

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

December 1, 2009

Council Chamber, 8th 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 2:11 p.m.)
Councilmember Sol P. Kaho`ohalahala, Member (in 1:35 p.m.)
Councilmember Bill Kauakea Medeiros, Member
Councilmember Michael J. Molina, Member
Councilmember Wayne K. Nishiki, Member
Councilmember Michael P. Victorino, Member

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

ADMIN.: Frederick Pablo, Budget Director, Office of the Mayor
Cheryl K. Okuma, Director, Department of Environmental Management (BF-54)
Tracy Takamine, Chief, Solid Waste Division, Department of Environmental
Management (BF-54)
Kalbert L. Young, Director, Department of Finance (BF-56)
Milton M. Arakawa, Director, Department of Public Works (BF-5 and BF-55)
Joseph Krueger, Civil Engineer, Engineering Division, Department of Public Works
(BF-5 and BF-55)
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the Corporation
Counsel

PRESS: Akaku: Maui Community Television, Inc.

CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting for
December 1st, 2009, is now in session. The time is 1:33.

Members, I know some of you have questions in your mind, you know, I do have
a tiara as well as a . . .

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COUNCILMEMBER VICTORINO: You have to put it on. Put it on.

COUNCILMEMBER BAISA: Put it on.

CHAIR PONTANILLA: Oh, 2009 Buttercup Champion.

COUNCILMEMBER VICTORINO: (laughter)

COUNCILMEMBER BAISA: Can somebody crown the queen or the king or whatever.
The king.

COUNCILMEMBER VICTORINO: King. King.

COUNCILMEMBER BAISA: (laughter)

CHAIR PONTANILLA: Anyway, my team. . .last week I went to the West Maui Senior Center, and we had a Wii bowling challenge. There were four teams that played for this cup and so happen my team won the cup. So reluctantly. . .

COUNCIL MEMBERS: (applauded)

CHAIR PONTANILLA: . . .reluctantly Lindsey, who is a captain of the previous champions, passed on this tiara to me. You know it's made for a woman, but I, I was glad to, you know, was glad enough to wear this tiara the whole day while I was there. So I wanna say to the West Maui senior's thank you for having me there. It was really good fun. And like I promised, the tiara is on my desk as well as the Buttercup Champion Trophy. So I encourage, you know, each of you to visit our senior centers, you know, when you do have time. It's a lot of fun.

So anyway, that done away, the Chair would like to introduce the Members that are here this afternoon. We do have Member Molina.

COUNCILMEMBER MOLINA: Good afternoon, Chair.

CHAIR PONTANILLA: Good afternoon. Member Baisa.

COUNCILMEMBER BAISA: Good afternoon, king.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS: (laughter)

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CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Aloha. Good afternoon, Chair.

CHAIR PONTANILLA: Aloha. Member Nishiki.

COUNCILMEMBER NISHIKI: Good afternoon.

CHAIR PONTANILLA: Good afternoon. Chairman Mateo.

VICE-CHAIR MATEO: Good afternoon.

CHAIR PONTANILLA: Good afternoon. And Member Victorino.

COUNCILMEMBER VICTORINO: Your highness.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: (laughter)

CHAIR PONTANILLA: At this time excused are Member. . .Members Johnson and Mr. Kaho`ohalahala. With us supporting the Committee again our faithful staff. We do have Gayle Revels our Legislative Analysts, as well as our Committee Secretary Yvette Bouthillier. Here this afternoon Members from the Administration we do have the First Deputy Corporation Counsel Traci Fujita Villarosa, our Budget Director Mr. Pablo, and our Finance Director Mr. Kalbert Young.

Members we do have several items on the agenda this afternoon, but before I call for public testimony, I just wanna pass my congratulations to Mr. Young who is a new Dad.

COUNCIL MEMBERS: (applauded)

MR. YOUNG: Thank you, Chair.

CHAIR PONTANILLA: Maybe you can explain the name of the, the new baby. Or tell us the name of the new baby. . .the statistics. Members--

MR. YOUNG: But it's not really agenda'd for Sunshine rules but--

CHAIR PONTANILLA: No, no, I know it's not on the agenda but--

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COUNCIL MEMBERS: (laughter)

MR. YOUNG: Thank you, Chair.

CHAIR PONTANILLA: Thank you.

MR. YOUNG: Announce my wife, Cindy Young, and I had a baby girl on Sunday morning. Her name is Namlyn Young. We're very happy and I thank you because my wife was actually just released from the hospital about an hour ago so I was able to settle her in before rushing up here for the Council meeting. So thank you, Mr. Chair.

COUNCILMEMBER VICTORINO: No worry. We get one tiara for her just in case.

CHAIR PONTANILLA: Thank you for being here.

COUNCIL MEMBERS: (laughter)

COUNCILMEMBER VICTORINO: Tell Namlyn we got 'em already.

CHAIR PONTANILLA: Okay, is there anyone signed up for public testimony? No one has signed up for public testimony. So without any objections the Chair would like to close public testimony.

COUNCIL MEMBERS: No objections.

COUNCIL MEMBERS VOICED NO OBJECTIONS (excused: JJ).

CHAIR PONTANILLA: Thank you.

ITEM NO. 56: FISCAL YEAR 2010 BUDGET AMENDMENT (GENERAL BUDGET PROVISIONS, FINANCIAL PROCEDURES - SECTION 17) (C.C. No. 09-309)

CHAIR PONTANILLA: Again, Members, we do have four items on the agenda. If there's no objections the Chair would like to take up the agenda not in this order but I would like to take BF-56 so Mr. Young can be up first and then get home to help Cindy this afternoon?

COUNCIL MEMBERS: No objections.

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COUNCIL MEMBERS VOICED NO OBJECTIONS (excused: JJ).

CHAIR PONTANILLA: Thank you. Okay, the BF-66 [sic]. .BF-56 is Fiscal Year 2010 Budget amendment (General Budget Provisions, Financial Procedures - Section 17). The purpose of the proposed bill is to amend Section 17 of the General Budget Provisions of the Fiscal Year 2010 Budget to establish the Director of Finance's ability to reimburse a County fund from the sale of general obligation bonds "in whole or in part based on expenditures or anticipated expenditures". And if I can have Mr. Young provide more comments. Mr. Young.

MR. YOUNG: Thank you, Mr. Chair. Thank you, Members. The purpose of this ordinance is to amend that section of the annual budget ordinance in the Financial Procedure section, specifically rated. .related to the General Fund loan advances for those projects that are appropriated to be funded by general obligation bonds.

Currently this section in the Budget ordinance allows for the Finance Director to advance monies from the General Fund or from the Water Fund ahead of selling general obligation bonds to fund for those capital projects that are in progress or become in progress ahead of selling bonds. What the County has historically done was at the time of encumbrance of a contract we would forward or advance from the general fund the entire amount of the contract to the bond fund. And then when we sell bonds, we actually reimburse the entire amount that was advanced.

Now the intricacies in the past have been such whereby if we encumbered a contract for let's say twenty million dollars, a capital project may take several months, maybe even longer than a year, and in some instances longer than several years to be completed, during which time we may actually sell a bond or incur that debt so what we have been doing is incurring debt and out of the bond sale, uh, ahead of the time that we actually really need it. It's like borrowing money while you still have a full bank account just in anticipation of spending the money. So what happens is we are paying debt for several years before these projects are actually completed and before the money is actually needed out the door. This provision would allow for little bit more efficient cash management whereby we would only need to sell. .or authorize the Finance Director to only sell the amount of money actually expended at the time of the bond sale to reimburse the general fund. It's a little bit more efficient, it's. .it's a little bit more flexible in the sense that we will have a little bit more. .a longer time between bond sales before we actually incur the debt. The thing to know is that

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we would actually only incur the debt at the point that we really need to replace the funds to the general fund. So I look at it as being a little bit more efficient.

In this economic tightening situation that the County is in, this is a measure that will I think ensure our flexibility and our ability to stay afloat a little bit longer. The way we've done it in the past by incurring a lot more debt ahead of when we actually needed it, um, it was kind of luxurious to do it that way, and the County never had any fiscal or financial issues in doing that way, but I'm looking at this measure as the kind of a means to prepare if the County starts to tighten up to the point over the next year or two years, however long this economic cycle last, that we wanna be strategized and positioned, that we have available to us a little more flexibility in our cash management area. So that's the long description, Mr. Chair. Thank you for your indulgence.

CHAIR PONTANILLA: Thank you, Mr. Young. Members, any questions for Mr. Young at this time? Um. . .Member Victorino.

COUNCILMEMBER VICTORINO: Thank you, Chair. So Mr. Young, to put it very simply, we're not gonna borrow the money until we really need it? Put it in a more simplest form.

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: And then that way we don't incur any interest payments and debt until we actually need it.

MR. YOUNG: Yes. Actually what we want to avoid--

COUNCILMEMBER VICTORINO: Uh-huh.

MR. YOUNG: --is borrowing money ahead of when we actually need it. Because when we borrow money we. . .if we earn interest more than what the rate of the debt is--it's called arbitrage--and we would be subject to IRS penalties, that's not really a fear now because interest rates are so low, debt interest rates are so high, but what we wanna be is more timed efficient that we only borrow the money when we absolutely need the money and we only borrow the money that we actually spent. We don't borrow money to pay. . .we don't borrow money that's accounted for that we actually have sitting in the bank.

COUNCILMEMBER VICTORINO: And I, and I. . .and if I hear you correctly with what you're saying is also with the anticipation as the future comes down, interest rates as many experts are saying may start to rise, and rate of return or interest

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rates that we receive on savings may go down. So you're trying to stay ahead of that curve so that we're not stuck between a rock and a hard place.

MR. YOUNG: Yes, definitely. The language in the amendment does, does allow for anticipated expenditures and that, and that is something that would help us on the strategy exactly as you're speaking of.

COUNCILMEMBER VICTORINO: Yeah.

MR. YOUNG: We. . .it's difficult to predict what the interest rate markets are gonna do from year to year or any far point in the future, but we do wanna be prepared that should the opportunity present itself, you know, we will be well positioned to borrow the funds. I would point out that the County of Maui actually hasn't borrowed any money since January of 2008 and we're likely not gonna borrow any money ahead of January 2010, but we are coming up against that point. The last communication to Council from the Department of Finance on the general fund loan advance was sent up November 17th. We actually only have advanced 31 million since January of '08. And the current Budget ordinance, if you look at the section, actually allows for loans and transfers up to 55 million. Now the 31 million that I mentioned is exactly as I talked of earlier. That's actually the full amount of contracts that have been fully encumbered. That does not necessarily mean that's how much money went out the door. It's actually quite less than that. It's actually somewhere around 15 million. So less than half has actually been expended out the door, but we are reporting that 31 million is fully encumbered, it's not spent but it's encumbered. So if we were to sell bill. . .sell bonds today, based on the premise of this ord. . .or this amendment, I would only be looking to go out to sell maybe as much as 15 mil... no less than 15 million to replace how much was out the door, but we would have the flexibility to sell up to the 31 million if the interest rates presented themselves or if other factor presented themselves to be more beneficial to the County.

COUNCILMEMBER VICTORINO: So as I hear you correctly, we are really left with a lot of flexibility to look to the future for whatever interest rates and whatever economic climate changes that we anticipate happening where we can take advantage if necessary, but not have to make any moves if we feel that we're fairly safe and we don't have to borrow this money so that we don't have to look at higher interest rates or borrowing and paying interest on something if we haven't encumbered yet.

MR. YOUNG: Yes, yes. Flexibility we. . .that's a good. . .it will definitely provide us better flexibility to strategize our debt structure.

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COUNCILMEMBER VICTORINO: Well, thank you. That's very good news. Thank you very much. Thank you, Mr. Young.

CHAIR PONTANILLA: Thank you. Member Nishiki.

COUNCILMEMBER NISHIKI: Yeah. Um. . .excuse my ignorance, but say a project is 20 million dollars and you said earlier some projects take three, four, five years, at what point. . .or do you fund the entire project when you say you're going out to bond float is that a point where you, you, you. . .or can you segment the project because it's planning and design, or construction or whatever, how. . .when a project comes up you have to float the entire amount of that project?

MR. YOUNG: We don't have to float the entire amount but what we. . .under the current ordinance we end up floating the entire amount that was encumbered. So on a particular project a project could be structured where it's in, in phases, you know, the design and planning--

COUNCILMEMBER NISHIKI: Right.

MR. YOUNG: --and then the actual construction, it could be structured that way and a lot of times projects are. It may also be one giant project. If it's all, you know, design build it might just be one giant project. So building a facility for 20 million on the design build, what would happen is if that thing came. . .if that project came to the Department of Finance for execution of the contract--

COUNCILMEMBER NISHIKI: Right.

MR. YOUNG: --for 20 million, I would execute that contract, certify 20 million dollars in funds available, that entire amount 20 million dollars will be removed from the General Fund and moved over to the Bond Fund. Then Council will be. . .will get a report in that month that we've transferred 20 million dollars from the General Fund to the Bond Fund, but that does not mean that a doll... one dollar was actually spent out the door for that project. It means that I'm advancing 20 million from the General Fund that's all it means.

COUNCILMEMBER NISHIKI: Okay.

MR. YOUNG: But if the very next day if I went to sell bonds I would sell 20 million dollars worth of bonds to reimburse the General Fund. Again--

COUNCILMEMBER NISHIKI: Oh, you would sell.

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MR. YOUNG: --again even if no. . .one dollar was not spent out the door I would still be selling bonds to reimburse the General Fund. And in that. . .and on the very next day of course we would be incurring debt and interest payments on the bond sale even though again we haven't spent any money out the door.

COUNCILMEMBER NISHIKI: Okay, so, so that up. . .upfront money from the General Fund, is only there until the bond is sold. Now. . .

MR. YOUNG: Yes.

COUNCILMEMBER NISHIKI: . . .once you sell that bond--no, you cannot use any of the General Fund money to really initiate that project despite that you may be going for a bond float that money cannot be spent at all.

MR. YOUNG: Once it's transferred from the General Bond to the Bond Fund, the money is locked up in the Bond Fund for that project.

COUNCILMEMBER NISHIKI: I got it. But say a project is 20 million dollars and it's gonna be five years, you cannot go and just fund to the Bond Fund 50 percent and then float another bond for the remainder of the project should the project take that long is what I'm saying, does this give you that kind of flexibility? I mean you tell the contractor, hey, we're not gonna float the whole thing because it's gonna take five years. Why should I float the entire amount because I ain't gonna pay you all of this?

MR. YOUNG: That's exactly what we're trying to accomplish with this, this amendment, yes.

COUNCILMEMBER NISHIKI: Okay, got it.

MR. YOUNG: Yes. Yes.

COUNCILMEMBER NISHIKI: Okay.

MR. YOUNG: Yes. So we wouldn't have. . .we would not be selling the entire 20 million on the next day, right. I will only be selling how much was actually out the door.

COUNCILMEMBER NISHIKI: And it makes sense.

MR. YOUNG: Yes.

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COUNCILMEMBER NISHIKI: Thank you.

CHAIR PONTANILLA: Thank you, Mr.--

COUNCILMEMBER NISHIKI: So you wheel and deal with whomever the project is with to try to accomplish the payments and the floating of the bond.

MR. YOUNG: Well, our bond sales I, I don't have to negotiate with contractors or departments. It's not. . .I don't wanna encourage people to spend money for the sake of spending it.

COUNCILMEMBER NISHIKI: Right.

MR. YOUNG: Um. . .so all I wanna do is allow the County, if we didn't have to sell debt as much as possible that's actually better. So it's very good that we've gone two years, but if we could stretch it out longer that would even be better. So this, this measure I believe will allow us to do that to give us that flexibility.

COUNCILMEMBER NISHIKI: That's brilliant.

CHAIR PONTANILLA: Done Mr. Nishiki?

COUNCILMEMBER NISHIKI: Thank you.

CHAIR PONTANILLA: Thank you. Um. . .before I call on Mr. Molina I'd just like to note the presence of Councilmember Kaho'ohalahala. Member Molina.

COUNCILMEMBER MOLINA: Thank you. Chair. Good afternoon, Mr. Director. So this proposed amendment then in terms of our bond rating itself this is a plus then. It only helps our, our bond rating?

MR. YOUNG: This, this, this item should not affect our bond rating 'cause it doesn't show any flexible. . .I mean it doesn't show any fiscal strength or weakness. It's just a flexibility item on how we strategize the bond structure. What will be more incumbent upon the Director of Finance and the Department of Finance is that we want to make sure that we don't overextend loans from the General Fund before we actually sell bonds because it. . .or that when we do sell bonds we make sure we replenish the General Fund for everything and if anything else is needed, you know, more than that to make sure the General Fund stays liquid enough to maintain cash operations. So there will be some greater diligence expected on the Finance Department side, but we believe the Finance Department is well structured to do that. We have done that in the past on previous bond sales, and

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because the way that we've done it in the past, it is something that we have always noted. . .well, we have noticed as long as I have been here. It is something we have talked about. Why are we selling so much bonds when we don't have as much cash out the door? So we're actually building interest and paying interest on money that we really didn't literally need. Yeah, so I think from that perspective it will increase the fiscal strength of the County and that would improve our presentation before the bond rating. Yeah, so I don't think this item in of itself would improve our rating, but I think the overall mechanisms of the County will.

COUNCILMEMBER MOLINA: So in looking at the bigger picture so this is a good, good direction to take, Mr. Director. So it's something that I can wholeheartedly support. Thank you, Mr. Director. Thank you, Chair.

CHAIR PONTANILLA: Members, any more questions for the Director? Thank you, Director Young for explaining the proposal.

COUNCILMEMBER NISHIKI: I got. . .

CHAIR PONTANILLA: Sure Mr. Nishiki.

COUNCILMEMBER NISHIKI: You know when the money is in the General Fund it can accrue interest. Once you transfer General Fund money into the Bond Fund you can't collect interest?

MR. YOUNG: It still does earn interest.

COUNCILMEMBER NISHIKI: It still does?

MR. YOUNG: Yes. And, um. . .

COUNCILMEMBER NISHIKI: . . .(inaudible). . .

MR. YOUNG: . . .and that is also the other re..., that arbitrage issue that I was talking about. As long. . .all the cash in the General Fund or that accrues from the General Fund we have it invested. So all of it is, is earning interest, you know, some blended rate of interest.

COUNCILMEMBER NISHIKI: Got it.

MR. YOUNG: Yes.

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COUNCILMEMBER NISHIKI: Thank you.

CHAIR PONTANILLA: Any more questions for the Director? At this time the Chair would like to make his recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: The Chair's recommendation is for passage of the proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2010 BUDGET FOR THE COUNTY OF MAUI, AS IT PERTAINS TO THE GENERAL BUDGET PROVISIONS, FINANCIAL PROCEDURES - SECTION 17" on first reading, and filing of County Communication No. 09-309.

VICE-CHAIR MATEO: Mr. Chairman, I move for the passage of the proposed bill as you had so recognized including the filing of the communication.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chairman, I second the motion.

CHAIR PONTANILLA: It's been moved by Member Mateo, second by Member Victorino. Members, any more discussion regarding this item? If not all in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any opposed? Seeing none, the motion is carried. Eight ayes, one excused, Member Johnson. Thank you very much Mr. Young.

VOTE:	AYES:	Councilmembers Baisa, Kaho`ohalahala, Medeiros, Molina, Nishiki, Victorino, Vice-Chair Mateo, and Chair Pontanilla.
	NOES:	None.
	ABSTAIN:	None.
	ABSENT:	None.
	EXC.:	Councilmember Johnson.

MOTION CARRIED.

ACTION: FIRST READING of bill; and FILING of communication by C.R.

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MR. YOUNG: Thank you, Mr. Chair, and thank you Members for accommodating on the calendar with my agenda item.

COUNCILMEMBER VICTORINO: And congratulations.

CHAIR PONTANILLA: And congratulations and again. . .

MR. YOUNG: Thank you.

CHAIR PONTANILLA: It's only the beginning of sleepless nights.

ITEM NO. 54: FISCAL YEAR 2010 BUDGET AMENDMENT (MOLOKAI LANDFILL CELL 3) (C.C. No. 09-289)

CHAIR PONTANILLA: Okay, the next item on our agenda is BF-54, Fiscal Year 2010 Budget amendment (Molokai Landfill Cell 3). The purpose of the proposed bill is to amend the Fiscal Year 2010 Budget to include a State Revolving Fund Loan for the Molokai Landfill Cell 3 in the amount of \$175,000. These funds are needed to complete the project which was originally funded in Fiscal Year 2008 in the amount of \$3,300,000. At this time I would like to call on the Director of Environmental Management Ms. Okuma for comments.

MS. OKUMA: Thank you. Good afternoon, Committee Chair, Committee Members. Basically with this budget amendment it would allow us to be able to pay for a change order that was from Goodfellow Construction and they've already completed the work for which this 175,000 would apply and the State of Hawaii has informed us that there is currently enough money in the State Revolving Fund account to pay that \$175,000. So with this budget amendment we would basically be able to pay on that change order from Goodfellow Construction for work that they've already completed.

CHAIR PONTANILLA: Thank you. And joining Ms. Okuma is Mr. Takamine also from Environmental Management.

Members, I'll call on Mr. Mateo for first question to the Department. Mr. Mateo, representative from Molokai.

VICE-CHAIR MATEO: Chairman, thank you very much. I don't really have a question. I'm just, I'm just glad that Cell 3, you know, can be more or less taken cared of with this additional 175,000 because it's virtually pau in terms of Goodfellow's

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doing the work in the landfill. So other than just the encouragement to let's now pay the bill, the work was done, I got no questions for the Department.

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

COUNCILMEMBER VICTORINO: Recommendation.

CHAIR PONTANILLA: Seeing none, the Chair's. . .the Chair would like to make his recommendation.

COUNCILMEMBER BAISA: Recommendation.

CHAIR PONTANILLA: Thank you. The Chair's recommendation is for passage of the revised *[sic]* proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2010 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES, MOLOKAI COMMUNITY PLAN AREA, SANITATION, MOLOKAI LANDFILL CELL 3, TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS, AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)" on first reading and filing of County Communication No. 09-289.

VICE-CHAIR MATEO: Mr. Chairman move for the passage of the revised *[sic]* proposed bill on first reading as you had so recognized including the filing of the communication.

COUNCILMEMBER VICTORINO: Mr. Chair, sec--

CHAIR PONTANILLA: I'm sorry--

COUNCILMEMBER VICTORINO: --second the motion.

CHAIR PONTANILLA: Um. . .before you second the bill is not revised.

VICE-CHAIR MATEO: Thank you. Thank you very much Mr. Chair. I would. . .I stand corrected. I move for the adoption of the proposed bill on first reading including the filing of the communication.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Now I second the motion, Mr. Chair.

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CHAIR PONTANILLA: Thank you, Mr. Victorino. Members, any more discussion? If not, all in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Opposed? Seeing none. The motion is carried, eight ayes, one excused Member Johnson. Motion is carried.

VOTE: **AYES:** **Councilmembers Baisa, Kaho`ohalahala, Medeiros, Molina, Nishiki, Victorino, Vice-Chair Mateo, and Chair Pontanilla.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Johnson.**

MOTION CARRIED.

ACTION: FIRST READING of bill; and FILING of communication by C.R.

CHAIR PONTANILLA: Thank you. Thank Mr. Mateo.

COUNCIL MEMBERS: (laughter)

CHAIR PONTANILLA: Okay.

VICE-CHAIR MATEO: I follow your lead, Mr. Chair.

CHAIR PONTANILLA: I know you did. Thank you Staff.

ITEM NO. 5: CAPITAL IMPROVEMENT PROJECTS IMPLEMENTATION REPORT (C.C. No. 09-321)

CHAIR PONTANILLA: Let's see. . .the next item is BF-5, Capital Improvement Projects Implementation Report. The Chair's intention is to review the following projects: the Papahawahawa Bridge Replacement; Waiohonu Bridge Replacement; Paihi Bridge Replacement, Koukouai Bridge Replacement, and Kaholopo`o Bridge Replacement. And Members the Chair would also provide

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the opportunity to ask questions on any project regarding the first quarter implementation report. And again, you know, we're here to get updates, similar to what we did to the Kihei District Park and the Kaunakakai Fire Station. You know we've allocated monies for these particular projects and we would like to know where it's at at this time in regards to those five bridge replacement projects. So at this time I'd like to call on Mr. Joe Krueger from the Public Works Department for some comments.

MR. KRUEGER: The five bridges in Hana, which we've been working on for quite awhile, are on the STIP. Papahawahawa is scheduled for 2010. We have two outstanding permits and they've been resubmitted and we're waiting to resubmit the permits again. Kaholopo or Kaholopo`o was on the STIP now it's on the ARRA back up for 2010. The other three bridges--Koukouai, Kahawaiokapia, and Waiohonu--are from 2011 and 2012. However, in 2010 the State is gonna redo the STIP. Right now it's like 20. . .2008 to 2011 plus two. So now they're gonna redo it from. . .in 2010 they're gonna redo the STIP to cover the years 2011 to 2014 plus two years. The plus two years is just to show that there is a plan following the actual STIP years. So all our bridges after 2010 will be on the new STIP which starts 2011. So on the exact year we do not know yet 'cause the process will start next year to go all the counties and have hearings and start a new STIP program.

Papahawahawa has a temporary bridge that is. . .is. . .I think they're gonna start pretty soon if they haven't started already. And Waiohonu we already have a bid out for the temporary bridge and the lower bidder is trying to schedule his work, you know, with the material delivery and everything. So the temporary bridges Waiohonu and Papahawahawa have already been awarded. So that's the bridge program right now.

CHAIR PONTANILLA: Thank you. Members, at this time we'll concentrate first on the Papahawahawa Bridge Replacement and the Chair's intention is to take all of the bridges one at a time so that we don't lose track.

So I got a question for the Department regarding the Papahawahawa Bridge Replacement. You mentioned about two outstanding permits that is required. What are those outstanding permits and what department is actually. . .need approvals from.

MR. KRUEGER: Okay, the two permits are the Department of Army. . .which requires a Department of Health water quality certification. The Department of Army permit is completed except for the Department of Health water quality certification. And Department of Health water quality certification was first

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submitted back last year in January and we received comments in February and was resubmitted back again in August and we received comments just this week. So that's the status of those two permits.

CHAIR PONTANILLA: So once we get the approval from the Department. . .oh, once we answer all of the questions from the Department of Health, then it would be to my understanding ready to go?

MR. KRUEGER: Correct.

CHAIR PONTANILLA: Okay, thank you. I wanna call on Member Medeiros if you have any questions regarding this particular bridge.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. So discussing Papahawahawa. . .(end of tape 1A). . .that area is pass Hana. I haven't gone down that side, you know, recently. So I'm not sure if they installed the temporary bridge or not yet. Do you know if the temporary bridge was installed yet?

MR. KRUEGER: No, I. . .it's either under construction but they took the bridge from Paihi--

COUNCILMEMBER MEDEIROS: Right. Right.

MR. KRUEGER: --and they're gonna--

COUNCILMEMBER MEDEIROS: Is it--

MR. KRUEGER: --use, reuse that for Papahawahawa.

COUNCILMEMBER MEDEIROS: Okay. And so you said two permits are outstanding. Department of Army is that Corps of Engineers?

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: Okay. And then the Department of Health.

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: Okay. And so once those two permits are approved and received and then you can start planning construction?

MR. KRUEGER: We can bid out--

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COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: --the permanent bridge replacement.

COUNCILMEMBER MEDEIROS: Okay. Okay. And once construction starts is there a predicted time of construction that you think it'll take in order to complete that bridge? And the reason I ask that is just for traffic concerns.

MR. KRUEGER: There will be approximately nine months, but at least the road won't be closed. We'll have the temporary bridge--

COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: --so we can have the traffic open.

COUNCILMEMBER MEDEIROS: Yeah. And certainly the people of East Maui appreciate, you know, having that temporary bridge when it is installed instead of closing the road or going one lane at time so that's gonna be a big help to have that bridge there. And I'm glad not so much that we had to put it at Paihi but at least we have it on the island to use. Is that a bridge that came from Big Island?

MR. KRUEGER: No. That's a brand new--

COUNCILMEMBER MEDEIROS: Oh that's. . .that you guys got shipped in?

MR. KRUEGER: --brand new temporary bridge.

COUNCILMEMBER MEDEIROS: Okay. Okay. Um. . .I, I think that's all I have. Thank, thank you for that information. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Mr. Krueger when do you expect any final approvals from the Department of Health? I don't know how long it takes.

MR. KRUEGER: The Department of Health permits are very difficult and time consuming. We hope to resubmit by the end of December and hopefully they. . .if we answer everything maybe by the end of January they'll approve it.

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

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COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Another question is when replacing bridges in East Maui. . .even the State has run against challenges of construction bridges that have to meet Federal standards just because the bridges would become more wide and, you know, all the necessary reflectors and guardrails and, and header walls. This bridge at Papahawahawa what design will it take on?

MR. KRUEGER: It would be a single lane bridge.

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: Fourteen feet wide. It won't be a, a new looking bridge. It would be similar to what exist there now.

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: We have done preliminary designs on all the bridges in the historic area.

COUNCILMEMBER MEDEIROS: Uh-huh.

MR. KRUEGER: The roads and bridges have been declared historic from Huelo all the way through Kipahulu. So on our bridges we have a plan, a preservation plan to. . .for each of our bridges so when we replace it or repair it we know what we're gonna do.

COUNCILMEMBER MEDEIROS: Okay. That's really good to hear because I know when the State was contemplating or designing bridge replacements on their highway to Hana, you know, they were challenged by the Hana community about designing bridges that you find in Oklahoma or something. So I'm glad that, that area has been designated historic and that, that way your guidelines are already set on, on your design of those replacement bridges.

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: Thank you very much. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Members, any more questions for the Department? Members, for your information the project started way back in 1997. So it's been quite long.

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Okay, the next bridge the Chair would like to talk about is Waiohonu Bridge Replacement. Mr. Krueger, you mentioned about Fiscal Year 2011 it's gonna be--

MR. KRUEGER: Correct.

CHAIR PONTANILLA: --bid out?

MR. KRUEGER: Well, it's on the current STIP for 2011, but the current STIP will be completed in 2010. So from 2011 to 2014 plus two will be a whole new STIP program. So in 2010 they'll redo the whole STIP program. So from 2011 to 2014 plus two years we will have a whole new STIP program and going through the public hearing process and everything. We're not sure where everything's going to fall into place, but our, our plan is to submit for the scheduling for Waiohonu in 2011.

CHAIR PONTANILLA: Thank you. Um. . .I had this question handed. . .if we knew. . .I don't think we knew that we're gonna do it in 2014 at the time that this bridge came about because it came about when I look at dates, you know, 2008 and now we're talking about, you know, moving towards 2011 for bid plus two. By the time you do construction going be 2014.

MR. KRUEGER: No. Excuse me. The STIP program will have all these projects on. The program will run from 2011 to 2014 and they'll always. . .they add a couple more years for planning purposes for the next STIP and we're scheduled to go out to bid in 2011. So if they keep it on 2011 we'll go out to bid at 2011.

CHAIR PONTANILLA: Okay. And Members, you know, I'm glad that Mr. Young came prior. He provided us with real good information in regards to up. . .you know going forward on the bonding. So you know although the money is encumbered he's not gonna go out to bond until the work is ready to go so. . .Member Medeiros questions regarding this--

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Mr. Krueger, right, so currently it's. . .could be if everything goes right constructed as of 2011. But if it gets reconsidered for the 2011 to 2014 plus two years STEP [*sic*], STIP then, then it not necessarily going be constructed in 2011?

MR. KRUEGER: Correct.

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COUNCILMEMBER MEDEIROS: Okay. And you also mentioned that in the replacement of the bridge Waiohonu that it would also have the temporary bridge put in.

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: Now is it the Department's plan to try and use the same bridge at Papahawahawa for that purpose, or would another temporary bridge have to be brought in?

MR. KRUGER: It will be another temporary bridge. It would be a new one. . .the reason we're doing that because the two bri..., the temporary bridges will probably be in use at the same time.

COUNCILMEMBER MEDEIROS: Okay, understandable.

MR. KRUEGER: I mean it could go in next month. It. . .we already have a contractor--

COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: --on board for that Waiohonu temporary bridge.

COUNCILMEMBER MEDEIROS: Yeah and my. . .that leads into my next question. Who's the low bidder on this contract?

MR. KRUEGER: For the Waiohonu Bridge, Maui Master Builders.

COUNCILMEMBER MEDEIROS: Okay. Okay. And my next question is if it doesn't get constructed in 2011 and, and gets reconsidered for the 2011 through 2014 plus two STIP, is there a preference for bridges that have been on the list before other bridges to have some priority?

MR. KRUEGER: Yes. Preferences are given to the bridge rating--

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: --and it's. . .if it has a low bridge rating it has a higher priority. So the bridges in Hana all have low bridge rating so they all will have a higher priority.

COUNCILMEMBER MEDEIROS: Okay. That's, that's good to hear. Not good to hear that we have a low rating, but that it'll be done sooner than other bridges. Okay, I think that answers my question. Thank you, Mr. Krueger. Mahalo, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Members, any more questions for the Department?
The next bridge is Paihi Bridge Replacement. Mr. Krueger.

COUNCILMEMBER MEDEIROS: Kahawaiokapia.

MR. KRUEGER: Kahawaiokapia.

COUNCILMEMBER MEDEIROS: Yeah.

MR. KRUEGER: Correct.

CHAIR PONTANILLA: Oh, I'm sorry.

MR. KRUEGER: We have a, a, that's scheduled for 2011 also. We have a consultant on board and we have completed the Environmental Assessment and the design. We're getting ready to complete the permits.

CHAIR PONTANILLA: So the permit process is similar to the first one then? You need to go through the Department of Army, Corps of Engineers?

MR. KRUEGER: Correct. We've already done preliminary work on all the permits.

CHAIR PONTANILLA: Okay. Mr. Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. You mentioned when you were talking about all the bridges at one time before we took them individually, I think, that, that some were under the ARRA and I think Kaholopo [*sic*] is one, is Kahawaiokapia also one?

MR. KRUEGER: No.

COUNCILMEMBER MEDEIROS: No. Just, just Kaholopo`o Bridge.

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: Okay, so Kahawaiokapia is scheduled for 2011 but again it might be reconsidered for the new STIP program--

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: --from 2011 to 2014.

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MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: My other question is and, and it goes back to but it may apply to this bridge, I'm not sure, but when you have to put in a temporary bridge, is the cost of the temporary bridge included in the cost of the project so it's covered by whatever monies or funds we get?

MR. KRUEGER: Yes, it's part of the Federal aid package, and what we. . .and what we're doing now with Papahawahawa and Waiohonu, because we wanted to put it now before the actual construction, we're going to use it as a soft match so we'll get credit for it.

COUNCILMEMBER MEDEIROS: So when the project is done, does the County be able to keep those temporary bridges for other uses in the future?

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that information. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members, any more questions regarding this item? Okay, the next bridge is Koukouai Bridge.

MR. KRUEGER: Koukouai is a very historic bridge architecturally, and instead of replacing it we'll, we will be repairing it and it is scheduled for 2012 on the current STIP and it probably be scheduled for the same year on the new STIP.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yeah, I, I, I think we're happy to hear that the recognition of that bridge is very historic and the Department has decided to repair it instead of replace it. What is the rating on that bridge?

MR. KRUEGER: It's probably around 10 or 12 out of hundred. It's in very bad shape, but it can be repaired.

COUNCILMEMBER MEDEIROS: So in the repair design and plans, this would be to structurally put it in the integrity of almost a new bridge as far as the strength and integrity of the bridge itself?

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MR. KRUEGER: It will be close to what it was originally designed for--

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: --but not as, as strong as the new bridge because the new bridge are designed for at a higher standard so it'll be close to what it was originally designed for.

COUNCILMEMBER MEDEIROS: Okay. And would it remain a single-lane bridge?

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: Okay. And. . .what else was my next. . .(inaudible). . . Okay, sorry I forgot my next question, but if it comes back to me, Mr. Chairman, I'd like to ask it. Thank you, Mr. Krueger.

CHAIR PONTANILLA: Thank you, Mr. Medeiros. The other bridge, the last one on the list is Kaholopoko [*sic*], Kaholopo`o Bridge Replacement.

MR. KRUEGER: Kaholopo`o is right there at Hamoa and it's scheduled for 2011, uh, 2010 on the ARRA. That one will not need a temporary bridge. We'll use the Hamoa Beach Road as the detour road so that should be ready in a few months.

CHAIR PONTANILLA: When you mentioned ARRA this is monies that we requested but not yet approved through the stimulus package?

MR. KRUEGER: It's approved as a backup project.

CHAIR PONTANILLA: By the State?

MR. KRUEGER: By the State.

CHAIR PONTANILLA: Okay. And how do we get those monies, what is the process?

MR. KRUEGER: It's a backup if any other projects falls through or. . .a, the, um, projects that are on the list come in at a low bid. If there's extra money then we get to use it.

CHAIR PONTANILLA: Okay, thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yeah, I, Mr. Chairman I'm glad you asked that question on the ARRA funding. But Kaholopo`o will that

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bridge design be comparable to the other bridges that are being replaced? And the reason I asked that is that bridge I don't think has a wall on one side. I think it has a pipe rail thing. So when the replacement bridge is put in, will it have a full wall on each side?

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: It would have a full wall similar to the other old style. Not a new looking bridge.

COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: It would be a single lane but it'll look historic.

COUNCILMEMBER MEDEIROS: Okay. Yeah and I gladly, you know, I think fortunately we, we have the. . .(inaudible). . .old road to go around it so we don't have to put a temporary bridge. Okay, thank you, Mr. Krueger. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members, any questions regarding the bridges in Hana? Okay. And Members, you know, one of the reasons why the Chair brought up this bridge replacement is because of the appropriations that were done from way back when, you know, starting, you know, looking at these projects 1997. And we appropriated millions of dollars for bridge replacements. So one of the intentions that this Chairman has is to follow up on those projects that we have allotted a lot of money to ensure that, you know, these projects get done.

As the Chair mentions, you know, when you look at the first quarter report, the report that was given to us, if you do have any projects that you wanna bring up at this time the Chair is willing to entertain that. Member Molina.

COUNCILMEMBER MOLINA: Thank you very much, Chair. I just have one I'd like to bring up with the Department. It's on Upper Ulumalu Road. I think it's on the, it's page nine and it indicates here the funds lapsed. There was 250,000 Mr. Chair I think that's what we appropriated. If I'm correct that's that road where we had a discussion and in the former Councilmember Anderson's committee where the County put in waterlines on supposedly on private road or government road and the community came out express concerns and to see what the County could do to help mitigate the problem. Because when the, installing those waterlines

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apparently caused more runoff on the road and, you know, the road got more deteriorated. So I'd like to get an update from the Department and question why the funds have lapsed because I'm sure there's a lot of interested residents along that road would like to know why.

CHAIR PONTANILLA: Department.

MR. ARAKAWA: Councilmember Molina, my understanding is that 250,000 dollars was appropriated for that road and another 250,000 dollars was appropriated for that road to the Department of Water Supply. And so we actually delegated our appropriation to the Department of Water Supply to implement since it was basically their waterline that was installed on a private road which needed to be remedied. So beyond that I'm not certain what occurred but we basically wanted to have them basically implement the remedy that was caused by their waterline project.

COUNCILMEMBER MOLINA: Okay, thank you for that update, Mr. Director. Mr. Chairman, maybe under your signature if we could get an update from the Water Department to see where they're at on addressing the problems of that road and I guess, you know, what they're doing with the monies that we gave them. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina we'll follow up with that. The Chair would like to recognize the presence of Member Johnson. Okay, Member Medeiros.

COUNCILMEMBER MEDEIROS: Yeah, I remembered my question so I ask Mr. Krueger on all the bridges but especially Koukouai Bridge where it's gonna be a repair, does engineering determine a weight limit for all those bridges and that designation is posted?

MR. KRUEGER: Yes. Either, either we do it in-house or part of the consultant's work is to determine what the weight limits are.

COUNCILMEMBER MEDEIROS: So it is incorporated in the consultant's scope of work to determine the bridge new or existing weight limits and that and part of the plan is to post that weight limit--

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: --for those bridges?

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MR. KRUEGER: Correct. Like Koukouai--

COUNCILMEMBER MEDEIROS: Uh-huh.

MR. KRUEGER: --may have a weight limit of 15 tons but that will be determined and it will be posted.

COUNCILMEMBER MEDEIROS: Okay, thank you. And then my follow-up question is being that some of these bridges have been in the plans for a long time and funding has, you know, been. . .and some appropriations made, how do we accommodate any inflation or increased construction cost with what the appropriations are if it exceeds those appropriations?

MR. KRUEGER: The way to do that is to come back to Council and ask for more funding.

COUNCILMEMBER MEDEIROS: So what happens if it's funded under this STIP program or under ARRA?

MR. KRUEGER: The ARRA will provide 100 percent funding. On the STIP program it's 80/20 percent share.

COUNCILMEMBER MEDEIROS: I see. And on the ARRA they provide the funds and we reimburse those funds is that the way ARRA works?

MR. KRUEGER: No, it. . .we provide the initial funding and they reimburse us--

COUNCILMEMBER MEDEIROS: And they, and they pay us for it.

MR. KRUEGER: --100 percent for the construction.

COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: And we also have a construction management cost that we pay for it.

COUNCILMEMBER MEDEIROS: Okay, thank you, Mr. Krueger. Mahalo, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members any more questions? Member Johnson.

COUNCILMEMBER JOHNSON: Yes, and I don't know if you covered this one already, but it's the Lahaina Watershed Flood Control if you just could give an update on that particular project.

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MR. KRUEGER: The Lahaina Watershed Flood Control is a multiphase flood control project in Lahaina that runs from Lahainaluna Road diagonally down to Honoapiilani Highway between Puamana and Launiupoko. The first phase was awarded to Kiewit and we are trying to get all our permits ready to start construction within the next few weeks.

COUNCILMEMBER JOHNSON: Okay, that's--

MR. KRUEGER: Try to get it done by the end of this month but. . .

COUNCILMEMBER JOHNSON: Yeah, 'cause I know I had two people that had called my office earlier just asking, you know, because there's some other people that live on Wainee Street and I said, uh, yeah, I understand. 'Cause it's rainy season again so they just inquiring what the status is because--

MR. KRUEGER: We're down to counting days now.

COUNCILMEMBER JOHNSON: Okay, okay. Well, let's hope we don't have any. . .

MR. KRUEGER: . . .(inaudible). . .

COUNCILMEMBER JOHNSON: The. . .oh, is that the current project? Oh. Member Kaho`ohalahala also had a question in that regard, but I just wanted to mainly just understand that the contract has been awarded and they're just waiting for all the final permits then so that the work on that project can proceed.

MR. KRUEGER: Correct.

COUNCILMEMBER JOHNSON: Oh, okay great. And one more, Mr. Chair, and that is just on progress, again, on Lower Honoapiilani road improvements as far as acquisition of right of way have we made any progress on that at all?

MR. KRUEGER: We were going along pretty well until our land agent hurt his back and he's been on workmen comp. So we're waiting for him to come back. . .well our land agent section, the survey section, has been working on it but it's slow process.

COUNCILMEMBER JOHNSON: Okay and, and so do we have any projected timeframe? Because I visited with some of the people there and they're just anxious. I know the Fujiwara's are real anxious to move forward and there were some minor issues that supposedly have been resolved with that so. . .

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MR. KRUEGER: That one is almost completed.

COUNCILMEMBER JOHNSON: Okay. Yeah, 'cause I just. . .I wanna you know because Mr. Chair this my final term I wanna try and do as much of this as I can and, you know, try and conclude some of it and it seems like, wow, I was the same, same place as I was when I came on the Council nine years ago, but I just wanna be able to report something positive for them. Okay, thank you.

CHAIR PONTANILLA: Thank you. Regarding that permit, permits for Lahaina Flood Control any of the holdups within the County, any of the County departments?

MR. KRUEGER: No. When a contractor gets awarded he, he has to get certain permits on his own. One of the permits is to work within the State right of way and there's other issues just besides. . .you know besides his work that we're working on. One is the use and occupancy agreement but we're almost finished with all the permits.

CHAIR PONTANILLA: So this other permits is different government agency that he needs to get it?

MR. KRUEGER: Correct.

CHAIR PONTANILLA: Okay, thank you. Members, any more questions regarding this particular item here?

COUNCILMEMBER KAHO`OHALAHALA: Chair.

CHAIR PONTANILLA: Member Kaho`ohalahala--

COUNCILMEMBER KAHO`OHALAHALA: Yeah, just this follow up from--

CHAIR PONTANILLA: --followed by Member Medeiros.

COUNCILMEMBER KAHO`OHALAHALA: --thank you--Member Johnson. I was just curious as to. . .because we're talking about the drainage issue from Lahainaluna Road to Launiupoko, Puamana that's what you're commenting, and then the current work that's happening along side Honoapiilani that's coming from Prison Street all the way to Puamana, is, is that the same?

MR. KRUEGER: No.

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COUNCILMEMBER KAHO`OHALAHALA: No.

MR. KRUEGER: That's the four lane project the State Highway Department is constructing.

COUNCILMEMBER KAHO`OHALAHALA: State Hawaii is constructing.

MR. KRUEGER: On Honoapiilani Highway. They're widening the road to four lanes.

COUNCILMEMBER KAHO`OHALAHALA: Okay, and then what about the drainage and stuff that's. . .is there anything that's being done?

MR. KRUEGER: They have their own drainage system for that project.

COUNCILMEMBER KAHO`OHALAHALA: Okay. I just wondering how that fits in with our project because they're in the same vicinity and it's a question that we have raised earlier about how to mitigate the current problem of Prison to Puamana. So I just curious so we're. . .it's something else that's happening that--

MR. KRUEGER: There is another project that we just initiated and that's the Lahaina Town Drainage Improvement. We have the master plan completed and now we're starting the actual design on the first phase.

COUNCILMEMBER KAHO`OHALAHALA: I guess my question is how are we integrating two different government projects in terms of dealing with the same area of land and drainage and flooding problems?

MR. KRUEGER: We have several projects going on with the. . .the State has the bypass, they have the Honoapiilani Highway, and we have the flood control and the Lahaina Town, and they're also. . .the Army Corps working on the, the pond. . .

COUNCILMEMBER KAHO`OHALAHALA: Moku`ula.

COUNCILMEMBER JOHNSON: Moku`ula.

MR. KRUEGER: Moku`ula. So. . .but we all met and we, we all tried to coordinate all our projects so that they will not conflict with each other.

COUNCILMEMBER KAHO`OHALAHALA: Okay. And then my only real basic question is that on the road widening then from Prison to Puamana how is the water being dealt with because--

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MR. KRUEGER: I believe the, the water generated from the improvements will go into injection wells.

COUNCILMEMBER KAHO`OHALAHALA: Okay.

CHAIR PONTANILLA: The way I understand it, Member Kaho`ohalahala, is that the existing drainage that is, that was constructed by the County and filled for some events, special events will be. . .I guess they're gonna go to the original grade that was. . . when it first was constructed as a drainage, and along with that they're gonna put in some. . .a number of injection wells to help mitigate the flooding problem. They may be completed way before Public Works is completed with their flood control project. I don't know. . .well, the project goes from almost Lahainaluna Road all the way down to Launiupoko I think and it's gonna be done in phases so. . .that's my understanding as far as the expansion of the four lane highway from Prison Street. I think it's from Lahainaluna Road towards--

COUNCILMEMBER JOHNSON: Aholo. Aholo.

CHAIR PONTANILLA: Aholo Road, yeah, yeah. So they're trying to mitigate some of the existing flooding problems that we have.

COUNCILMEMBER KAHO`OHALAHALA: I just was curious how that was gonna be done.

CHAIR PONTANILLA: Yeah. Okay. Are you done Mr. Kaho`ohalahala?

COUNCILMEMBER KAHO`OHALAHALA: Yes, I am.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yeah, I. . .you know mine, mine is about the same project that Member Johnson brought up because I know we discussed that project. And the first phase of that project is on the Launiupoko side of the pro..., of that entire project is that correct? Okay. And because Member Johnson getting calls from people that live in Wainee, the first phase won't affect them at all. If it rains it rains. I mean this the, the same thing will happen. So I just wanted to be sure the people that live in Wainee doesn't think that because the project starting it's starting on their side. It started on the opposite side even though we had tried to see if the project could start from the Lahainaluna road side and work over. So just so that, you know, Members that live along. . .I mean the residents that live along the Wainee area know that

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it's. . .know it's starting on the Launiupoko side of the project. Okay. Is that correct engineering?

MR. KRUEGER: Yes. We're starting at the outlet but there's still . . .that interim diversion berm that was installed--

COUNCILMEMBER MEDEIROS: Right.

MR. KRUEGER: --with the West Maui--

COUNCILMEMBER MEDEIROS: Correct. Correct.

MR. KRUEGER: --Soil and Water Conservation District.

COUNCILMEMBER MEDEIROS: Thank you. Thank you, Department. Mahalo, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions regarding the CIP? Member Mateo.

VICE-CHAIR MATEO: Chairman, thank you. And it would be for Director Arakawa. Just follow up whether or not the Molokai Public Works Baseyard is still on target in, in meeting the required time when we must vacate that property from the State if you can just give us an update.

MR. KRUEGER: If I may, Councilman Mateo. We just had the bid opening on Tuesday and. . .last week Tuesday. There were eight bidders. The bids raised from 2.9. . .(inaudible). . .4.1 million. We only have two million. So we're gonna have to postpone a good portion of the project until we get more funding. So right now we plan to do like half, half of the baseyard site work and the one garage. As far as the special use permit for the existing baseyard we plan to go to the Planning Commission. . .(end of tape 1B). . .to extend our special use permit.

VICE-CHAIR MATEO: Wasn't it more than just the SUP? It was the State asking us to evict to, to leave the premises because it was part of their master plan they wanted their property back?

MR. KRUEGER: Correct.

VICE-CHAIR MATEO: So we going ask the Planning Commission to give us an extension on property that the State wants back?

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MR. KRUEGER: Yes. We will go and beg the State to use that for little while longer, but the Special Use Permit is a requirement just to use the property as a baseyard. The other option is we can move what we have into the new baseyard when it's completed.

VICE-CHAIR MATEO: Okay. So--

MR. KRUEGER: Partially.

VICE-CHAIR MATEO: Yeah. So you. . . somebody in the department will be dealing with the State in terms of getting some kind of an extension on the current property?

MR. KRUEGER: Yes.

VICE-CHAIR MATEO: And would you know when that was because this is the month we suppose to be getting out of the location.

MR. KRUEGER: I understand that's. . . well, yes, we would have to talk to the State.

VICE-CHAIR MATEO: Okay. Okay. Chairman, perhaps just to ease my own old mind if we can follow up so we can get something in writing from the Department advising us of the existing status and whether or not the State is allowing us the extension because, because the State had made it clear several years ago that December of this year it was, you know, they wanted the County off of their properties in order for them to initiate their long-range planning for the specific Kaunakakai Town area so perhaps under your signature Chairman. Thank you. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Krueger what was the shortfall from the projected amount, the low bid, and the budget itself?

MR. KRUEGER: The low bid was 2.9 million.

CHAIR PONTANILLA: And we budgeted?

MR. KRUEGER: Two million.

CHAIR PONTANILLA: Members any more questions regarding the CIP? Member Kaho`ohalahala.

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COUNCILMEMBER KAHO'OHALAHALA: Yeah, um. . .Chair, I'm just looking at some of the Lanai projects. So the Lanai Community Center Renovation any. . .

MR. ARAKAWA: Our department is not responsible for that project.

COUNCILMEMBER NISHIKI: Different department.

COUNCILMEMBER VICTORINO: It's the Department of Parks and Recreation.

COUNCILMEMBER KAHO'OHALAHALA: Okay, I realize that so. . .

CHAIR PONTANILLA: Yeah. . .you know prior to budget we're gonna have the same discussion with all of the departments and at the time, you know, whatever questions that you have regarding parks we're gonna bring back, we're gonna bring back parks again, you know, just to review their project proposals for not only the current year but previous years. Maybe for the Budget Director, for Fiscal Year 2009 there is available balance according to this report, yeah, of 25 million dollars and, you know, there's a whole bunch of projects as you review this thing that, you know, we haven't even encumbered any of these 25 million dollars. You know our budget for the 2009 was 100 million dollars so 25 percent of that budget is still available. And this report is as of September 30th and I don't think we spent any or very little of that money that's still available. Here we have one department Public Works that is looking for 900,000 dollars and the possibility. . .what's the possibility of redirecting some of those CIP dollars so that we can complete the Kaunakakai Public Works Baseyard in its entirety based on the low bid?

MR. PABLO: Thank you, Chair. That is a possibility, but we would have to come up with a budget amendment requesting this body to transfer funds from another project to this project here. There is a provision in the County Code which allows the Mayor to transfer amounts from one CIP to another when the project comes in over. . .when, when a project bid comes up over the appropriated amount, but that County Code provision allows for only \$25,000. So something of a dimension of 9 million dollars we would have to discuss this with the Finance Director to see whether that would be bond-funded amounts and whether that would go over the amount that he would, he has set as a limit for Fiscal Year '09 but that would be possible.

CHAIR PONTANILLA: Okay. I'll follow up with a correspondence regarding the baseyard for Kaunakakai because it doesn't make sense that, you know, we need to move out, we need to go. . .and, and the department is gonna have to ask the Planning Commission and the State of Hawaii to extend the stay in Kaunakakai

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Town if it's only 900. . .I know 900,000 dollars is a lot of money, but I feel that, you know, once we start we just as well complete the project knowing that we have this available balance, you know, capital improvement area for the Fiscal Year 2009. Members any more questions regarding the CIP report? If not . . . Member Mateo.

VICE-CHAIR MATEO: Chairman, just a comment. One, I wanted to thank you for allowing this opportunity because the biggest, one of our biggest problems has been the follow up on CIPs unfortunately we as a body had not. And I think it has been a rude awakening for all of us, you know, when we see the projects as we have appropriated funds for and is still sitting, and they go back, for example, the bridges we had just spoken about to 1997. It's inexcusable. So I'm kind of looking forward to this whole concept that we're addressing right now and not seeing CIPs in the upcoming budget. We need to take care of what we already allocated and it's not being done. So I thank you for this opportunity, Chairman. It's a, it's a real eye opener. Thank you.

CHAIR PONTANILLA: Thank you. So, Members, any more discussion regarding this item? If not the Chair would like to defer this item.

COUNCIL MEMBERS: No objections.

ACTION: DEFER pending further discussion.

ITEM NO. 55: QUARTERLY STATUS REPORT ON COUNTY ROAD RESURFACING PROJECTS (DEPARTMENT OF PUBLIC WORKS) (C.C. No. 09-307)

CHAIR PONTANILLA: The last item that we have this afternoon is part of the CIP, this is BF-55, the Quarterly Status Report on County Road Resurfacing Projects, again the Department of Public Works. The Committee is in receipt of a report on County road resurfacing projects for Fiscal Year 2008 through Fiscal Year 2011. At this time the Chair would like to call on the . . .Mr. Arakawa from the Public Works. Director Arakawa comments.

MR. ARAKAWA: Thank you, Mr. Chair. This item stems from a proviso in the Fiscal Year '10 Budget which reads Countywide Resurfacing, provided that the department present a quarterly status report to the Council on the resurfacing projects that are being implemented. Such a, such a report shall include, but not be limited to, the name of the project, district, the projected cost, including

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matching funds, timelines for implementation, and justification for moving forward with the project.

The department submitted the quarterly status report dated October 7, 2009, and it includes information on status on resurfacing projects so let me just go over briefly several fiscal years of, of projects, and you have the table that was attached to the communication.

Resurfacing projects budgeted in Fiscal Year '08 have generally been completed. There are a couple of exceptions. These are west Main Street right outside the County building between High Street and Iao Valley Road. That project is awaiting completion of the Department of Water Supply waterline project on Vineyard. . .on Vineyard Street and Ilima Street. There's also the Kam, uh, the Kamehameha Avenue project between Puunene Avenue and Hana Highway which should be starting very shortly. This project also utilize funds from Fiscal Year '09 as well, and this is the project which we'll be utilizing ultra thin white topping which is a fairly new concrete product.

Resurfacing projects funded in Fiscal Year '09 are generally all out to bid awaiting contract execution or, or already completed.

For Fiscal Year '10 a total of 4.3 million dollars was appropriated for Countywide resurfacing, and streets proposed to be resurfaced in Fiscal Year '10 are listed on your table. As we mentioned in previous Council meetings we have the pavement management system which is up and running with data provided by our Engineering Division staff. And basically the program analyzes data and priori..., prioritize road, prioritizes roads for reconstruction or rehabilitation. Information road conditions are incorporated in the system and we also take into account public inquiries, complaints, we also take into account traffic volume and vehicle classifications, and the actual roadway classification and the function itself.

For these sets of streets we have initiated the design of the streets to be resurfaced, and as you all know we need to do the design first before going out to bid in order to have a contractor do the construction. Often times we need to do a survey before the design can start and the design then involves analyzing what needs to be done to the road. For example, some roads we need to take off the old layer of asphalt. Do we need to also provide or reconstruct the base course? Sometimes the base course is deteriorated and in many cases there is no base course. What is the required thickness of asphalt that we're gonna be putting in? Do we need to construct handicap ramps? What is the final striping gonna be? These are just

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some of the questions that, you know, the design needs to take into account before the project can go out to bid and construction can start.

And one of the concerns that the Council expressed during the last Budget process was the length of time between the time of budget appropriation and the time of construction. This is the time that is taken up by the survey and design process. We do our survey and design all in-house unlike other departments or other larger projects where the design and construction are separated by different fiscal years.

So basically what we have proposed in the table that you have before is a list of streets to be resurfaced with Fiscal Year, Fiscal Year '11 appropriations, assuming the same amount of funds are approved for Fiscal Year '11 as Fiscal Year '10. Since this is in advance of the Fiscal Year '11 Budget, this will allow the department to at least start the survey. . .survey and design process for those roads proposed to be resurfaced with Fiscal Year '11 monies. And by starting the design process now, the department, of course assuming the funds are approved, will be able to have the resurfacing project under construction faster than, you know, the current process which is basically we wait until the budget process we talk about the streets proposed to be resurfaced as part of the budget process and then start the survey and design process after that. So that concludes my, my comments, and I'd be happy to answer any questions.

CHAIR PONTANILLA: Thank you. Members, any questions for the Director?
Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Director thank you for the explanation. As we look at the resurfacing schedule for '08 to '11 for the Hana district which is on the last page on the back of the last page, I see '08 is completed and then '09 is out to bid. What is the current status of the '09 project?

MR. KRUEGER: The contract is being executed. We have a, a contractor that bid, bid on the job.

COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: There were two. . .three contractors who bid on it.

COUNCILMEMBER MEDEIROS: Yeah. And then as it's projected ahead to 2010 and 2011, I notice the amounts have decreased and why is that because we're covering the same amount of road resurfacing.

MR. KRUEGER: We're getting into Kaupo where the road narrows.

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COUNCILMEMBER MEDEIROS: Okay.

MR. KRUEGER: And when we go through Kaupo we're not gonna widen the road. We'll keep it as the same width as it is mainly because the stonewalls on each side are just. . .it just sits there and. . .(inaudible). . .and it's sort of historic and, and the people in that area does not want us to widen the road. . .(inaudible). . .

COUNCILMEMBER MEDEIROS: Yeah, okay. So it has been the practice to, according to this schedule, I know a long time ago we use to try to do one mile at a time, but now it's down to half mile a year.

MR. KRUEGER: Correct.

COUNCILMEMBER MEDEIROS: Okay. At half a million dollars.

MR. KRUEGER: Yes.

COUNCILMEMBER MEDEIROS: And that's not a first class road resurfacing either.

MR. KRUEGER: Well, it's pretty thick. It's like a new road almost because it's not just two inches. It's like four inches of asphalt.

COUNCILMEMBER MEDEIROS: The asphalt thickness?

MR. KRUEGER: Yeah.

COUNCILMEMBER MEDEIROS: Oh, okay. That'll accommodate our ranchers--

MR. KRUEGER: Yeah.

COUNCILMEMBER MEDEIROS: --trucks but. . .okay. So is the department's projected plan to continue the half a mile resurfacing in that same area Piilani Highway between Kaupo and Ulupalakua?

MR. KRUEGER: Correct.

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

CHAIR PONTANILLA: Thank you. Mr. Krueger, on page number. . .the first page of that report Kahului, Wailuku-Kahului, Fiscal Year 2008, Poai Place, Polu Place,

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Nanimalu Place, and Hoaloha Place, and on the bottom it says construction complete. When con..., when I see construction complete it's all those four different locations?

MR. KRUEGER: I believe so.

CHAIR PONTANILLA: Okay. Thank you. Member Baisa.

COUNCILMEMBER BAISA: Yes, thank you very much Chair. Mr. Krueger looking at the Makawao-Pukalani-Kula for Fiscal Year 2009 this Holomakani Road and Holomakani Place can you explain what we're doing there that's gonna cost so much?

MR. KRUEGER: Holomakani Road and Place is. . .deteriorated to a point where a resurfacing, a simple resurfacing won't do. So we've looked it up, looked up several methods of reconditioning the road and one is we'll cold plane the road or take all the asphalt and much base we can, mix it up, and reinstall it and compact it as a base, and then we will resurface it. So it's not a simple resurfacing job. It's kind of complicated.

COUNCILMEMBER BAISA: I see. And can you identify for those who might be listening where the. . .or watching where this is?

MR. KRUEGER: Off of Kula Highway you go up Copp Road and it's about halfway up before you get to the upper highway which is. . .yeah, about halfway up. . .yeah, between that and Kekaulike.

COUNCILMEMBER BAISA: Thank you very much. And Chair I wanna thank you for having this opportunity. You know one of the things that. . .because I represent Upcountry I get a tremendous amount of calls about roads that are in poor repair and everyone of course feels that their road is the worse and everybody feels that their road should be first, and it's difficult to explain to the constituents how much this stuff cost. And so I think it's really important that we do have these meetings once in awhile and discuss how much it cost to do a half a mile a road or a mile a road or whatever, and then I think it helps people understand why we have to approach this the way we do and it takes so long to get it done because of the amount of money that's involved and the work. So thank you very much.

CHAIR PONTANILLA: Thank you, Member Baisa. You so right, you know, we got a lot of roads to repave and how much do we wanna spend to do the work. Member Johnson followed by Member Nishiki.

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COUNCILMEMBER JOHNSON: Yes. I just have a question on the fiscal year in West Maui, Fiscal Year 2010, Kapunakea Street and Aa Street, initiating design, and the estimate there is 260. . \$268,750. Then I noticed in Fiscal Year 2011 there's Lahainaluna Road (Front Street to Honoapiilani) and Lui Street (Aki to Pikanele) (proposed) for estimated \$268,750. Now I'm assuming in Fiscal Year 2011 that's for design also is that correct?

MR. KRUEGER: What was the question again?

COUNCILMEMBER BAISA: (laughter)

COUNCILMEMBER JOHNSON: Okay, I'm looking at Fiscal Year 2010--

MR. KRUEGER: Yeah.

COUNCILMEMBER JOHNSON: --versus Fiscal Year 2011 for the West Maui district and I see that the initiation of the design for Kapunakea and Aa is gonna cost 268,750. Then for the next fiscal year I see Lahainaluna Road and Lui Street which are two different things. So that's also estimated 268,750 and I'm trying to make a determination is that for design also or is the 268,750 for the construction of Kapunakea to Aa or how long is. . you know I mean I guess I'm trying to figure out are you gonna go two full fiscal years with implementing no roadway improvements in West Maui at all?

MR. KRUEGER: The funding shown is for construction. The design is done in-house--

COUNCILMEMBER JOHNSON: Oh, okay.

MR. KRUEGER: --so there's no design fee.

COUNCILMEMBER JOHNSON: Okay. So, so what you're saying then is. . I guess what I'm trying to say is if you're initiating the design for Kapunakea Street and Aa Street they're gonna be done in Fiscal Year 2010 those street areas?

MR. KRUEGER: Correct.

COUNCILMEMBER JOHNSON: Okay. And same thing with Fiscal Year 2011?

MR. KRUEGER: Yes.

COUNCILMEMBER JOHNSON: Okay, all right. 'Cause it was a little confusing the way it's being shown because if I look at. . I don't know what the distance for

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those roadway projects are, but when you're looking at half a million dollars for half a mile. . .I'm assuming this is a quarter of a mile?

MR. KRUEGER: No, about half a mile I guess.

COUNCILMEMBER JOHNSON: Yeah. I, I mean I just, I'm trying to figure it out so. . .you know 'cause all I know is I don't know what those distances are. I kind of know but you know it just seems like a whole heck of a lot of money for just, you know, for just little tiny itty bitty little areas and boy going at this rate. . .I don't know I'll be in the grave long before you even get to some of the projects, you know, that are long needed in Lahaina Town. So we gotta figure out some better way to do this, Mr. Chair. And I'm sure many of my constituents will be, you know, I guess a little disappointed that we're not able to do more.

Mr. Chair, the other thing I just wanna ask and, you know, I do appreciate you bringing this report forward because the. . .I think it's important for us to know, but one of the things I wanna make sure is if we have. . .I know we spoke about it in another part of the budget which we're doing the pilot project for some kind of in-house repaving projects. I wanna know if any of these kinds of projects where it's such a small, little, narrow area or anything that we're doing are any of those part of those pilot projects where we had talked about bringing repaving or the smaller projects in-house 'cause that's the thing that's not denoted on here, but I don't wanna lose sight of that 'cause I think it's really important.

CHAIR PONTANILLA: Thank you for bringing up that subject.

COUNCILMEMBER JOHNSON: Okay, thank you.

CHAIR PONTANILLA: Maybe another meeting we talk about the in-house construction crew that we. . .(inaudible). . .that we set aside money for to purchase equipment, um. . .

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Member Nishiki followed by Member Kaho`ohalahala.

COUNCILMEMBER NISHIKI: Um. . .this is real awkward for me because I don't want to seem like a little cry baby. And yet I, I know what you're gonna be facing in next year's budget, Mr. Chairman, and perhaps we will have this showdown later on, but it has to do with how we segregate monies in different districts and, and, and what is considered to be fair. And I don't know how we did it last year or

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how you people did it in the years when I was not a sitting Council person, but I surely would like to know from the onset what the policy is going to be.

CHAIR PONTANILLA: Thank you, Mr. Nishiki. I know previous budgets each of the districts got resurfacing dollars, and when we put aside 250,000, 500,000 dollars, you know, 50 you go quarter mile, half a million you go half a mile. Last year or this present budget we gave the department--correct me if I'm wrong--four million dollars and they go with their priority list in regards to resurfacing and I think going forward it should be like that.

COUNCILMEMBER NISHIKI: Okay, so just, just so that we don't get involved in the divvying up that means. . .which I don't wanna create a fight, but if I see some inequities I surely not gonna stand for it you know and, and so that's the reason why I asked you that question so we let Administration set the policy and this year we probably gonna do the same. . .

CHAIR PONTANILLA: Uh. . .

COUNCILMEMBER NISHIKI: . . .'cause obviously they've identified those roads.

CHAIR PONTANILLA: Yeah. . .again this 2010 Budget, the four million dollars that we authorized Public Works they would have the, you know, authority to prioritize the projects but you know who knows better, yeah.

COUNCILMEMBER NISHIKI: Well. . .yeah. And, and, and, and I don't wanna have to go and lobby them. So I hope that everybody else would laid them off. . .layoff also to be fair. (chuckled)

CHAIR PONTANILLA: No, I understand. I hear you. I hear you.

COUNCILMEMBER NISHIKI: You know I. . .eh, you know, I'll fight and argue at the same time.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER NISHIKI: Thank you.

CHAIR PONTANILLA: Thank you. Member Kaho`ohalahala.

COUNCILMEMBER KAHO`OHALAHALA: Thank you Chair and just a comment on what Member Nishiki said. I think the other part of this was that when we made appropriations for road surfacing in like Lanai, as an example, that could not meet

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a time schedule those monies would lapsed. So I think we came to an agreement to allow the pool of money to be used and implement it as the departments saw so as to not lapse those funds just because we thought that was the appropriate way to go. But my only question here is in your chart here on the resurfacing for Lanai. Just help me understand when you get to the FY '09 you have a note there "used to supplement FY '08" can you explain that.

MR. KRUEGER: When we bid out FY '09 we were short and there was actual money from FY '08. So FY '08 supplemented FY '09. We didn't keep it all in one year. We covered more than one year funding.

COUNCILMEMBER KAHO`OHALAHALA: So looking back at the FY '08 then the amount that you have there that four hundred thousand was used for those two streets? Or you're saying that you had a balance and that you're carrying over to FY '09?

MR. KRUEGER: No, it was used for the two streets.

COUNCILMEMBER KAHO`OHALAHALA: Okay. So the two streets are what you extending into two fiscal years then?

MR. KRUEGER: Correct.

COUNCILMEMBER KAHO`OHALAHALA: Okay. So that's why you're not showing any street in FY '09 then.

MR. KRUEGER: Yes.

COUNCILMEMBER KAHO`OHALAHALA: It's part of the FY '08.

MR. KRUEGER: We used it all in. . .for that street.

COUNCILMEMBER KAHO`OHALAHALA: Okay. And then in FY 2010 then initiating design can. . .I know the question's been asked but can you help understand what that means. . .(inaudible). . .

MR. KRUEGER: It's just a brief status that we started the design portion.

COUNCILMEMBER KAHO`OHALAHALA: And you're proposing that that be the next street?

MR. KRUEGER: Correct.

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COUNCILMEMBER KAHO`OHALAHALA: Okay. And you're doing the entire length right of the street?

MR. KRUEGER: We will try. Money. . .(chuckled). . .it's the question of money that gonna win.

COUNCILMEMBER KAHO`OHALAHALA: So I mean is it just a couple more dollars to make it. . .to complete the whole street?

MR. KRUEGER: If that's not enough we can take the following year.

COUNCILMEMBER KAHO`OHALAHALA: I mean we only one little block.

MR. KRUEGER: You would think.

COUNCILMEMBER KAHO`OHALAHALA: It doesn't make sense that you would stop. . .at you know couple street block short of that entire street and then put it off for another fiscal year.

MR. ARAKAWA: Can I, can I make a comment on that, Mr. Chair?

CHAIR PONTANILLA: Sure. Mr. Arakawa.

MR. ARAKAWA: We tried to maximize the monies that are appropriated and actually it was 4.3 million dollars that was appropriated in Fiscal Year '10, but if you add up the appropriations here it doesn't add up to 4.3. There's about. . .it's actually 447,000 dollars less than that. To kind of take into account, 'cause we don't know what the bids are gonna be, so we're gonna have to kind of massage it a little bit as the bids come in. So, you know, if it's like short we don't wanna of course stop it like midblock. We wanna kind of stop it--

COUNCILMEMBER KAHO`OHALAHALA: Well, that was my question if--

MR. ARAKAWA: --at a logical point.

COUNCILMEMBER KAHO`OHALAHALA: . . .(inaudible). . .yeah.

MR. ARAKAWA: So you may have to add money or take out money or you know depending on what the case is you know, or we have to combine years or you have to make those type of decisions.

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COUNCILMEMBER KAHO`OHALAHALA: Well, I think for the efficiency part of the reason we did this kind of appropriation was to make sure that you could get the equipment and the contractor on island, but if you're not gonna finish the whole street, you know, it doesn't make sense that you would stop you know halfway down that street. So my question when you list the street, I mean that's one street that goes in through the whole town, are you doing the whole street? That's all my question is. And if the answer is yes based on the efficiency of the contractor and the cost you would do one street, then it doesn't make sense to come back and do the other half block.

MR. ARAKAWA: Well, we're just trying to maximize the amount of money that we have based on the bids we have and that's all we can do.

COUNCILMEMBER KAHO`OHALAHALA: Well there'd be a lot of phone calls if you only go halfway and down one street--

MR. ARAKAWA: I realize that.

COUNCILMEMBER KAHO`OHALAHALA: No, I'm just leading toward the idea of the efficiency of how we made the appropriations that I hope that is being considered in terms of what you're listing here. I mean I. . .Lanai is not the same as everywhere else. We only got that little block and you going from one end to the other end that's what I'm asking. . .(inaudible). . .

CHAIR PONTANILLA: Thank you. And I think we should treat probably Molokai, Lanai differently because of the scheduling of equipment coming from this island or Oahu to do work on that island. Um. . .any more questions for the department. Member Medeiros.

COUNCILMEMBER MEDEIROS: I just have one, one more question, Mr. Chairman, mahalo. Because we're talking about Lanai and Molokai and the contractor having to mobilize their equipment and materials to there has it always. . .has it at anytime been considered to get a bid from a contractor on Oahu?

MR. ARAKAWA: Basically it's an open bid so--

COUNCILMEMBER MEDEIROS: So the contractors on Oahu if they're interested they could bid? Oh, good.

MR. ARAKAWA: And actually related to that I think in past years we mentioned to the Council that there's only been one bidder. For the recent 2009 projects we've had three bidders actually come forward and we've awarded it to three different

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bidders for the three different projects. So that's a hopeful sign in terms of getting the good pricing for our projects. And actually the bids have come in a lot more competitively than in, in years past so--

COUNCILMEMBER MEDEIROS: But on Maui we still have just one contractor that does. . .(inaudible). . .

MR. ARAKAWA: There are three.

COUNCILMEMBER MEDEIROS: Oh, we're back at three?

MR. ARAKAWA: Yes. There's only one batch plant but there's still three. . .(inaudible). . .

COUNCILMEMBER MEDEIROS: Three contractors but one batch plant.

MR. ARAKAWA: Which, which offer some competition.

COUNCILMEMBER MEDEIROS: But the batch plant is owned by one of those contractor's?

MR. ARAKAWA: Yes.

COUNCILMEMBER MEDEIROS: Oh, okay. So they, they could. . .(chuckled). . .some industry decisions there. Okay, thank you. . .(chuckled). . .

CHAIR PONTANILLA: . . .(end of tape 2A). . .question. Concrete versus asphalt which is more cost effective in the long run?

MR. ARAKAWA: I think we have to kind of look at it on case by case basis. Concrete has its advantages and so does asphalt and both of them have their own disadvantages too. Concrete is a little harder to work with. It may take a little bit longer and is more inconvenient to install. It's more brittle. So if there are things like aging or root damage is gonna occur that there may be some issues. If you have utilities, you know, you have to basically "suck out" the concrete. It's a little more difficult for contractors to work with, but it will last longer from a lifecycle but it cost more. So you have to kind of look at all of the, the variables and see which may be more beneficial based on the situation.

CHAIR PONTANILLA: Thank you. Member Johnson.

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COUNCILMEMBER JOHNSON: Yes, I just. . .I know that in last fiscal year you were during budget explaining that one of the things you were gonna try to do as far as the awarding of contracts you were gonna try to batch them so that if you had several small roadway projects they would be lumped into one bid. Are, are, were you able to implement that?

MR. KRUEGER: Yes, we did that in 2008. We combined several districts into one bid. Unfortunately there's only one bidder so. . .(chuckled). . .what are you gonna do?

COUNCILMEMBER JOHNSON: I know. . .are you gonna re..., you know try to reestablish that? Um. . .

MR. KRUEGER: We'll consider that but, but this year we, you know, separated by districts and then we had three bidders so. . .(inaudible). . .

COUNCILMEMBER JOHNSON: Yeah. Yeah. No, I understand that. And you know I guess if you maybe pick two districts that were closer to one another, you know, and not the opposite ends of the island.

MR. KRUEGER: We'll certainly look at that.

COUNCILMEMBER JOHNSON: I would. . .because now many of these businesses you know they're, they've actually imported a lot of their workforce as well as their equipment here. So I'm hoping that we get a few more competitive bids to at least give us a little bit more I guess concrete results, you know, no pun intended for our dollars. Okay, thank you.

CHAIR PONTANILLA: Members, any more questions for the department regarding road resurfacing? If not, Members, if there's no objections the Chair would like to defer this item.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. And again prior to Fiscal Year 2011 Budget we'll do a comprehensive review with all of the departments that do have capital improvement projects on their plate.

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: So with that, the meeting of the Budget and Finance Committee meeting. . .oh, but before I adjourn I'd like to thank Mr. Arakawa, Mr. Krueger,

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Mr. Pablo, uh. . .Traci, Gayle, and Yvette, for supporting this Committee. The meeting of the Budget and Finance Committee meeting for December 2nd [sic] is now adjourned . . .(gavel). . .

ADJOURN: 3:08 p.m.

APPROVED:


JOSEPH PONTANILLA, Chair
Budget and Finance Committee

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Transcribed by: Yvette Bouthillier