillier. This meeting of the Budget and Finance Committee meeting for February 17 is now adjourned. . . .*gavel*. . .

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**ADJOURN: 3:31 p.m.**

APPROVED:

  
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JOSEPH PONTANILLA, Chair  
Budget and Finance Committee

bf:min:090217;jc

Transcribed by: Jessica Cahill

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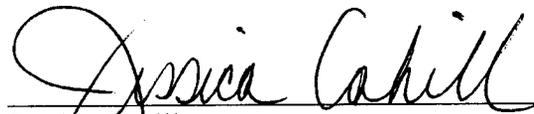
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CERTIFICATE

I, Jessica Cahill, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 3rd day of March, 2009, in Wailuku, Hawaii.

  
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Jessica Cahill