

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

March 15, 2011

Council Chamber, 8th Floor

CONVENE: 1:33 p.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair (In 1:45 p.m.)
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Donald G. Couch, Jr., Member
Councilmember Danny A. Mateo, Member
Councilmember Michael P. Victorino, Member
Councilmember Mike White, Member (In 1:35 p.m.)

STAFF: Scott Kaneshina, Legislative Analyst
Carla Nakata, Legislative Attorney (Item No. 31)
Camille Sakamoto, Committee Secretary

Troy Hashimoto, Executive Assistant to Councilmember Mike White
Morris Haole, Executive Assistant to Councilmember Robert Carroll

ADMIN.: Sananda K. Baz, Budget Director, Office of the Mayor
Danilo F. Agsalog, Director, Department of Finance
David J. Ching, First Assistant, Department of Management (Item No. 32 and 26)
Jo-Ann T. Ridao, Director, Department of Housing and Human Concerns (Item No. 18)
Michael M. Miyamoto, Deputy Director, Department of Environmental Management (Item No. 29)
David C. Goode, Director, Department of Public Works (Item No. 30)
Jo Anne Johnson Winer, Director, Department of Transportation (Item No. 31)
Marc I. Takamori, Deputy Director, Department of Transportation (Item No. 31)
Robert M. Shimada, Deputy Chief, Department of Fire and Public Safety (Item No. 103)
Cindy Kagoshima, Business Administrator, Department of Fire and Public Safety (Item No. 103)
Edward S. Kushi Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery:
Alan M. Arakawa, Mayor (Item No. 103)
Scott K. Teruya, Administrator, Real Property Tax Division, Department of Finance (Item No. 32)
David J. Underwood, Deputy Director, Department of Personnel Services (Item No. 32)

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Tracy N. Takamine, Chief, Solid Waste Division, Department of Environmental Management (Item No. 29)

Eric H. Yamashige, Assistant Solid Waste Division Chief, Department of Environmental Management (Item No. 29)

Tara K. Sabado, Recreation Specialist, Recreation Division, Department of Parks and Recreation (Item Nos. 31)

Keith A. Regan, Director, Department of Management (Item Nos. 26 and 103)

Jacob W. Verkerke, Information Systems Manager, Department of Management (Item Nos. 26)

David C. Thyne, Assistant Chief, Department of Fire and Public Safety (Item No. 103)

James Kimo Kino, Fire Battalion Chief, Department of Fire and Public Safety (Item No. 103)

David Taylor, Director, Department of Water Supply (Item No. 31)

- OTHERS:** John Finnegan, Member, Maalaea Community Association (Item No. 30)
Andrew Valentine, Jr. (Item No. 31)
Brian Zoellner (Item No. 31)
Lahela Aiwohi, Business Agent, United Public Workers (UPW), AFSCME Local 646 AFL-CIO (Item No. 32)
Nani Watanabe, Senior Independent Living Specialist, Hawaii Center for Independent Living (Item No. 31)
Marc-Andrè Kirchhof, Union Agent, Hawaii Government Employees Association (HGEA), AFSCME Local 152, AFL-CIO (Item No. 32)
Michele Mitra, Union Agent, Hawaii Government Employees Association (HGEA), AFSCME Local 152, AFL-CIO (Item No. 32)
Melissa Saito, United Public Workers (UPW), AFSCME Local 646 AFL-CIO (Item No. 32)
Claudia Shay, Executive Director, Self-Help Housing Corporation of Hawaii (Item No. 18)
Lyn McNeff, Chief Executive Officer, Maui Economic Opportunity, Inc.
Debbie Cabebe, Chief Programs Officer, Maui Economic Opportunity, Inc.
Six (6) additional unidentified attendees

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

CHAIR PONTANILLA: . . .(gavel). . .The Budget and Finance Committee meeting is now in session. Today is March 15, 2011. Time is 1:33. We do have a quorum present. At this time the Chair would like to identify the Members that are here with us this afternoon. We do have Member Carroll, Member Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR PONTANILLA: Good afternoon. Member Cochran.

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COUNCILMEMBER COCHRAN: Aloha.

CHAIR PONTANILLA: Good afternoon. Member Couch.

COUNCILMEMBER COUCH: Aloha, good afternoon.

CHAIR PONTANILLA: Aloha. Member Victorino.

COUNCILMEMBER VICTORINO: Aloha, Chair.

CHAIR PONTANILLA: Aloha. Member Mateo.

COUNCILMEMBER MATEO: Good afternoon.

CHAIR PONTANILLA: Good afternoon. Excused at, at this time are Member Hokama and Member White. Members, we do have several people signed up for public testimony. But before I call those people that wanting to...testify this afternoon, just wanna identify the people from the Administration. We do have our First...Deputy Corporation Counsel, Mr. Ed Kushi and our Budget Director, Mr. Sandy Baz and in the back we do have our Finance Director, Mr. Danny Agsalog. Supporting the Committee this afternoon we do have Scott Kaneshina, our Legislative Analyst, as well as Camille Sakamoto, the Secretary for this Committee. This afternoon we have members of the department of this County to provide this Committee with information that you may have on or questions that you may want to ask the Department heads so they are here. We do have seven items on the agenda this afternoon. So, again, the Chair has posted the meeting from 1:30 to 8:00 this evening just to insure that we take care of our business this afternoon. We also have in the audience some union representatives. We do have Marc Kirchhof as well as Michael [*sic*] Mitra from HGEA as well as Lahela Aiwohi from UPW-Maui Division. She's a Director there. So at this time the Chair will call for public testimony. People that are providing testimony this afternoon, you do have three minutes to provide your testimony and the Chair will allow you one minute to conclude. When you come forward, if you can state your name and the organization that you represent the Committee would appreciate that. But before I call the first testifier, will everyone turn off their cell phones or put it on the silent mode? Thank you. The first testifier this afternoon is John Finnegan. Mr. Finnegan?

...BEGIN PUBLIC TESTIMONY...

MR. FINNEGAN: I didn't hear how long I have to speak, Chair.

CHAIR PONTANILLA: Again?

MR. FINNEGAN: Is there a time limit? I didn't...

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CHAIR PONTANILLA: Yes, you do have three minutes and when three minutes comes up, Staff will notify you and you have...Chair will allow you one extra minute to conclude.

MR. FINNEGAN: Okay.

CHAIR PONTANILLA: Go ahead.

MR. FINNEGAN: Oh, thank you. My name is John Finnegan. I'm a 25-year permanent resident at the Maalaea Banyans in Maalaea. I'm accompanied today by Bill Hawkins, the president of the Maalaea Banyans Home Association and Bill Brown, the treasurer of the Island Sands. And we are all members of the Maalaea Community Association. In February the heavy rains led to the damage of the culvert bridge on Hauoli Street in Maalaea. The bridge was unusable and with the loss of the bridge we were isolated, cut off from food shopping, doctors, hospital and all the daily activities that we take for granted. It was an uneasy feeling to be in such a vulnerable position. We are here today to commend Mr. David Goode, Director of Public Works, Mr. Michael Dean, Project Engineer, and all their associates for the fast replacement and upgrade of the Hauoli Street bridge. We ask that the emergency fund be restored that Director Goode and his department may continue the good work. Mahalo for your consideration.

CHAIR PONTANILLA: Thank--

MR. FINNEGAN: Thank you very much.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier this afternoon? Seeing none, thank you again.

MR. FINNEGAN: Thank you.

CHAIR PONTANILLA: At this time the Chair would like to recognize the presence of Councilmember White.

COUNCILMEMBER WHITE: Thank you, Chair.

CHAIR PONTANILLA: The next testifier is Reverend Andrew Valentine, Jr.

MR. VALENTINE, JR.: Hello again.

CHAIR PONTANILLA: Hi.

MR. VALENTINE, JR.: Thanks for letting me come down. I might have to get an office down here. I'm down here so much. . . .(laughter). . . I come to address the issue the budget request for the Department of Transportation for Paratransit Services. I want to endorse that from the perspective that if adequate transportation is not provided financially then persons of disabilities and mobility limitations cannot get out to do the day-to-day things they need to do. One of the

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things I'm really thankful for this transportation is that Ms. Tara Sabado from the Parks Department is here. She's a Recreation Specialist. When she schedules programs, the only way that most of us that participates to those events can get there is to use the Paratransit. They don't have good vehicles. The monies that the County has spent in the Parks Department to provide services goes unused because...the participants can't get there. What happens when...when Ms. Johnson at the Department of Transportation has requested in their budget is that we get newer vehicles and then better training can be provided to the riders and how best to use that system so that then Roberts or whoever the contractor is can maximize the effort of providing that service through what monies the County is provided. Newer vehicles are a must. We have worn out your wisdom from years' past. They're still functional but just barely. So I encourage you to approve their...the spending request. I know funding is limited. But if we maximize what we have, then we can enhance that to an nth degree by better utilization of, of riders and manage them through training and instruction to all concerned. Thank you.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier this afternoon? Seeing none, thank you again, Andrew.

MR. VALENTINE, JR.: Mahalo.

CHAIR PONTANILLA: Next testifier is Brian Zoellner.

MR. ZOELLNER: Hello. My name is Brian Zoellner. I'm a live-in caregiver for Elaine Ota up there. She's a user of the Paratransit Service and I'm here to, you know, also endorse like Valentine says, the increase of budget to the \$800,000. The reason why we need this extra money is because, simply, there are still areas on this island that aren't being serviced. There's still people in wheelchairs that need to use the Paratransit service that live outside of the boundary right now. And with an, an increased budget we'd be able to service those areas, get, you know, these, these County services to everybody on the island as well as maybe having the Paratransit Service going later. You know, for an example, we were not able to go to the Elton John concert. We weren't because the Paratransit Service does not run that late. There was no way for us to go. So another thing we, we would love to, to go to any other concert. There's concerts coming up every month that we can't go to because the time delay. Another reason why we need increased budget is for newer buses. The buses are old, rickety. They smell inside. The exhaust is going inside the buses and it's causing headaches and illness inside the buses. I also would like to consider you guys taking a look at maybe a biodiesel bus, one of them. It wouldn't be that hard. It's one small step, it's an eventuality that we're all gonna have to get used to in the future, biodiesel will happen. So, anyway, thank you, guys.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Seeing none, thank you again. Next testifier is Lahela Aiwohi.

MS. AIWOHI: Good afternoon, Chair. Good afternoon, County Council. Lahela Aiwohi, UPW-Maui Division Director. And I'm here to testify on behalf of State Director Dayton Nakanelua and, of course, on behalf of our UPW members here on Maui. And we are strongly in support of

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stopping the Maui County furloughs for all of our employees. I think that's a huge step. I do wanna say, you know, we appreciate passing, of course, the budget from last year to allow our members to deal with only 12 days of furlough. Of course, all of that, you know, even the 12 days, that was the least that any county faced during the last year negotiations. So Maui County came out a, a bit ahead of the rest of the counties. And I do wanna say thank you on behalf of our UPW members for doing that. Of course, even one day of furloughs that dampened, or dampened our, our members and so even having this come out to the budget today, that's something that we appreciate. So again we are in support of BF-32 and we appreciate all that you do for us. Thank you.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Seeing none, thank you again. Next testifier is Melanie...Melanie Saito.

MS. SAITO, FROM THE AUDIENCE: Pass.

CHAIR PONTANILLA: Pass? Next testifier to sign up prior to the meeting is Nani Watanabe.

MS. WATANABE: Good afternoon, Chair and Council Members. My name is Nani Watanabe and I work for Hawaii Centers for Independent Living. I have my support system. . . .*(Laughter)*. . . . And this is Elaine and she's not only a client of mine but she's also our board for Hawaii Centers for Independent Living. Our agency services the people with disabilities to live independently in our community. And in order for them to get to our office, they do need transportation. Paratransit has been a real great support. They also serviced my, my clients on the island of Lanai which was wonderful because I guess a lot of 'em they need one and one transportation. But Centers for Independent Living is a one-stop shop agency and we help people with disabilities under sixty years old and, of course, seniors. And Elaine has been a asset as well as Brian because they have actually set a real good example for County of Maui. You wanna say something?

MS. OTA: No.

MS. WATANABE: But anyway, Paratransit is a real great support. One of the problems we had is some of our clients live not within the district so they're not able to take the bus unless they come out to where the bus stop is. And the other problem too is there's no accessible housing within, you know, the area. So please support Bill 31. Thank you.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier this afternoon? Seeing none, thank you again, Nani.

MS. WATANABE: Thanks.

CHAIR PONTANILLA: Nani was the last person to sign up for public testimony this afternoon. Is there anyone out in the gallery that would like to provide public testimony at this time? Seeing none coming forward, if there's no objections, the Chair would like to close public testimony.

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COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

...END OF PUBLIC TESTIMONY...

CHAIR PONTANILLA: Members, thank you for making yourself available for today's meeting. You know, because it's so close to budget, you know, the Chair decided to have this meeting because of the number of budget amendments that is before us. It had never happened before in regards to so close to the budget submittal by the Administration. We have a very lengthy agenda with seven budget amendments and the Chair would like to note that in nine days, this Committee will be again in receipt of the Mayor's proposed Fiscal Year 2012 Budget. In anticipation of that proposal, I ask that you carefully consider the amendments we have before us.

ITEM NO. 32: AMENDING FY 2011 BUDGET: ENDING FURLOUGH DAYS APRIL 2011 THROUGH JUNE 2011 (SALARIES, WAGES, AND FRINGE BENEFITS) (C.C. No. 11-68)

CHAIR PONTANILLA: The first item on our agenda is BF-32, Amending...Fiscal Year 2011 Budget, Ending Furlough Days April 2011 Through June 2011, Salaries, Wages, and Fringe Benefits. The purpose of the proposed bill is to amend the Fiscal Year 2011 Budget to appropriate additional funds to cover the costs associated with ending the County employee furloughs. The Certification of Additional Revenue is attached to the proposed bill. So at this time Chair would like to call on Mr. Baz. Comments?

MR. BAZ: Thank you, Mr. Chair. And I do acknowledge the long agenda today and wanna just thank you for scheduling all of these items before budget session does get presented. The budget that we're looking at for Fiscal Year '11 was presented to you--the previous Council. I, I suppose many of you were on that and made decisions based on that. A lot of the...some of the information that was...that you guys had...that the Council had to make decisions has changed. And the, the items that we bring forward to you today are based on some, some are based on...requests from the previous Administration for budget amendments and some are based on the two months that we had in office here to be able to present to you, you know, the, the needs of the County Administration for Fiscal Year '11. If we had the opportunity to wait and present these in '12, we would've. There are things that we delayed and to present into '12.

For your first item, BF-32, regarding the ending of furloughs, we present this option to you based on the need, as the testifier indicated, for public service employees to get back to work to provide that service to the community. We feel that financially that the need for furloughs is not required and we request that you take that into consideration and allow those County workers to go back to work for the last three days which would be April, May and June for furloughs.

CHAIR PONTANILLA: That's it?

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MR. BAZ: Yeah, thank you.

CHAIR PONTANILLA: Okay, thank you. Members, to make it much easier, the Chair is gonna have Members ask questions starting with Councilmember Mateo, or Chairman Mateo, and we'll go right down the line. Chairman Mateo?

COUNCILMEMBER MATEO: Mr. Chairman, thank you very much. So, Mr. Baz, you're telling us that instead of waiting until the end of this fiscal year which is only like three and a half more months that we're financially sound at this point to eliminate the furloughs?

MR. BAZ: Correct.

COUNCILMEMBER MATEO: Okay, and the monies to eliminate the furloughs is coming all from carryover?

MR. BAZ: Correct.

COUNCILMEMBER MATEO: Okay, Mr. Chairman, I'll, I'll yield the floor now and then I will come back.

CHAIR PONTANILLA: Thank you. I, I know this is something really tough in deciding, you know, what's gonna happen here. Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. I don't really have questions as much as I have just some concern. I'd like to see everybody get back to work but at the same time as, as some of us stated couple of weeks ago, without seeing what we're facing with next year's budget it's a little tough for me to, you know, make the decision at this point. So, I'll, I'll withhold questions unless I--

CHAIR PONTANILLA: Thank you, Mr. Victorino.

COUNCILMEMBER WHITE: --until I see clearer ones.

COUNCILMEMBER VICTORINO: Thank you. And Mr. Baz, you know, this Carryover/Savings that we are referring to is from the Fiscal Year 2009-2010?

MR. BAZ: That's from both Fiscal Years of '09 and '10.

COUNCILMEMBER VICTORINO: '09 and '10, okay. And your, your feeling is, and in projecting for the rest of...not this year but looking at next year because you guys have been working on it and I think you have a pretty good sense of what's happening.

MR. BAZ: Correct.

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COUNCILMEMBER VICTORINO: So in your professional opinion, that if we were to do this that it would have no effect in what we need to do for the next fiscal year?

MR. BAZ: Correct. We developed the Fiscal Year '12 budget based on no furloughs and this would be taking into account this current fiscal year's budget.

COUNCILMEMBER VICTORINO: Okay, no furloughs? Any pay cuts?

MR. BAZ: No.

COUNCILMEMBER VICTORINO: So what you're saying is, no furloughs, no pay cuts, and you would just be basically your--and I'm not, I'm not asking this specifically on the budget--but I mean it's hard to make decisions when you don't see the next...and you know, I agree with Mr. White. We all sat here trying to do something else and we're kinda like told by others that, you know, we really don't see the whole picture. We wanna see next year's picture and that's why I'm kinda getting to that point. Next year's picture you're saying we have enough. No furloughs, no, no, no pay cuts, all this can and keep the County services at the best standards possible.

MR. BAZ: Mr., Mr. Victorino, the Mayor will be presenting the Budget to you very shortly --

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

MR. BAZ: --for our Fiscal Year '12 proposed budget. In, in there those components will address those questions. So they're all questions that we've been dealing with, you know, ever since the election basically. Understanding the, the current County budget and how to prepare for not just next year but for many years into the future. And those are the things that were taken in account in preparation of the budget. So when we present it to you very shortly, those kind of things will, will be in there. For this current presentation, what we're looking at is the Council, when it deliberated last fiscal year on the budget, unfortunately didn't have the information from the 2009 CAFR in the, the certified Carryover/Savings from that information. And I, I have to commend the last Administration for working very hard to get the 2010 CAFR done by December 31st. And so now when we evaluate the FY '12's budget we are taking into account more information that was available to Council when they deliberated last year. And that's why we're looking at this and saying that there is enough funds available for this current budget amendment request.

COUNCILMEMBER VICTORINO: One final question, Chair.

CHAIR PONTANILLA: Go ahead.

COUNCILMEMBER VICTORINO: And again, you don't have a crystal ball, none of us do. If we did, we, we'd all find a different job and we wouldn't be sitting here.

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MR. BAZ: Right.

COUNCILMEMBER VICTORINO: But I think the concern I have and I think many people in the public have is...yeah, we know what carryovers we have. Oh, fine and dandy. But we still have an economy that is tenuous at best. A...oil prices that's skyrocketing because of the unrest in the Middle East and we go country after country. The major disaster that just happened last weekend in Japan which will have a profound effect on insurance carriers, financial markets, et cetera, et cetera. I mean there's so many unknowns. You know, I wanna get people back to work. I want people...but at the same time I hate to bring 'em back and then things gets worse and then we say now you gotta go two days or three days furlough per month. I, I don't know. I don't have a crystal ball like you. But are all the...you know, these are things that I, in my mind, is hard and, and do you guys consider all of these things also? Because again, the, the, the, the disaster in Japan--god forgive--none of us could see that. And it'll be a long time before they feel out the, the, the total results as far as losses and lives and all that other stuff. But the oil and, and especially the Middle East and, and the tenuous and how gas prices have jumped 40, 50 cents in the last month, month and a half. Are we taking all these in, into consideration? Because oil prices mean higher electrical prices, da da duh. I mean, anyhow, enough. I'm sorry. Are all of that being factored in?

MR. BAZ: Yes, Mr. Victorino. Those...all of those things that you discussed except for, of course, the Japanese--

COUNCILMEMBER VICTORINO: Disaster.

MR. BAZ: --tsunami and disaster over there, were taken into account in developing the budget.

COUNCILMEMBER VICTORINO: Yeah.

MR. BAZ: Those, those items are, are a deep concern to us and we wanna make sure that we do prepare for those and we're...while also not impacting the, the citizens financially through taxes and fees as well as through the public services that they've been accustomed to and actually want from the community...from the County.

COUNCILMEMBER VICTORINO: Okay, thank you, Mr. Baz. And I do appreciate and I'm sorry I kinda put you on the spot but I mean there are so many major concerns. And, Mr. Chair, you and I both know that there's...we just came back from D.C. and we saw what, what we heard up there and that's, that's not good news and it could have a profound effect right here on the local level. So again if you had brought this to me next month, Mr. Chair, I might've been more . . . *(inaudible)*. . . 'cause then I would've seen it. Seeing is believing and no offense. I take his word for it but I don't have something that can make me believe. Seeing is believing and at this point I, I'm not confident but I'll wait to see what happens. Thank you, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Just for your information, the, the 2010 CAFR will be distributed to this Committee on April the 1st, 2011. Mr. Baz, just a fast question for you. What is the real property tax revenue projection for the upcoming year?

MR. BAZ: You're talking about dollar--

CHAIR PONTANILLA: Or, or 2011.

MR. BAZ: For 2011--

CHAIR PONTANILLA: Yeah.

MR. BAZ: --or 2012?

CHAIR PONTANILLA: '11 and '12.

MR. BAZ: For...

CHAIR PONTANILLA: Let's put it this way, how we running for 2011 at this time?

MR. BAZ: Mr....the...Mr. Chair, the Director of Finance will...will request that information immediately and provide that to you shortly.

CHAIR PONTANILLA: Okay. And the other...piece of information that I wanna request which I saw in *The Maui News*, Sunday *Maui News*, is the information that the Finance Director provided in regards to the County's liability and the General Fund...you know, how much money we had in the General Fund at this time to...so that we can maintain that balance, you know, should anything happen that these liabilities need to be paid off. So, if, if I can have that information? Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you very much. Mr. Baz, so prior to proposing this consideration before the Committee this afternoon I'm making assumptions so I just wanna ask you if my assumption is correct. That you, prior to this proposal, that you folks have reviewed every department's budget and have found that there is, there is nothing...internally that they could do to make sure that we can meet whatever requirements regarding payroll and what not till the end of the year and that the only way to address it is through a recognition of Carryover/Savings?

MR. BAZ: Mr. Hokama, last year's budget was a very difficult budget for the Council to decide on and I'm sure your, your colleagues that, that were here could attest to that in that they, they reviewed in detail the budgets of the departments and adjusted their levels to be adequate to, to meet the needs including that one-day furlough cut. So to go back and institute...the, the salaries for those furloughs that we're, we're trying to, to cancel now, would put pressure on the departments' budgets that would exceed their current appropriated amount. And we did review

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the different departments and special funds to make sure that there was enough Carryover/Savings, you know, that it wouldn't affect that as well as enough that they didn't necessarily need the...*not* need the budget amendment. Certain programs are already overspent in different categories and, and we wanna make sure that we have the funding available for the next four months to be able to be able to operate.

VICE-CHAIR HOKAMA: : Excuse me, Mr. Baz. I'm still not sure that...while I'm, I, I can see for myself that certain accounts is very tight, I'm still not convinced that through departmental adjustments within the total amount that has been appropriate to the department that they cannot administer through the Director's office enough administrative adjustments to take care of this without additional funds from us. And so that's why I'm asking you these questions because I would like to know what each department or directorship has done *internally* to minimize this consideration for us to consider additional funds. And more than likely if this should potentially make it out of Committee and go through the appropriate readings of Council, you know, maybe we're just looking at two months of actual budget or fiscal year remaining to implement this for consideration. So like Mr. Victorino shared his concerns prior to myself, one, is it really necessary? And have we...can, can you convince the Committee that we've exhausted all of the administrative internal adjustments that can be made between the A, B, C Accounts to address this concern? Because I would rather prepare for the next budget, Mr. Chairman, especially if we're gonna consider ending furloughs for two months, three months and then comes a new budget and we have to reimplement furloughs or pay reduction. I would rather us be assured that every single administrative option has been reviewed, has been entertained 'cause I would rather see an internal adjustment and a request from Council to shift funds from a B to an A Account or whatever other resources that may be available, Mr. Chair, before I look at even considering negatively impacting the next year's complete budget for the County. You know, my other question--oh, I don't know how many questions you want us...each of us to ask in the round...in the round, Mr. Chair?

CHAIR PONTANILLA: Yeah--

VICE-CHAIR HOKAMA: I'd be happy to move on and allow--

CHAIR PONTANILLA: We'll keep it at maybe two and then we'll...because this is so important, I'll just go several rounds until, you know, everyone had their chance of providing the Administration with questions and, and comments back from the Administration.

VICE-CHAIR HOKAMA: Okay.

CHAIR PONTANILLA: Go ahead, Mr. Hokama.

VICE-CHAIR HOKAMA: And then secondly, Mr. Baz, you know, I, I would hate to view the departments all in the same light so...but the way I read this proposal every department is gonna get some, some funds from this consideration of carryover recognition. Why do you have to consider all the departments, in, in my view at this point, similarly? Hasn't certain departments

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performed better than others and that it is...may not be necessary for them to receive this type of consideration?

MR. BAZ: Mr. Hokama, the departments and programs have had unanticipated costs based on the implementation of furloughs. Many of them have exceeded their appropriated overtime, premium time pay allocations and put a stress on the total program budget, the A, B, C Accounts. The, the need for us to present to you a budget amendment prior to the...or the desire of us, I should say, to present a budget amendment to you prior to the presentation of the FY '12 Budget proposal, we looked at various ways to implement this cancellation of furloughs. And the way that was chosen that was the way it was presented so that we could fairly and accurately account for the costs that are incurred by the departments for salaries. The...if, if we do go back to each department and adjust their, you know, if they have some unspent...you know, operations monies that we're gonna then change to salaries, that means that we've affected their operational budget somehow and they're either not going to be able to implement things that they were gonna be doing with the operations or they will be, you know, underbudgeted in those categories. And we do not...again, the, the FY '11 budgets were, were very...produced very thinly and, and they were reduced significantly. A lot of positions were reduced by the elimination of all vacant positions. And a lot of areas where there would've been the ability to adjust internally from the Administration side was, was taken away and so what we're presenting to you is the need to get extra funding so that we can be able to eliminate the furloughs. And this is what we're saying is needed.

VICE-CHAIR HOKAMA: Just a follow-up please, Chairman--

CHAIR PONTANILLA: Go ahead, Mr. Hokama.

VICE-CHAIR HOKAMA: --and I'll be happy to relinquish.

COUNCILMEMBER COUCH: Go ahead.

VICE-CHAIR HOKAMA: Thank you, Mr. Couch. It is my understanding, and I, and I believe the rest of my colleagues' understanding, that the Mayor's...part of the Mayor's public comments has been reducing County government through attrition which is basically retirement or a voluntary departure of service. And therefore, I had...I'm assuming that you checked with Personnel Services to look at the potential numbers of employees leaving the County within this current fiscal year and it's my understanding of the Mayor's earlier public comments, we would not be then replacing those positions unless essential. So I'm assuming you're gonna get some savings out of those positions that I, I don't expect to see in the upcoming budget. Now instead of terminating employees, and he's mentioned some other ideas that he had shared with the Council in the State of County address, and so for me, you know, I find it kinda conflicting in a sense, Mr. Baz, in that you're asking me for more money for potentially positions that may not be part of the proposal or a Council's consideration in the upcoming budget. Because we're all looking at greater efficiency, improving the level of service without increasing the cost because let me tell you every week I go home, I'm getting bombarded because of seniors complaining about the

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increase in the sewer bills, regarding the landfill costs. And so, for me, Mr. Baz, I would rather look at how to assist the taxpayer than looking at how to put back more money back into the so-called County payroll component. And I may be just generally characterizing it, Mr. Chairman, but I hope you can appreciate the concerns I share with you and Mr. Baz this afternoon. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Baz, you mentioned that overtime was eating away at the budget, the current budgets of all the departments. Are, are you saying that overtime caused by the furloughs, people actually coming in and working overtime on those days or how, how is overtime eating away at the budget?

MR. BAZ: In a variety of different manners, the expenditures. They don't necessarily come in on furlough days but if there is a need for a Water Department employee to fix pipes that they need to work on weekends or things like that. And the amount of activity that the departments...some of the departments, they don't have a choice. They have to get it done. And another one that we're going to be talking about this afternoon is refuse collections and things. I mean those, those are places where it *has* to get done so we don't have a choice. And so...those areas especially are...increase the overtime requirements. It's not because they came in on the furlough day but because of the need for public services.

COUNCILMEMBER COUCH: Thank you. If we didn't do...or, or if we put in for these last three furlough days, would that cut into the need for the overtime in your...from looking at all the numbers, would we save more by doing that or is it kind of a toss up?

MR. BAZ: Mr. Couch, the Administration has done some evaluation of what the overtime requirements were just based on the, the furloughs and it would save us overtime costs if we cancelled the furloughs.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Thank you. Fast question, Mr. Baz, encumbrances. What are the encumbrances for? I note that every department has that.

MR. BAZ: Correct. Mr. Chair, the encumbrance category in your expenditure reports are items that have been committed through County procurement but have not been actually been expended. These are things like rents, contracts, items that are purchased but haven't...you know, we've gotten a P.O. for it but we haven't actually spent the cash to pay the bill yet. So that's what the encumbrance is.

CHAIR PONTANILLA: Okay. But you can still unencumber those funds? . . .*(inaudible)*. . . available funds ASAP?

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MR. BAZ: Many of those encumbered funds are items where if we should try to encumber them would cause the County to incur additional costs because of contract requirements, rent, leases and things like that.

CHAIR PONTANILLA: Okay. What about coming up with a resolution in regards to movements of monies between the departments? Has that been considered?

MR. BAZ: Mr. Chair, from my understanding the Council has to appropriate funds to programs, you know, take Council action, ordinance, to, to have that done.

CHAIR PONTANILLA: By resolution, you know, coming forward from the Mayor, we could do that.

UNIDENTIFIED SPEAKER: That's right.

CHAIR PONTANILLA: Okay. Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair Pontanilla. And I guess I more have a comment and, you know, I hear all the concerns from my colleagues here and I guess this is kind of an odd, different set of circumstances we're hearing today with these amendments before this actual budget's coming through so we have a lot of questions and concerns. I mean I don't wanna come across as naïve or Pollyanna or whatever but I, I feel that I'm gonna trust that you folks looked at every possible, you know, avenue here. And, and this is why you, you're doing such an unusual thing right now. You know, I guess doing more with less just hasn't worked out and of course, I wanna get people back. And I think, you know, in the end if there are some negative impacts or, you know, things that we couldn't foresee in this round of budgets, then you best know that this Administration's gonna be held sort of accountable for saying that the money's there and if we find out it's not, then...But at this point, that's just my comments. And I'm, I'm gonna just trust and, and, you know, put...leave that dialog and, and door open to trust that the Administration is doing the right thing. And doing their due...diligence in, in coming up with what this proposal is about. So, that's kinda where I'm at. Thank you.

MR. BAZ: Yeah. Mr., Mr. Chair?

CHAIR PONTANILLA: Thank you. Member Baisa? Oh, Mr. Baz, go ahead.

MR. BAZ: Thank you. Member Cochran, the Administration has been doing more with less significantly. During the last budget cycle deliberations the Council removed all vacant...or most vacant positions for Fiscal Year '11. So in addition to having one day furlough, the employees--and these were vacant positions that some of 'em had only been vacant for a few days--that basically made it so that the departments were already providing more services with less staff. And so it's...yeah, it is kinda catching up to us.

COUNCILMEMBER COCHRAN: Thank you.

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CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Yes, thank you very much, Chair. And thank you very much, Mr. Baz, for being here this afternoon. It's never fun to be in this kind of discussion. But I think this is really important. I'm already on the record because I was asked by *Maui News* about how I felt about this and I said that I thought it was a great thing if we had the money. And I think that's what everybody is essentially saying, is we wanna know, do we have the money? And it's kinda difficult when we're already out of budget and, you know, not to have all of that stuff before us. But for me, I think it's a real different kind of situation than we looked at...about few months ago, a month ago because we're talking about people's pay. And you know, the employees have had to deal with a pay cut because this furlough...amounts to a pay cut. And they've dealt with it now for almost nine months. And if we have the opportunity to...you know, to restore that to them, this is money that will go directly into our local economy because this kind of money is...goes into a paycheck. And it gets spent at paying the electrical bill and buying groceries and taking the kids to...out to eat or whatever it is 'cause this, this is what happens to this kind of money unlike other investments which, you know, you might wind up in other places. This money goes directly into our local economy because it pays people's bills. So I'm very leaning towards wanting to do this and you know, as Ms. Cochran says, it's not to be...Pollyannaish but I have to know that Mr. Baz and Mr. Aagsalag and everybody else who's involved in this, has spent a great deal of time trying to figure out, you know, the impact of spending this kind of money on the upcoming budget. And I understand the budget is in print. In fact, I think it's been printed and so you've had to do your research in order to produce that budget, a balanced budget. And you all know that next week Thursday when we take a look at that budget, we're gonna hold you personally responsible if we've been sold a bill of goods which I don't think you guys will do because, you know, we're all gonna be in this Chambers sitting here trying to figure out how to look for the next year. And we're all dealing with the uncertainties of, of tsunami and Federal funds that are being withheld and the oil crisis and everything else. And I'm sure you're very much aware of that. I don't think any of you are in a vacuum that you're not aware of, of the, the considerations that we're looking at. But I'm leaning very strongly to wanting to do this. Originally, I was kind of taken aback. I thought maybe we would be restoring furloughs at the beginning of July. But I guess it has come to you folks that there was more money available than we thought when we did this current budget. Obviously, a substantial amount of money. And so is there any reason to further, or to continue to penalize our employees if we can take care of this? So, Chair, that's kind of where I'm at, at the moment.

CHAIR PONTANILLA: Thank you. Member Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I agree with everything that's been said, pro and against that our fellow Council...my fellow Council Members have brought up. When the Mayor was before us and someone asked him if he could share some of the 2011-12 Budget, he said he could not because we honor the procedures that we all agreed to. In nine days we will have that budget. To make decisions like this when we do not know what is going to come before us is very difficult. I, too, would like to see our employees be reinstated. I had hoped that in July that we would be through with this. But at this time not knowing what is happening, and

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especially like everyone has said the world situation, we don't know how our TAT is going to be impacted. We do not know about our...just general economy is going to be affected with...we know there's going to be a dramatic drop in tourists from Japan and probably other places too. Our gas prices, if they're going the way they are in another month, they will hit \$5. And there's so much unknown out there including the budget that we will receive nine days from now. It is very difficult to make a decision that we can have confidence in, with the world situation and the lack of information we have on what's going to be going on in our own County. Thank you.

CHAIR PONTANILLA: Thank you. Members, you know, for today's agendaed items, all budget amendments except for one, the total cost to this County would be approximately \$3.4 million.

COUNCILMEMBER BAISA: Chairman, we didn't hear--

CHAIR PONTANILLA: I'm sorry. For the items regarding budget amendments this afternoon, the total cost to this County will be...approximately \$3.4 million. Member Mateo?

COUNCILMEMBER MATEO: Mr., Mr. Chairman, my questions, my questions were answered by what was asked by other Members. So I think, I think I'm going to be waiting for the Chairman's recommendation at this time.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you. Mr. Baz, you mentioned that there was a certain amount of overtime savings. If there was overtime savings that we gained by moving ahead with ending the furloughs, what would that represent as a percentage of the, the funds that you're requesting which I believe are about 1.1 million?

MR. BAZ: From our initial calculations of what the overtime has cost us so far this fiscal year, it'd be about 15 percent, 20 percent, somewhere around there. The, the amount that we're requesting for the budget amendments for the furloughs is about a million dollars. That's less than a half a percent of the total appropriated budget.

COUNCILMEMBER WHITE: Yeah, okay. That's all I have. Thank you, Chair.

CHAIR PONTANILLA: Thank you. I thought I saw something on one of the agendaed items, overtime also was included. Member Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. And that's my question also but I'll skip that question to go to a more important point. In this past...in this fiscal year we've had many major emergencies. Major brush fires for which my, my district has had many of 'em. We just had a tsunami that, thank the Lord didn't do *much* damage, but I know there was incurred overtime for police, fire and other people to stay on, cover shifts, et cetera, et cetera. And, you know, the Public Works, you want me to continue or the...yeah? So all of those kinds of costs have not been factored in yet because these are...and then I know you're gonna say, well, maybe FEMA

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can reimburse us. But we know how FEMA works, if we get anything. And let me tell you, I guess another thing when we were up in D.C., the word was FEMA and many of these programs are looking...they're looking to cut these programs even more. So with all this in mind, you know, and that's my concern. You know, I want our people to go back work. I said that the last time. I haven't changed. But the last time I was on the other side of the coin trying to...figure out, hey, if we have enough, let's do it. Now, I'm saying, maybe there's not. And there's a number of items that have occurred since then that has made me realize that we are very tenuous at best. And, again, I don't have to repeat what I've said. My question to you is, all these overtimes and emergencies that may still occur, we still got three more months of the fiscal year. We still owe the Fire Department, Mr. Chair. Don't we owe them some...we never finished that budget amendment, have...did we?

CHAIR PONTANILLA: It's the last item this afternoon.

COUNCILMEMBER VICTORINO: This afternoon. Okay, so it's here. So that's another thing we gotta fix. And there's more to come. I hope nothing more but let's be honest, more to come. With all this, you know, would it be prudent now to end furloughs and then come next fiscal, you know, say here, Mr. Victorino, go figure out now. We're short. I heard the Mayor say in his budget address to us, State of the County, that he's gonna make real estate revenue neutral, that fees for wastewater, for sewer, for refuse and others will be going up. I heard that loud and clear. And, Mr. Baz, was my hearing wrong or was that actually said by the Mayor?

MR. BAZ: He expressed the revenue neutral for real property tax and he also expressed that the water fees were going up and possibly sewer.

COUNCILMEMBER VICTORINO: Okay, so here we are, you know, again looking...telling the public, hey, we're gonna spend more when the public was on us last year to cut back wherever we could. And now we're gonna raise fees and just because we gotta make ends meet. I don't know if that's fiscal prudence. I don't know, but I'm saying, Mr. Baz, my question to you is, do you have any other projections that incur other...like overtime for emergencies? And I know you can't predict it but let's be realistic, we still got three more months. And we are moving into what I call the prime season for fire. And have you looked at the grass that grows on this mountainside? We had lots of rain, nice and green. In the next month or two without rain, it gets real dry and wham-o! Guess what happens?

MR. BAZ: Right.

COUNCILMEMBER VICTORINO: I've been here. You've been here long time.

MR. BAZ: Member Victorino, the...yes...I...we do, and that's why we're...we've requested that the Budget Committee review the Fire amendment before the budget session starts so that we can get that, that passed out 'cause they have completely dried up their Helicopter Service Fund. The actual expenditures from prior emergencies throughout this fiscal year are in your expenditure reports that you're reviewing and they have been accounted for. And what we are trying to do is

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make sure that, you know, Public Works, every time that there's a, a big rain, they go out and they clean up the roads. And they spend a lot of time and effort to make sure that it's safe for people to be out there driving, make sure that the drains are clear and all those. We wanna make sure they have the time to be able to do that. And this is one of the ways that we can make sure that they have time. If, if...three days is not a whole lot but when you look at the overall aspect of it, it's still three days of additional time that they would have to do those kind of things in preparation for services or to respond to emergencies and things. I, I can't share with you...you know, Mayor doesn't want me to share with you the FY '12 Budget yet. You will get that very shortly and the...proposals in there. I have discussed with the Mayor that if we were in the same situation that was presented in the previous fiscal year and presented budget, he does not recommend...he would not have...recommended furloughs at that time either. So, you know, there's, there's other ways to, to balance budgets and different factors. And one of the ways that he's doing it as he discussed was through an attrition policy which went into effect on March 1st. The realization of that savings won't be for probably until FY '13 but you'll, you'll...we've also already a major attrition because of the reduction in, in, in positions from the, the...excuse me, the vacancies that were, were removed from the budget last year. And...all I can say from this point is that, please, you know, we have thought about all of those considerations and we wouldn't be presenting this to you for you to make the decision unless we had reviewed all of those items.

COUNCILMEMBER VICTORINO: Thank you, Mr. Baz, and I appreciate your candidness and your honesty. And, again, understand where I'm on the other side of the fence and you've been on this side of the fence in other areas. So it's a real difficult situation to, to deal with at--

MR. BAZ: I understand.

COUNCILMEMBER VICTORINO: --this point. And, you know, like I said and I'll wait for the Chair's recommendation, but if this came to me the week after next and I've got the budget in my hand and I can see the actuals what the Mayor and the Administration wants to do, I might not have second thoughts. But it's real difficult. Timing is everything and unfortunately right now, we don't have it. But thank you, Mr. Baz, very much for everything.

CHAIR PONTANILLA: Thank you. What, what we did last year, Mr. Baz, in eliminating those positions was...actually it's not attrition. But it's a cost savings to this County so that we could meet our obligations for our 2011. And, and it wasn't easy to do that when you look at projections that telling us that you don't have enough money in the General Fund to cover those costs. So basically it's just plain cost reduction just to meet our needs for this County. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, I'm gonna ask Mr. Baz...and I don't know if he already preempted me by saying he was told by the Mayor not to share certain things. But for me to feel good about these proposals this afternoon, and I know that you went to the printers with the budget considerations for the upcoming year, can you tell this Committee this afternoon what is the Carryover/Savings you recognize in preparation for the upcoming budget?

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MR. BAZ: I don't have those figures in front of me.

VICE-CHAIR HOKAMA: Can you give us a round number? And I promise I won't hold your, your feet to the fire on this number.

MR. BAZ: The recognition of Carryover/Savings is based on unrecognized FY '09 CAFR and unrecognized FY '10 CAFR. So those calculations would be based on, on that information into FY '11. The FY '11 Budget was...the expected Carryover/Savings from the, the current fiscal year's budget operations, appropriated operations, is, is very minimal. So, no, I can't give you the exact figures, or even ballpark figures. Sorry.

VICE-CHAIR HOKAMA: Okay, because one of the things that...you know, we can verify is that, you know, in this year's Fiscal Year '11 Budget, particularly for the Golf Fund and, and I, I'm concerned 'cause I'm a golfer and everyone knows that. You folks recognized a \$160,000 Carryover/Savings and now you're asking for a supplemental transfer of General Fund to, to the Golf program. So then I'm, I'm assuming by, by your proposal that you folks don't anticipate any savings from this, this program or similar type of programs and that is why you're asking for this consideration.

MR. BAZ: Correct. For the Golf Fund, we tried to analyze why the projected Carryover/Savings were...was there. They will incur...or, or need supplemental, additional supplemental monies to operate out of the General Fund.

VICE-CHAIR HOKAMA: Yeah. But it was a Carryover/Savings amount of 160 plus thousand that was recognized for the current budget. So I don't know if you folks are doing a different accounting process in Finance Department. But again, Chair, you know, I know this may be difficult and, you know, I'm not sure what restrictions Mr. Baz is working under or Mr. Aagsalog so I can appreciate the Directors from Administration. However, if you cannot tell me this afternoon how you...are calculating the potential Carryover/Savings to...address the upcoming budget's consideration that will come before us in, in days, I'm gonna tell you now, I would prefer we defer almost everything on this agenda today. How can I make a smart, educated, informed decision on something that I have no idea on how they cannot even calculate the upcoming budget numbers for me? You know I spend enough time and hours in this Chamber working on these numbers for years, Chairman. And I think what I'm asking is not unreasonable questions that should assist the Committee by responses from the Administration to help us arrive at an educated decision. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Mr. Hokama. I had the same concerns regarding the Golf Fund. Same question. Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: I'll just wait for your recommendation. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

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COUNCILMEMBER BAISA: Yeah, I'd like to look at this from another angle. We're looking at it, Mr. Baz, at this point from a money angle. And we're saying, you know, we're not sure how much money we have so this is difficult and I don't feel any different than the rest of my colleagues. I mean we all have that same a little bit of angst about what are we doing and couldn't we wait nine days so we can see the new budget and kinda...you...to make these decisions in that context. But I wanted to ask you, you know, I'm not that familiar and maybe you are and maybe you're not but, you know, we're talking about furloughs and ending furloughs and the impact in our community of furloughs. Can you kind of share with us, besides more overtime, what impact have furloughs in...on our services and programs? I mean has this been really impactful in our community? Like, pools closed and, you know, fields shut down or those kinds of things that it would be urgent to end that.

MR. BAZ: Member Baisa, I can tell you anecdotally, yes. The concerns that, that I've heard personally...the concerns that have been expressed to me through the Mayor's Office and information has been that the community is concerned about the reduction in available services including the pools, including the landfills, including the availability at the DMV and pretty much every place that gets touched by the public is where they see it the most. Well, where they don't see it is, you know, internally in internal operations, the departments that...will affect them not directly but in ancillary ways. So I, I, I...we haven't done any surveys or research or anything but I can tell you anecdotally that I have heard on a number of occasions the items that, that have affected the public are those that you expressed.

COUNCILMEMBER BAISA: Thank you very much. That's it, Chair. I'll await your recommendation.

CHAIR PONTANILLA: Thank you. Member Carroll?

COUNCILMEMBER CARROLL: I'll wait for the Chair's recommendation. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Agsalog, do you have that information?

MR. AGSALOG: Thank you, Mr. Chair. For our real property tax, I went and get the last posting as of February 28 of the...this is in our accounts here. We have posted...196,332,047. And discussing with the Administrator of our RPT tax currently the one that's not posted yet in our account, it will amount to...we still have to collect 7.2 million, that's 3 percent of the collectables that we have not collected and we still be collecting until the end of the year. Normally, my discussion with him about this time, we would only have about 1 percent left to collect. This time we have about 3 percent to collect, Mr. Chair. In addition with that, Mr. Chair, I took the liberty to look at our TAT coming in, the half year is 10,970,753. We budgeted on that one, \$7.5 million dollars. So we're expecting the same thing coming in at the end of the year so we will be a little bit over on that one, Mr. Chair.

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CHAIR PONTANILLA: Thank you. You know, last, last year's...Fiscal Year 2011 Budget, the projection for real property tax was \$215 million dollars and currently we're looking at \$203 million. So there is...maybe about 5 percent less that is being projected?

MR. AGSALOG: About, about 3 percent right now, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members, any questions for Mr. Agsalog? Member White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Mr. Baz, the...you made the comment earlier that the Carryover/Savings is being projected be minimal. Maybe I heard it wrong but in response to Mr. Hokama's question, I thought I heard you say that the, the carryover may be minimal. Is that correct? Or did I...or were you referring to something else?

MR. BAZ: For, for budgeted operations in Fiscal Year '11, not accounting for the Fiscal Year '09 and Fiscal Year '10 unrecognized Carryover/Savings, yes, that's correct.

COUNCILMEMBER WHITE: My recollection is that the, the budgeted Carryover/Savings for this year was somewhere in the neighborhood of 20 million. What...could you tell us what that, that budgeted number was?

MR. BAZ: The actual number was about 107 million.

COUNCILMEMBER WHITE: No, not the Carryover/Savings.

MR. BAZ: Yes.

COUNCILMEMBER WHITE: The projected Carryover/Savings when--

MR. BAZ: For--

COUNCILMEMBER WHITE: --budget was made?

MR. BAZ: Not when the budget was made.

COUNCILMEMBER WHITE: When the budget was made, what was the projected Carryover/Savings?

MR. BAZ: Yeah, you're correct. And, and if you look at the different funds, it's--

COUNCILMEMBER WHITE: Roughly 22 million.

MR. BAZ: Right, yes, correct.

COUNCILMEMBER WHITE: So what is that Carryover/Savings projected to be at this point?

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MR. BAZ: The actual Carryover/Savings from '09 and '10, it's...well, is about \$107 million. They only budgeted for \$22 million in Carryover/Savings. The actual is about 107 million.

COUNCILMEMBER WHITE: Right, but once you've passed 2009 and 2010, the...my recollection is that Carryover/Savings goes away because it's incorporated into the...into this year's budget. . . .(*inaudible*) . . .

MR. BAZ: It was not incorporated into the, the Fiscal Year '11 Budget.

COUNCILMEMBER WHITE: So are you saying that we have a \$107 million floating out there that is available for use?

MR. BAZ: Less the recognized Carryover/Savings, basically. In, in...general terms, yeah. There's more detail to that.

COUNCILMEMBER WHITE: I'm totally buffaloed at this point.

MR. BAZ: All I can say, you will be presented the full detail and accounting of what the proposed budget which...would include all of the information very shortly. The...prior to...you know, if this...if this amendment and any other amendments that you vote on today to approve, prior to your first reading at Council, you'll have that basic information to be able to answer those kind of questions.

COUNCILMEMBER WHITE: My understanding of the Carryover/Savings is that...my, my recollection is the year before it was somewhere in the neighborhood of...or, several years ago it was \$80 million. But that's been whittled down to 20 million in the last budget. So my understanding is that once that, that Carryover/Savings is reduced to 20 million, the 80 is gone and the 20 is the projected carryover for this budget year. And if we have added to that, it, it looks like...then I'd like to know what we've added to that base of 20 million.

MR. BAZ: The Council Budget Committee last...when they were deliberating on Fiscal Year '11 Budget didn't, didn't have the Fiscal Year 2009 CAFR or the Fiscal Year 2010 CAFR. Well, it wasn't done yet. But they didn't have the Fiscal Year 2009 CAFR to have actual Carryover/Savings numbers to properly make decisions on. The...one of the major efforts of the prior Administrations and my, my predecessor was to make sure that the CAFR got done so that you would have that information during your deliberation process and you would be able to make better decisions with more, more correct information.

COUNCILMEMBER WHITE: Okay. Thank you, Mr. Chair.

CHAIR PONTANILLA: Just was informed by Staff that we got the 2010 CAFR. Scott?

MR. KANESHINA: '09.

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CHAIR PONTANILLA: Oh, Fiscal Year '09, back...last March?

MR. KANESHINA: Yeah, last March.

CHAIR PONTANILLA: Yeah, prior to Budget. Members, any more questions for Administration at this time? Member Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Having been on that side a little bit and this is new for me on this side, I, I understand where you guys are coming from. Can you just tell me that you are staking your professional reputation on these numbers that you've given us, these seven different requests, and...that we have this money, and that you're not going to be coming to us at the next Budget saying, oh, you know, we made a mistake or we wanna raise taxes, we wanna raise fees, although the Mayor did say he's gonna raise water fees but that's just for water, you're willing to stake your credibility with us that these are good numbers and you're okay with them?

MR. BAZ: Yes.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Mr. Baz, fast question.

MR. BAZ: Yep.

CHAIR PONTANILLA: What, what is the proposal to be...to be revenue neutral for the upcoming budget?

MR. BAZ: You'd like that in, in the policy that we've set or...

CHAIR PONTANILLA: Yeah, you mentioned that we're gonna be revenue neutral.

MR. BAZ: Uh-huh.

CHAIR PONTANILLA: I, I see revenues over here for 2011 so I'm assuming that you gonna be basically attaining the 2011 proposal?

MR. BAZ: Mr. Chair, the proposed budget...which will be presented to you, again, very shortly includes items in it that keep the real property tax revenues not quite revenue neutral but near the same expectation of revenues, estimated revenues.

CHAIR PONTANILLA: So I'm assuming that some of the categories will have some increases to make it revenue neutral.

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MR. BAZ: We...yeah. We looked at the valuations and tried to make sure that nobody's tax bills will be higher than they were the current fiscal year.

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

VICE-CHAIR HOKAMA: Chairman, can you share with the Committee what you note this afternoon? Do we, do we still have an ongoing contract with our independent auditors Charter requires us regarding our annual evaluation of the County finances?

CHAIR PONTANILLA: I think we still do.

VICE-CHAIR HOKAMA: I would ask that we direct our independent auditor to review this component of carryover because...I cannot believe that Council has been misled for two budget years that we don't have this understanding of the amount of potential Carryover/Savings that is being discussed this afternoon.

CHAIR PONTANILLA: I understand, Mr. Hokama.

VICE-CHAIR HOKAMA: You know, because there's...you and I know in this economy for us to show this kind of numbers and yet ask the tax base and the user fee base to finance certain things and, and show this type of numbers, it's too many people was sleeping on the watch. And I cannot believe that Council was not given true, fair, accurate numbers in this prior budget deliberations that we're dealing with this type of consideration this afternoon. So who is pulling the blind over who? All I know is the departments better be ready for the budget cycle because my teeth is getting sharper.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. I, I'm similarly troubled because we're...I'm hearing for the first time that, that Carryover/Savings may amount to \$107 million and in that...had we had better knowledge or had this body had better information last year, we may not have had to have cut the social service agencies that provide services to people who are not as fortunate as us to have jobs and have families taking care of us. And that it bothers me to the core to feel that because we have had incomplete information, we've made some agencies cut as much as 20 percent over the last couple of years. And, and yet we're sitting here with a bucket of money and now we're suggesting that we're gonna have to go and, and increase some tax rates to remain revenue neutral when we've got \$107 million in carryover. So I'm, I'm, I'm a little befuddled at this point. Thank you.

CHAIR PONTANILLA: Thank you. Before the Chair makes his recommendation, one more question for Mr. Agsalog, in regards to the County's liability and the ability to pay that back?

MR. AGSALOG: Thank you, Mr. Chair. Let me just put this out. Every year we have our CAFR and that's the audited by our independent auditor and it's delivered to you, to the Council. And

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unfortunately last year when you deliberate for the budget it was not available. And whatever carryover estimate that was, that was given to you was all estimates. This year we are fortunate that our auditor were able to accomplish the task, Mr. Chair, and we have actual numbers as it would be delivered to you according to your Budget Analyst on the 1st of April, the hard copy. Because we work with your auditor, we have those numbers and, as such, I will give you an example, Mr. Chair, that the actual Carryover/Savings as for the CAFR it says 67 million on the General Fund. What you recognize last year was only 9 million. So...those are numbers that it's now available. Our CAFR is in online. So with regards to the liabilities that I have mentioned in my letter, Mr. Chair, that you probably read, it's liabilities that we pay as year to year. As you know, you guys put the Budget together, we have a one-year budget, 18 months for Capital Improvements. And some of those Capital Improvements, Mr. Chair, we funded by loans. So if all our lenders call our loans today, we cannot pay it. It's just like your mortgage. If you...if your lenders tells you pay everything--

CHAIR PONTANILLA: Mr. Agsalog.

MR. AGSALOG: --unless you have so much--

CHAIR PONTANILLA: Mr. Agsalog, can you just tell me the numbers at this time?

MR. AGSALOG: It's in the CAFR, Mr. Chair. The total liabilities on Page...and those people that would have the CAFR or in the internet, it will be on Page 36 on the CAFR, the book. As of June 30, 2010, our total liabilities will be \$397,682,642. Thank you.

CHAIR PONTANILLA: Okay, thank you.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: I would like to ask for a short recess to confer with you regarding a potential impact to this consideration.

CHAIR PONTANILLA: Thank you. Short recess subject to the call of the Chair. . . .(gavel). . .

RECESS: 2:50 p.m.

RECONVENE: 2:58 p.m.

CHAIR PONTANILLA: . . .(gavel)... The Budget and Finance Committee meeting is now reconvened. Members, at this time the Chair would like to make his recommendation.

COUNCIL MEMBERS: Recommendation.

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CHAIR PONTANILLA: Thank you. The Chair's recommendation is to defer this item, A Bill For an Ordinance Amending the Fiscal Year 2011 Budget for the County of Maui as it Pertains to Estimated Revenues, Operating Budget, Total Operating Appropriations and Total Appropriation, Operating and Capital Improvement Projects. So that's the Chair's recommendation, to defer.

COUNCIL MEMBERS: No objections.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR PONTANILLA: Mr. Couch?

COUNCILMEMBER COUCH: The only concern I would have is if we wait until the next time to do this, are we gonna be able to catch the April furlough date?

CHAIR PONTANILLA: I'll confer with our Chairman over here, Chairman Mateo, in calling a special meeting if we need to in regards to what is being presented this afternoon on BF-32. So Chair's recommendation is to defer. There are too many questions, uncertainties on, on numbers. Before we move forward I wanna make sure, and we all need to make sure that we're moving in the right direction. So...Member Victorino?

COUNCILMEMBER VICTORINO: Yeah, Chair, I think his question was if we waited would it be, would it be applicable for the April furlough day. And I think it--

CHAIR PONTANILLA: Yeah, I don't think so.

COUNCILMEMBER VICTORINO: --was brought up earlier, that even if we did it and we went to two readings, it would still miss the April furlough day.

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER VICTORINO: Right? Is that correct, Mr. Chair?

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER VICTORINO: Okay, thank you. So no make difference.

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ITEM NO. 18: AMENDING FY 2011 BUDGET: AFFORDABLE HOUSING FUND, SELF-HELP HOUSING CORPORATION OF HAWAII (HELANI GARDENS PROJECT IN HANA) (C.C. No. 11-15)

CHAIR PONTANILLA: Okay, Members, the next item on the agenda is BF-18. BF-18 is Amending Fiscal Year 2011 Budget, Affordable Housing Fund, Self-Help Housing Corporation of Hawaii...Helani Gardens Project in Hana. The purpose of the proposed bill is to amend the Fiscal Year 2011 Budget by adding a proviso to the Affordable Housing Fund for a \$200,000 grant to the Self-Help Housing Corporation of Hawaii for Helani Gardens Project in Hana. With us this afternoon is Ms. Ridao, Director from the Department of Housing and Human Concerns. Ms. Ridao, comments?

MS. RIDAO: Thank you, Chair. I just want to comment that affordable housing opportunities in the Hana community is a rare occurrence. I believe the last affordable housing project was the County housing project which is probably about 30 years old. The other points that I want to make is that USDA has secured mortgage funding for all of these 14 homes. The first seven homes will begin construction by the end of this month, March 2011. The Affordable Housing Fund...Funds that we are requesting will cover the costs of 14 septic systems at \$11,000 each and the remaining 46,000 will be used to assist those families that need additional assistance to write down their mortgage loans. If Council prefers, the Department of Housing and Human Concerns can channel the funds through escrow directly to the homeowner's account. I ask for your support of this project so that 14 very low income Hana families can realize home ownership. Thank you for your support this afternoon.

CHAIR PONTANILLA: Thank you. You know, at our last meeting there were a lot of questions in regards to this particular item. And that's the reason why it's back with us this afternoon. So, first of all, I'd like to call on Member Carroll if you have any questions of the Department.

COUNCILMEMBER CARROLL: I have no questions of the Department and I'll make a statement later.

CHAIR PONTANILLA: Thank you. Members, any more questions for the Department in regards to this particular item this afternoon?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Seeing none, Mr. Carroll, if you can make your recommendation...comments at this time?

COUNCILMEMBER CARROLL: Thank you, Chair. This is one of the rare opportunities that we have, not only just for Hana but any place. Fifty percent...with seven families, 50 percent of the median income, six families, Rule 60. And we have two families, 80 percent. We've never been able to put together a program before to service these families at these really low incomes and be able to do it in structures so that they can make the payments and stay in these homes. We know

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who's going in there. It's our people. It's the people that need the homes most. We have people inside...out there that are going to have homes that are living without power, no electricity. People who are living in houses with three families and part of a fourth. It's one of the rare opportunities that this Council has to actually see the results of what can be done. And I would hope that this passes today and I would hope that we can do more projects, not only in Hana but other places. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions, comments? Member Hokama, followed by Member Mateo.

VICE-CHAIR HOKAMA: Thank you, Chairman. Chairman, one, I, I, thank my colleague from East Maui, sharing his thoughts with us this afternoon 'cause I can appreciate it 'cause I deal with some of his similar situations on, on Lanai. So thank you very much, Mr. Carroll, for your comments. But, you know, just a few comments I wanna share with you, Mr. Chairman, is I don't have a problem helping as much as we can afford to help. But there are certain things that I think we should call it what it is. And while this is part of the Affordable Housing Fund, you know, for some of the families, you know, the way I see it, it's we're actually subsidizing housing. And that's okay if that is part of the mission that this Council or through our actions is willing to do. I think we should call it what is. It's a subsidy. Second, I would prefer, the...suggestion from Director Ridao. I'm not confident enough in this entity to perform in the manner that is satisfactory to me. I would be more open to seeing it as the Director has suggested as one way that would put it in specific accounts that to insure the individual families that are selected receive the benefit as we intended to do. And that I would then be able to...go back to the Director and her department for verification and accountability of the use and expenditures of this County funds that the tax base provides. So that would be my comments on this consideration, Chairman. Thank you very much.

CHAIR PONTANILLA: Thank you. Ms. Ridao, comments in regards to what was just said in the accountability of the funding itself so that the families that do need the funding is properly addressed?

MS. RIDAO: Thank you, Chair. I'm very comfortable with that concurrence by Councilmember Hokama. We are willing...I mean we can do that and the entity has no objections to us doing that. And this will then directly be put...the funds will be put directly into the homeowner's account and we can account for those.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: So, so Chairman?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Just a question of clarification for the Committee's...to assist the Committee this afternoon. Do we need then to change the language of the proposed bill for an

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ordinance 'cause I don't know if it's still appropriate that it's a *grant* to the corporation, the nonprofit corporation? Or should it be part of a proviso that so much of this funds from the Affordable Housing Fund shall be expended through the Department and the proviso language will be specific on the consideration as proposed by the Director? Thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Corporation Counsel?

MR. KUSHI: Mr. Chair, Member Hokama, yes, I would think that will, that will be in order because, as I understand the, the discussion, it won't go to this corporation. It will be on us...so we can...Staff can and Department can work out some language maybe to the applicants or to the homeowners of this Helani Gardens Project. Also, there's a misspelling on the Section 1 on Hana.

VICE-CHAIR HOKAMA: Okay, thank you very much, Chairman. Thank you, Mr. Kushi.

CHAIR PONTANILLA: Thank you. Members, any more--oh, Mr. Mateo?

COUNCILMEMBER MATEO: Mr. Chairman, thank you very much. And I guess the question would be Corporation Counsel. I believe in 2005 when we approved this 201G project versus the project we're looking at today, it seems to have morphed. In 2005, we dealt with a housing project that was committed to building three and four bedroom homes for a cost of \$182,000. It's...payment is...was based on a 30 percent of income. Today the house, the house...the cost for the home goes upwards to 272,000. It is...the payment back is based on the percentage of loan that they're going to have to make. I don't know if this is still the same project that we approved as a 201G. Can Corporation Counsel advise whether or not we can move forward?

CHAIR PONTANILLA: Corporation Counsel?

MR. KUSHI: Yes, Mr. Chairman, Member Mateo. I probably was involved in that 201G but I can't remember.

COUNCILMEMBER MATEO: You were.

MR. KUSHI: ...*(Laughter)*...Oh, I was? Okay, I take your word for it. But again, you know, whatever the terms and conditions of that applications or application which the Council approved, I don't know of...I, I guess I could look it up. But in any, any event that's the project. What you hear today is to give a grant to the applicants of that project. Now if you are thinking about the project is not the same which you approved, that's one thing. But here...you're granting funds from your Affordable House to the applicants to the direct homeowners. So I think we may be dealing with apples and oranges.

COUNCILMEMBER MATEO: I, I...Corporation Counsel, I don't think so because the project we looked at was the cost of a home for a 185...\$82,000. The project is the same project. It's just cost factors had changed. And yes, many years occurred but in 2005 when this project was

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represented to us, we were specifically told that all funds was raised and they were ready to move. Apparently *not*. And, you know, the, the, the excuse of the economics in 2007 had nothing to do with a project that was approved in 2005. It should have moved forward. So, you know, my...I, I, I...it is not apples and oranges. We're still talking about the same, the same project. We're still talking about a district in...of Hana that is definitely in need but somehow through time things changed. So original request for the funds was based on a need that was supposed to be inclusive with the cost of the home itself. So I asked the question at the last review of this item from Corporation Counsel whether or not we, we can in fact move. And you know, till date we had not received any kind of a determination regarding, regarding that, you know, those questions. So...

CHAIR PONTANILLA: Corporation Counsel?

MR. KUSHI: Yeah, Mr. Chair, again, you know, I'm not sure. I'm substituting for one of the attorneys but, and I'm not sure where that request is or if that was even made or I know nothing about it. But again, you know...again...the...what you're here for is a amendment to the Affordable Housing Fund, a new appropriation. The issue about what the Council approved in 2005 and what it, what it is now, I know it's germane. However, again, that's what the purpose of the Affordable Housing Fund is, to support the affordable housing through, and...through the discussion, it will go directly to the recipients or the applicants, who, I would hopefully understand, qualify. Again, not knowing the terms and conditions of the 201G that was approved, the...I guess the big issue is what are the penalties? You know, what waivers or exemptions were they granted in exchange for the representations? And now that it's obviously not the same housing price range, what can we do about it, you know? I guess those are remaining issues.

COUNCILMEMBER MATEO: Okay, thank you. And also, for the Director, the 272,000 cost of the home, can you give us an idea of what the monthly mortgage is?

MS. RIDAO: I'm sorry, Councilmember Mateo, because these are subsidized loans, I could not give you what the monthly payments would be. However, I can tell you that all of these recipients are at 60 percent and below of the median income. So *that* will determine what their monthly payment would be. So it's a subsidized payment that they will be making. It will *not* be based on a market mortgage.

COUNCILMEMBER MATEO: So they'll be still be paying 30 percent of their annual income?

MS. RIDAO: Yes.

COUNCILMEMBER MATEO: Okay, thank you. Mr. Chairman, I will just...you know, I've, I've beaten this dead horse for a long time--

ALL: ...*(Laughter)*...

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COUNCILMEMBER MATEO: --for many years, because I honestly think it's been misrepresented and I take exception to these requests because even the letter that you had gotten based...dated March 15, in part is inaccurate. It's inaccurate from the developer herself. She recognizes 14 homes but when it's broken down, she totals it to 15. Where did the other house come from? So there's misrepresentations in here. The cost of . . . 272,000 fee simple for a three and four bedroom home that is not factual. The three bedroom home we were told is 270,600. The four bedroom home is 272,600 which is what was given us at the last meeting. There's inaccuracies in here and, you know...I go back to the very beginning when we had these discussions. I support affordable housing. It's just that I wanna be sure that the housing get built because since 2005 it had not. And in 2005 documented from the, from the individual herself that said we secured all the funding we needed. Yeah, right. Thank you very much, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I, too, share Councilmember Mateo...Council Chair Mateo's frustrations. Things are all over the place. Ms. Ridao, is...because I'm new to this project, this Self-Help Housing Corporation, when it says Self-Help Housing Corporation, are they...are the applicants building their own house?

MS. RIDAO: Correct, Councilmember Couch. If you...do you understand...self-help project is, for instance, in this case the first seven--

COUNCILMEMBER COUCH: Uh-huh.

MS. RIDAO: --homes will be built. All seven families work on each other's homes and they cannot move into the home until all of seven homes are built.

COUNCILMEMBER COUCH: That's fine. Then, then I really, really question the price of the house that high for people building their own homes. I, I have a really bad...I mean I do not think that that's a good price for somebody who builds their own home. I mean most of the price of home is labor, not, you know...not so much the materials. So--

MS. RIDAO: The cost...I'm sorry, I didn't mean to interrupt you. But the cost here is...a lot of that cost is transporting the materials from Kahului to Hana. An example I can give you--and I don't know if, if this would be a good example in your mind--but the Waiehu Kou 3 Subdivision, or is it 4...4 I think it is...with free land the three...bedroom homes were \$276,000 with no land costs. So that's kinda like what I try to gauge in my mind, you know, what cost will be and a house in Hana is going to cost way more than a house here in, in Central Maui. The self-help homes that are built out here in Central Maui--I'm sorry, not self-help. But--what is...

COUNCILMEMBER COUCH: Habitat?

MS. RIDAO: Habitat for Humanities [*sic*], thank you. Their homes are at a \$100,000. And that is no land, no land cost also included.

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COUNCILMEMBER COUCH: Mr. Chair, I--thank you, Ms. Ridao. I've another question, you know we're...we're asking to go from the Affordable Housing Fund to support these folks which I...it's great that it's affordable housing and they're allowed to do that. We have another affordable housing project that may or may not come up. I mean it's coming up Friday but may or may not be passed. That's 120 affordable homes. Are, are we then gonna be asked to subsidize each one of *their* loans? And if not, why not? Is this setting a precedence in this case? I can see if the house was built. I can see if the house was ready to be moved in. But to pay that much to build your own house even in Hana just strikes me as, as, as Councilmember...Council Chair Mateo said, is something not right.

MS. RIDAO: Chair, if I may?

CHAIR PONTANILLA: Go ahead.

MS. RIDAO: Just one more comment.

CHAIR PONTANILLA: Ms. Ridao?

MS. RIDAO: You know, this...the cost of this home was scrutinized very carefully by USDA. They would not make these loans if they were not comfortable that the cost were, were...it was fair cost. So I mean I'm sorry that I, I don't see USDA here today but I trust in their judgment and their analysis of the cost of the homes. And it may...I'm, I'm very comfortable with them saying that they will loan this money at a subsidized rate so that the people of Hana can have housing.

COUNCILMEMBER COUCH: Thank you.

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

COUNCILMEMBER BAISA: This is a wonderful discussion we're having but, you know, I'm, I'm thinking that, you know, I don't know what the value of real estate is in Hana. I'm not much of a real estate person but I would imagine that to build a home in Hana might cost a lot more because of the transportation of materials and the scarcity of, you know, resources out there. So this might be a factor.

MS. RIDAO: That, that is...it is a fact as well as the fact that this land is not free. There are some costs involved in this land. So like I said with the scrutiny of USDA I'm very comfortable.

COUNCILMEMBER BAISA: Okay, thank you.

CHAIR PONTANILLA: Thank you. Member Cochran, followed by Member Carroll?

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COUNCILMEMBER COCHRAN: Thank you. So all these homes are spoken for? There's actually the 14 families all lined up already? Ready to go?

MS. RIDAO: Yes, they are.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Thank you. Member Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I'll speak for the second and last time over here. But the discussion is good. I think everybody needs to be well-informed about what we can do and how far we can go to service the people that are really the lowest on economic scale. And ordinarily from birth to death never have the chance to have a house like this. As Ms. Ridao has said the land is cost is in there. There were circumstances between the first design of this because the...economics that the people couldn't get together with USDA and everything and get the loan settled, that was a real fight. It took a long time that all of us in government should know how long government takes to be able to do things like this. I...know there are a few wording errors which were very minor and usually wording errors like that we go give the Chair discretion for his Staff to correct. I would hope that we look for ways to do things like this. We can always find reasons not to, anybody can. What we need to do is work together to find ways to make it work. I feel that this project is a good project and I know it has problems. It had problems but it's well put together now. Ms. Ridao with me, myself and her staff and my staff, have gone over this with the utmost scrutiny and I have every confidence that this money will allow this project to start more or less immediately. And I would ask for the Members' support. Thank you.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. One more...question. I guess it's for...if you could ask our colleague Mr. Carroll if he's happy with those prices, if those reflect the prices in Hana?

CHAIR PONTANILLA: Mr. Carroll?

COUNCILMEMBER CARROLL: Unfortunately I have to say I am because the prices in Hana of houses on a piece of land that wasn't...not very big and the house falling down runs 4, 5, \$600,000. And I mean we're talking about a really substandard house on a small lot. For our area this is an exceptionally good deal. Thank you.

COUNCILMEMBER COUCH: Thank you.

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

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COUNCIL MEMBERS: 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 2011 Budget for the County of Maui as it Pertains to Part II, Special Purposes Revenue Schedule of Revolving/Special Funds for Fiscal Year 2011, Affordable Housing Fund, Self-Help Housing Corporation of Hawaii for the Helani Gardens Project in Hana, Maui and filing of County Communication No. 11-15.

VICE-CHAIR HOKAMA: So moved, Chairman.

COUNCILMEMBER CARROLL: Second.

CHAIR PONTANILLA: Moved by Member Hokama, second by Member Carroll. Discussion? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I would move to amend whereby we would delete the grant to the Self Housing...Self-Help Housing Corporation of Hawaii and add a proviso instead in the budget document that would direct the Department to be able to set up those individual escrow accounts for the purposes of fulfilling the requirements of the, the Council's action. I would be happy to...allow you to have the discretion and authority on behalf of the Committee, Mr. Chair, to make the appropriate language and, and documentation adjustments in the budget and the budget documents to reflect this amendment. So, I, I would move for the amendment, Chairman.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER CARROLL: Second.

CHAIR PONTANILLA: It's been moved my Member Hokama, second my Member Carroll. Members, any more discussion...regarding the amendment?

VICE-CHAIR HOKAMA: Chairman, if I would ask Corporation Counsel if they would give any comments regarding this proposed amendment, please?

CHAIR PONTANILLA: Thank you. Corporation Counsel?

MR. KUSHI: Yes, Mr. Chairman, Member Hokama. So it will be the Administration's understanding that wording will be revised, not directly to the Corporation but to the . . .

VICE-CHAIR HOKAMA: It would be a proviso directing--

MR. KUSHI: Right.

VICE-CHAIR HOKAMA: --the Department on how to administer \$200,000 of the Affordable Housing Fund.

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MR. KUSHI: Right, right. It would be for this project but not to the developer.

VICE-CHAIR HOKAMA: Correct.

MR. KUSHI: And it will set up through escrow but again, the understanding is it is a *grant*. It's, it's not a loan.

VICE-CHAIR HOKAMA: Correct. Yeah, it is...it is definitely not a loan here that I am proposing, Mr. Chairman.

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

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Motion is carried. Nine ayes, zero noes.

COUNCILMEMBER MATEO: One "no".

CHAIR PONTANILLA: Oh, one no. Eight ayes, one no, Member Mateo.

VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama, and Councilmembers Baisa, Carroll, Cochran, Couch, Victorino, and White.

NOES: Councilmember Mateo.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion.

COUNCILMEMBER COUCH: Is this for the amendment, Mr. Chair?

CHAIR PONTANILLA: Yeah, just the amendment. Coming back to the main motion as amended, any more discussion? All in favor of the motion, please say "aye".

COUNCILMEMBERS: Aye.

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CHAIR PONTANILLA: Any noes?

COUNCILMEMBER MATEO: No.

COUNCILMEMBER COUCH: No.

CHAIR PONTANILLA: Okay, motion is carried. Seven ayes, two noes, Member Couch and Member Mateo. Motion is carried. Thank you, Members. That was for BF-18.

VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama, and Councilmembers Baisa, Carroll, Cochran, Victorino, and White.

NOES: Councilmembers Couch and Mateo.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill and FILING of communication.

MS. RIDAO: Thank you, everyone, and we will invite you to the ground opening...grand opening.

CHAIR PONTANILLA: Thank you. Members, before we take up BF-29, Chair is gonna call for a ten-minute recess. And we'll...make it reconvene at 3:40. We still got seven more to go. So meeting is in recess till 3:40. . . .(gavel). . .

RECESS: 3:26 p.m.

RECONVENE: 3:42 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Thank you, Members.

ITEM NO. 29: AMENDING FY 2011 BUDGET: SOLID WASTE MANAGEMENT FUND
(C.C. No. 11-63)

CHAIR PONTANILLA: The next item on our agenda is BF-29, Amending Fiscal Year 2011 Budget, Solid Waste Management Fund. The purpose of the proposed bill is to amend the Fiscal Year 2011 Budget by increasing the Residential Collection Program by \$205,000. A certification of addition...additional revenues from the Solid Waste Management Fund is

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attached to the proposed bill. So at this time I'd like to call on Mr. Miyamoto or, or Mr. Baz for comments. Maybe both of you. Mr. Baz first.

MR. BAZ: Okay. Mr. Chair, thank you very much for hearing this item. We do have the Deputy Director of Environmental Management here to discuss the need for these recognition of revenue and the appropriation for expenditures. And Mr. Miyamoto, you wanna comment?

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Thank you, Mr. Chair. The request before you is to provide additional funding in the amount of \$205,000 for the Residential Collection Program in the Solid Waste Division in the Department of Environmental Management. The projected increase in operating cost for the program is due to the increased operational cost of the refuse collection vehicles. Such costs include increase fuel consumption, additional maintenance due to the dependence of mechanical and hydraulic equipment to do refuse collection and the expiration of some warranties...of some older vehicles that now we are carrying the maintenance cost. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. Couch? Thank you.

COUNCILMEMBER COUCH: When you're ready.

CHAIR PONTANILLA: Yeah, I'm ready. If you have any questions for either Mr. Baz or Mr. Miyamoto, go ahead.

COUNCILMEMBER COUCH: Thank you. Mr. Miyamoto, it's my understanding that when you converted from manual to automated refuse trucks it was supposed to save money. What happened here? Or in the long run are we saving money or is it just because of this one conversion that made it necessary to increase?

MR. MIYAMOTO: In the long run we're...it looks to save...money when you look at the manpower that's required from a manual system versus an automated system. And the manual system is not picking up as many...doesn't have as many pickups as the automated system. But, of course, there's some tradeoffs if the equipment becomes...has a little bit...more wear and tear. A typical street that a manual system would pick up, you'd make one trip. With the automated because you have to make two trips now 'cause you're getting both sides of the street but in the long run we're looking at it, it helps us reduce workers' comp claims because of the gentlemen that have to lift the six bags per household. So in the long run we're looking at savings. The additional fuel cost primarily is in the Makawao area because of the constant stopping of those vehicles. There's a lot more stops with an automated vehicle whereas with a manual pickup you can pick up both sides versus the automated making basically twice as many stops. So the stop and go has increased the fuel consumption of the vehicles and we're realizing more of it now because in the Makawao you have a steeper terrain versus like in the flatlands in the...Central Maui.

COUNCILMEMBER COUCH: Thank you.

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CHAIR PONTANILLA: Thank you. Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And is this gonna...this monies go to any kind of expansion of the services at this point?

MR. MIYAMOTO: Mr. Chair? The, the funds are just to cover the...existing operating expenses of the existing routes.

COUNCILMEMBER COCHRAN: Okay, thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: This has absolutely then nothing to do with personnel. It's strictly operating costs?

MR. MIYAMOTO: Yes.

COUNCILMEMBER BAISA: And did it take into consideration what we're seeing happening with fuel that with every few days we look at the pump and it's gone up 10 cents, 20 cents? God knows where it's going. What is this based on?

MR. MIYAMOTO: Generally, the fuel prices are based on the, the purchase price that the Highways Division collects. So I know in having been in Public Works that the budget tends to be a little bit higher than the existing markets so we're gonna be purchasing the fuel pretty much at the same level as, as we are now. We haven't really itemized, you know, any increase because it would be very difficult at this point 'cause we have seen a decrease in the price per barrel actually. It's coming close to a 100 whereas it's going the other way so at this point, all I can say is yes, we have included it as part of the Highways budget, how they account for it.

COUNCILMEMBER BAISA: I just want to be sure that you have enough money 'cause I hate to see you estimate and then not enough because the rest of us are having sticker shock every time we drive up to a pump. Thank you.

CHAIR PONTANILLA: Thank you. Member Carroll? Member Mateo?

COUNCILMEMBER MATEO: Thank you, Mr. Chairman. I guess it's not a matter of the, the request for the additional monies but it's a question perhaps of, of efficiencies in the department and how the department is now looking at addressing some of those efficiencies. And what you're currently doing because the, the, the, I guess the wear and tear of the, the trucks, the vehicles as well as the increase in fuel. So is it...what is the department looking at trying to offset so we don't get additional...deeper in the hole, I guess?

MR. MIYAMOTO: Mr. Chair?

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CHAIR PONTANILLA: Department?

MR. MIYAMOTO: There's several elements that, that comprise of this cost. Initially when I look at it, you know, when I think of overtime, for example. When you think about overtime there's holidays, there's people get sick in vacations, there's...equipment breakdowns. We've addressed the equipment breakdown portion of this by providing spare...equipment that can supplement the route so we don't have to have one vehicle taking up two routes in a day, paying overtime for that, that whole two routes. And even that has impacts on our landfill because our landfill has limited hours and the lateness of the trucks impacts the staff at the landfill. We are working with the manufacturers and Public Works to try and see how they can help us improve the efficiencies of these vehicles. We're proposing to have our own maintenance baseyard where we can totally dedicate our staff to the, the maintenance of these equipment. As it is now without a maintenance...you know, we're...we put it into the Public Works and fortunately Public Works, you know, prioritizes the, the refuse vehicles and the...Wastewater vehicles but we still have to wait in that queue with the other competing agencies. So we are working towards the plan that eventually we get our own baseyard and we can prioritize our equipment for maintenance.

COUNCILMEMBER MATEO: Okay. Does...did the department have an increase in the number of days that trash was not able to be picked up on a scheduled time?

MR. MIYAMOTO: This year I think we have. And it's primarily due to sicknesses...illness and the inability to have a...either a driver for automated or complete the crew for manual. So it's been primarily due to illnesses, not so much equipment because we've...we're sort of working towards addressing that. We don't want a situation like we had on Lanai in 2009 again.

COUNCILMEMBER MATEO: Okay, thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member White? Member Victorino?

COUNCILMEMBER VICTORINO: No questions, Chair.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. And may this County pray nothing happens like Lanai again because I for one will not tolerate it. But, you know, I'm sorry I, I returned late, Chairman, from my recess. So if this has been asked, my apology. But my question to Mr. Miyamoto this afternoon, can you tell me this afternoon that you reviewed all of your accounts within your department's purview and responsibility that you cannot find that 200,000 either from Landfill Programs or some other place within your department to address this?

CHAIR PONTANILLA: Department?

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MR. MIYAMOTO: Chair, even in those departments the past two years we've done 10 percent cut annually and we've run...we're running relatively close to the budget amount. What we are proposing in the FY '12 Budget is to try and bring this under similar to the Wastewater where we have more of a operations program where it allows us more greater flexibility to go ahead and move the monies from Landfills to Refuse Collections. We do have some small savings but it's, you know, it's kind of questionable if we wanna go ahead and try to use that...small amount of savings because a lot of that, you know, if someone calls in sick, now we have to pay someone overtime to take over that...to oversee that duty. We pay someone to come back and do that work. So it's sort of hedging our bets...in the other programs but, you know, that's pretty much what we're doing. We're hedging the bets on the other programs because we have seen a lot of overtime in the Landfill and...other, other areas of Refuse Collection.

VICE-CHAIR HOKAMA: But that is what we expect of you folks, Mr. Deputy Director, to manage it. To, to...you know...I mean it's not for the County or the Council to always bail out the departments by making it easier for the departments' decision-makers and those that have accepted the responsibility to manage our departments. You know, that's part of your...what you accept and that is what we expect as legislators who provide the financial funding so that as we come up with the new budget consideration that you'll be presenting to us in, in days then we can make the appropriate adjustments. You know, and, and saying that, you know, that's what I look you and, and the Director for, that leadership and that execution of administrative authority to make those tough decisions. And so I would rather see a consideration to transfer money from B to A, Chairman. And if they cannot make it, fine. But they've shown they've exercised the majority of options from an administrative standpoint before coming to us for money to bail it out. I'm not convinced we have, you know, exhausted those administrative personnel measures that can be done internally for me to consider this. Even if it's...you know, some people say it's only 200,000, Hokama. Money is money to me, Chairman, because I pay into all these funds. I help pay Solid Waste Funds. I help pay General Fund taxes. So for me you asking me to pay more money. And I'm not ready to pay more money until I know it's been done as best as possible administratively through the directorship's office. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. You know, Mr. Hokama, you're very right. I'm looking at this Charter. And the department's capability of moving some of those funding.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: If I may ask...can you tell the Committee if there's still that sizeable amounts of General Fund--

CHAIR PONTANILLA: Sure.

VICE-CHAIR HOKAMA: --transfers into these accounts? You know, and I'm sorry. You know, I'm just trying to catch up on the two years.

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CHAIR PONTANILLA: Yeah, maybe Staff can provide us with that information? The General Funds-

VICE-CHAIR HOKAMA: 'Cause--

CHAIR PONTANILLA: --transfers to--

VICE-CHAIR HOKAMA: --and, and the reason why I ask, Chairman, is while it's coming from this specific so-called special account, if the General Fund is still putting in transfers then it makes me more--

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: --concerned.

CHAIR PONTANILLA: Yeah, we, we still do. But I don't have that exact figure with me. Scott?

MR. KANESHINA: . . .(*Clears throat*). . . Excuse me, Mr. Chair. Just to clarify, I don't have that information in front of me but I can go downstairs and get it really quickly. But just to clarify, what specifically, Member Hokama, are you requesting? General Funds transfers in previous fiscal years?

VICE-CHAIR HOKAMA: This current, this current budget's.

MR. KANESHINA: This current budget?

VICE-CHAIR HOKAMA: Because the Council decided to put General Fund as a...to provide a supplemental transfer to this Special Fund to make it be able to operate.

MR. KANESHINA: Okay. . . .(*Inaudible*). . .

VICE-CHAIR HOKAMA: Because for me...as for me I tie it into everything that's been on this agenda today. With the Carryover/Savings consideration...why they increasing revenues? Why they asking us to expend additional monies...in this current budget year? So I really wanna know where this money is coming from that we've been asked to expend, look at the savings. Basically coming from General Fund, then I think we should know that.

MR. KANESHINA: Okay.

CHAIR PONTANILLA: Okay.

MR. KANESHINA: Let me go get that.

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CHAIR PONTANILLA: Yeah, thank you. Just for your information, Mr. Hokama, Fiscal Year 2011 Budget proposal, the Solid Waste Management Fund had a Carryover/Savings of...\$4.9 million. So I'm assuming that--I better not assume--that the Administration had already looked into probably zero Carryover/Savings from this area?

MR. BAZ: Mr. Chairman and Mr. Hokama, I can get with my staff and get that number to you shortly.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Thank you, Mr. Baz.

CHAIR PONTANILLA: Thank you very much. Members, I know we're asking tough questions and these are the tough questions that gonna be asked of the departments as they come through for the 2012 Budget cycle.

VICE-CHAIR HOKAMA: Chairman, I don't know if you wish to--

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: --defer this temporarily until end of calendar to allow the Administration time to...for a response...or your Staff? ...*(Inaudible)*...

CHAIR PONTANILLA: Scott, you got any information? Not yet? You know what, we'll call a short recess. Maybe five minutes? 4:00?

VICE-CHAIR HOKAMA: Okay.

CHAIR PONTANILLA: Short recess. Reconvene at 4:00. ...*(gavel)*...

RECESS: 3:57 p.m.

RECONVENE: 4:00 p.m.

CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. Mr. Hokama--

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: --for your information for Fiscal Year 2010, the transfer from the General Fund to the Solid Waste area was \$9.6 million and Fiscal Year 2011, three supplemental transfer of \$3.3 million. So...

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VICE-CHAIR HOKAMA: Thank you for that information, Chairman. More now I would ask the Committee that we should allow the department as best as possible to exercise all administrative options first before coming to us for this type of request, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions for the department? If not, the Chair's ready for his recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: Thank you. Chair's recommendation is to defer this item, A Bill for an Ordinance Amending the Fiscal Year 2011 Budget for the County of Maui as it Pertains to Estimated Revenues, Department of Environmental Management, Residential Collection Program Solid Waste Management Fund, Total Operating Appropriations and Total Appropriation Operating and Capital Improvement Projects.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: Moving along.

ITEM NO. 30: AMENDING FY 2011 BUDGET: DEPARTMENT OF PUBLIC WORKS, HIGHWAYS ADMINISTRATION PROGRAM AND SOUTH MAUI WATERSHED STUDY (C.C. No. 11-65)

CHAIR PONTANILLA: BF-30. Our next item is BF-30, Amending Fiscal Year 2011 Budget, Department of Public Works, Highways Administration Program and South Maui Watershed Study. The purpose of the proposed bill is: 1) to increase appropriation for the Department of Public Works Administration Program by \$350,000 and 2) to add \$100,000 to the Kihei-Makena Community Plan Area for the South Maui Watershed Section 22 Study. So with us we do have the Director of Public Works, Mr. Goode. Mr. Baz and Mr. Goode, opening comments?

MR. GOODE: Good afternoon, Chair, Members of the Budget Committee. David Goode here, Director of Public Works. The request before you stems from our flooding event that we had in January. As you're, I'm sure, all aware, we had to rebuild the culvert on Hauoli Street in Maalaea and we had to do some significant improvements at Kulanihako'i Stream along South Kihei Road where the road shoulder had decay. We, we, we processed emergency SMA permits. We had...well, first of all, we had overtime cost related cleanup which is part of the request. Then we had to process emergency SMA permits and procure the services of local contractors to do the work on Hauoli Street and Kulanihako'i Street. Those work...that work was done under emergency P.O.

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process and we thank the Finance Department for helping us through that. I think it's fair to say that the Hauoli Street culvert was repaired in record time. There was hardly any complaints from the citizens over there. They were very thankful. We were able to accommodate them through a little detour road and we were very fortunate that it worked out. To pay for those...that emergency work which was, of course, wasn't budgeted, we could take from our existing budget and we would have to take it from CIP such as Countywide drainage improvements that we had planned for other projects. We could take it from district resurfacing for Kihei. We could take it from some Countywide safety. But we thought given the magnitude of the issue, and in conferring with the, the Budget Chair that there was savings within the Highway Fund that we could utilize to pay for these and, and keep the CIP that we have for FY '11 for the FY '11 projects. And finally, Mr. Chair, the...there's a request here for \$100,000 which is to participate in a study with the Corps of Engineers related to the entire watershed for this area. This was in your Fiscal Year '10 Budget, I believe. So it's an item that the previous Council had appropriated. However, it was appropriated a bond fund, and my understanding is that the previous Administration, when it got time to actually secure the funds realized that the bond fund was not appropriate use for this type of study, \$100,000. By then it was too late to do any amendments and so the funding lapsed. So the \$100,000 that's also part of this request was from lapsed...a lapsed project in FY '10. However, I thought the project is important. It's part of our overall understanding of the dynamics of the flooding in this area. It does set up the potential for the County to receive Federal funds down the road as relates to potential larger improvements like we did in Lahaina side. And given that it was previously approved I thought it was appropriate to package it within we have before you today. And so that concludes my overview and then, I don't know, Mr. Baz here wants to talk about how it's being paid for.

MR. BAZ: Mr. Chair and Members, this item actually came up for discussion yesterday during the Infrastructure Management Committee when Councilmember Couch and Councilmember Baisa were discussing the issues related to South Maui drainage projects. And this is a very relevant issue and project that we wanted to bring to you to be able to make sure it gets taken care of as soon as possible and the Department has the resources...will need the resources to complete this project and, and has the ability to complete it with the funds.

CHAIR PONTANILLA: Thank you. So, again, Mr. Goode, the funds to...you know, that we utilized to do the work came from where?

MR. GOODE: I couldn't tell you exactly, Mr. Chair. Let me answer your question, exactly what index codes--

CHAIR PONTANILLA: Okay.

MR. GOODE: --we paid for this out of but it, it would, it would be from our, our CIP codes like for Countywide drainage, Kihei-Makena district resurfacing, Countywide safety. All, all those funds that we were planning on using for CIP projects were...you know, had been before the Council last budget.

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CHAIR PONTANILLA: Okay, so that came from bond or cash?

MR. GOODE: I don't know.

MR. BAZ: It'd be from cash.

CHAIR PONTANILLA: Cash, yeah, okay.

MR. BAZ: Highway Fund.

CHAIR PONTANILLA: You know, I, I note that the \$350,000 being added to the Highway Administration Program and why not through the Road/Bridge/Drain Maintenance Program instead?

MR. BAZ: That was based on the request from the Department.

CHAIR PONTANILLA: Okay, thank you. Mr. Goode, the \$100,000, again, is supporting the Federal government in doing that study?

MR. GOODE: This is one of those partnership grants where we partner with the Corps of Engineers. They put in a 100,000, we put in a 100,000. So it's a good way to leverage our, our money.

CHAIR PONTANILLA: Okay.

MR. GOODE: And again, it's part of the entire Watershed Study that will eventually tee up the County for...at least the ability to apply for Federal assistance should we do, say, any retention basins and, and the like.

CHAIR PONTANILLA: Thank you. Ms. Cochran? Any questions for the Department?

COUNCILMEMBER COCHRAN: No, no questions at this time.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No, no questions. I see great urgency here. I guess the only concern is about the source of the money. Not a problem to Mr. Goode, from what I heard you say, if we were to approve this there would still be sufficient money in the Highway Fund to cover what you wanna do in the... '12 Budget?

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MR. GOODE: Mr. Chair and Councilmember Baisa, this would be...we're operating our FY '11 Budget.

COUNCILMEMBER BAISA: Right.

MR. GOODE: So those CIP monies we've had to tap to do this work. I'd like to replenish those funds so that they can have the funds in them to do the work they were contemplated to do --

COUNCILMEMBER BAISA: Correct.

MR. GOODE: --originally.

COUNCILMEMBER BAISA: And this won't affect your next budget?

MR. GOODE: No.

COUNCILMEMBER BAISA: Okay. That's what I was concerned--

MR. GOODE: Okay.

COUNCILMEMBER BAISA: --about. Thank you.

CHAIR PONTANILLA: Okay. Member Carroll? Member Mateo?

COUNCILMEMBER MATEO: Mr. Chairman, thank you. And Mr. Baz, I go back to Chairman Pontanilla's question regarding the Road/Bridge/Drainage Maintenance Program because...have you at least taken a look at that fund? Or are you taking a look at it now?

MR. BAZ: I'm...Mr. Chair and, and Council Chair Mateo, I'm going back to the request from the Department of Public Works Administration for appropriation of \$350,000 to the FY '11 Highways Administration Program budget to cover costs associated with the emergency work and clean up efforts following the storm events in December 2010 and January 2011. This is based on the Department's recommendation to the Budget Office and how they...where they were expending their funds out of for this emergency cleanup is dependent on them. So we did not look at that.

COUNCILMEMBER MATEO: So in your summation at this, at this time the 350,000 could be taken from this particular fund? Mr. Chair, do you...tell me the amount of monies available in this fund as of...February 28, 2011.

CHAIR PONTANILLA: Staff, you got that number?

MR. BAZ: Mr. Chair, I have the--

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CHAIR PONTANILLA: Okay.

COUNCILMEMBER MATEO: Okay.

CHAIR PONTANILLA: Mr. Baz?

MR. BAZ: Thank you. So in the Highway Administration Program for the period...as of February 28 in Expenditures, they have a balance available of \$3,856,481 or 39 percent of their budget.

COUNCILMEMBER MATEO: Okay. So if they've got 3.8 million available, can't they tap that source to address their cleanups of roadways and drainages?

MR. BAZ: As the Director expressed, they could do that. What that would do is to defer other planned projects and items that they have for this current fiscal year.

COUNCILMEMBER MATEO: Okay, thank you very much.

CHAIR PONTANILLA: Okay, yeah. Fast question, Mr. Goode. In regards...yeah, I see, you know, the \$3.856 million and the...you know, where it's gonna go to. So utilize some of the...most...all of the funding from that particular area. So when I look down at the Road/Bridge/Drain Maintenance Program, you got \$3.2 million, do you have projects already identified to, to utilize the \$3.2 million in your Road/Bridge/Drain Maintenance Program?

MR. GOODE: Mr. Chair, I'd have to review that specific item --

CHAIR PONTANILLA: Okay.

MR. GOODE: --before I could answer that.

CHAIR PONTANILLA: Okay, thank you. And the reason why I ask is that, you know, those are big numbers that is still a balance there. And...but I can see your reasoning in regards to utilizing the \$350,000 to take care of this problem. Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Mr. Baz, I'm not sure whether the Department has the ability to use money either from the Administration Program, the Road/Bridge/Drain or the Traffic Signs. With program budget in...under the County, do they have the ability to move funds to where they need it?

MR. BAZ: There are separate programs in the Public Works Highways...the Highways Administration Program, the Road Drainage...Bridge/Drainage Maintenance Program, Traffic Signs. They're all separate programs so the Administration does not have the capability of moving--

COUNCILMEMBER WHITE: Transferring.

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MR. BAZ: --from one program to another--

COUNCILMEMBER WHITE: Okay.

MR. BAZ: --without resolutions.

COUNCILMEMBER WHITE: Because if I look at the...just the Road/Bridge/Drain Maintenance Program at 41 percent of the budget remaining, that's...if they, if they continue to spend at the current rate per month they'll have 600...they, they will be \$626,000 underspent in that, in that program. So it seems to me that they have, they have the money in there to, to fund this.

MR. BAZ: In...the Department would have to go back and look at that specifically as, as you mentioned before utilizing those funds.

COUNCILMEMBER WHITE: Okay, thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Okay. I guess the...you know, I think this is again like Ms. Baisa said, there's something that we need to do and there are...you know, I was appreciative, Mr. Goode, you were very upfront with this and saying that, hey, you know, I can go other places but then those places would suffer somewhat as far as your monies, the necessary monies to, to do this. So I appreciate your candor. I, you know, I think I can, I can deal with this in this manner. Whichever way you recommend, Mr. Chair, I'll await that and, and follow your recommendation. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, I obviously was thinking along your similar lines regarding the \$350,000 consideration this afternoon. And so my understanding from the Director is they took it from cash CIP. So I'll be, of course, very open to put back \$350,000 in cash CIP. But that is not what is before us. It is Highways Administration. So how does this, then, help cash CIP projects to go forward if we're not gonna replenish the fund that the cash was taken out of in the first place? And like you, why aren't we utilizing the Maintenance account with \$3 million?

CHAIR PONTANILLA: I agree.

VICE-CHAIR HOKAMA: So I would say the way it is, I'm not supportive the way the proposal is. I am supportive, though, of that \$100,000 consideration to work with the Corps of Engineers 'cause Lanai has been a major beneficiary of Corps of Engineers work, the domestic program component. And so I'm very open and I'm hoping the Department can provide this Committee with some sort of verification that the Corps still has that \$100,000 to put forward in matching our County funds to move this study forward, Chairman, because as you and I know, there's a component in Congress that is willing to slash and burn and sacrifice domestic programs. So I

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hope Mr. Goode can be reassured by the Corps whether it's the district office or the division office based on Oahu at Fort Shafter that those monies are still available for us to leverage together to benefit the South Maui region. But I'm not sure if Congress is gonna allow us...the Corps to keep the money for their requirements. But, again, Chairman, I would hope that you would consider if it we came out of cash CIP that that is where we put the money back. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Chair. Mr. Goode, first of all I want to, again, thank you for the work done on an emergency basis in South Maui. You got a lot of work done pretty quick although I do wanna ask you about Kulanihakoi or Kaonoulu Stream there. How's that going because apparently the tsunami took out all the repairs or most of the repairs you did. Are you...you guys were down there this morning. Are they gonna try and patch up what was taken away again?

MR. GOODE: Yeah, we are.

COUNCILMEMBER COUCH: Okay. They're already hard at work this morning so I appreciate that. I guess this is to the Chair or the Members, I guess. I know they've done this work and they had to do it right away. You know, as soon as the flood started coming down, they came there. In this case, I see there's places for...that they might be able to take this out of and maybe the request can be...reworded. But I, I would hate to see something happen here that would cause Mr. Goode and his Department to think, well, wait a minute, am I gonna get this passed by Council before going out there and trying to do what is necessary to get done. This was necessary to get done. And, and so maybe there's a miscommunication, maybe I'm not seeing what these guys are seeing. I see there's the 3.2 million in the, in the Maintenance Program and maybe that's where they say they wanna put it back, I'm not sure. But I, I just wanna caution you, Mr. Goode, that, you know, if, if there's an emergency and you go out and fix it and then we'll deal with how to get it later and hopefully not as, as laborious as it's happening right now. But, you know, don't let this stop you, just go out there and do what needs to be done, in my opinion anyway. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Couch. And I share the same comments that you just made that, you know, as a head of a department he makes that decision upfront to get the work done. And, you know, we'll deal as far as the money part like we're doing right now. So, Members, any more questions for Mr. Goode? Got a question for Mr. Baz. Once...should this thing move forward, how do we get that money back to the areas that Mr. Goode utilized, the cash CIPs?

MR. BAZ: Mr. Chair, I'd have to defer to the Director of Finance. He may or may not have information about where those expenditures came from to pay for the emergency operations initially so that they can get reimbursed.

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CHAIR PONTANILLA: Okay, thank you. Part of that area, you know, you, you do have supplemental transfers from the General Fund so hopefully it's the General Fund.

VICE-CHAIR HOKAMA: Chairman?

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Mr. Hokama first.

VICE-CHAIR HOKAMA: If you could also ask...if, either Director Agsalog or Mr. Baz, what would be the issue for us, if, if Council's actions require, to transfer the money from the Maintenance Fund...from the Highway Maintenance Fund which has the \$3 plus million to offset the requirement in--does this...puts it...the Highway Administration Fund? But what was referred was the CIP. So I don't have a problem transferring some of the cash in Maintenance into the CIP portion of the Cash budget if that's what it takes to balance the books. And then that way we don't need to recognize additional funds, Chairman.

CHAIR PONTANILLA: Exactly. Mr. Baz? Or maybe Mr. Agsalog first.

MR. AGSALOG: Mr. Chair, I, I'm not sure at this time if we already paid this...the work that has been done but I know I have authorized that to be fixed when the emergency request came about so . .

VICE-CHAIR HOKAMA: Yeah, we support you, Mr. Agsalog. We support you.

MR. AGSALOG: No, no...I...that's, that's, that's why I think the budget amendments I did not see how it was transferred or put back to the original budget that you have. But when we came down to ask for this, I'm sure that...there was an item that was amended in there. And we will be able to recognize it in our accounts as soon as this thing is...this was an added line, Mr. Chair, on your section for Item No. 5 on the Road Improvement of the \$100,000 for that CIP part. But my understanding is the 350 is for mostly the original Operations...or the Administration Program of that. So those where it will be replenish those funds should this budget amendment is approved as presented to you. We will take that money from the Highway Funds Carryover/Savings and it will be put back there - 350 to the Administration...Program and 100,000 at the Capital Improvement, sir.

VICE-CHAIR HOKAMA And thank you for that, you know, Director Agsalog. But that's not where we were told the money was taken from, Chairman.

CHAIR PONTANILLA: I understand.

VICE-CHAIR HOKAMA: ...*(Laughs)*... So I'm getting hard time consolidating what was expended, what is being requested for recognition and...then, where it's gonna be reappropriated to. And

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maybe it's just me, Chairman, and I apologize. But I cannot find the connections. I appreciate the...my, my opportunity, Chairman. I just don't get it.

CHAIR PONTANILLA: Yeah, Mr. Hokama, I think I understand where you coming from in regards to this particular issue that we utilize monies from the Road/Bridge/Drain Maintenance Program and put it...put the \$350,000 back where we took it out which is the Highway Funds.

VICE-CHAIR HOKAMA: ...*(Inaudible)*...

CHAIR PONTANILLA: Yeah, so Corporation Counsel, can we do that internally?

MR. KUSHI: Mr. Chair, I think...I'm not sure but I think traditionally and historically you've done it by resolution.

CHAIR PONTANILLA: By resolution. Okay, Mr. Baz, comments?

MR. KUSHI: And in fact, I think the Charter requires it.

MR. BAZ: Mr. Chair, I think the Director had a comment.

CHAIR PONTANILLA: Okay, Director?

MR. GOODE: Thank you, Mr. Chair. Members, I, I think I, I obviously misspoke here as relates to where the funds came from. And that's my bad. I don't follow that superclosely as you do. But I do know that wherever we take the funds from, if you put the monies back it's gonna go to that fund. That's my, my commitment. I'm sure they're gotta make sure here on Corp. Counsel, the Budget side that it says that. But wherever we took 'em from, that's what I wanna replenish so that...and I'm not gonna say, okay, we got this extra money, let's go hog wild and spend a lot of money. You got my commitment, that won't happen either. But I think I, I misspoke when I said it came from CIP.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: You know, Director Goode, of course, that's music to my ears hearing what you just shared with the Committee and I'm very thankful you shared that. But my point is, Chairman, Council still appropriates in various accounts funding to take care certain situations. And one of the things we beefed up over the last 10, 12 years was Emergency Funding components where we put millions to address unforeseen situations like flooding, the tsunami of the past weekend. And we have still yet...unless we are being given numbers that is gonna change drastically as of February 28, is a hell of a lot of cash in that Maintenance Fund that should've been addressing this type of situations that the Department had to expend to mitigate and assure public safety. So I'm not questioning the, the Department's response or the Director of various, of the various departments' decisions to authorize the work done. I'm just saying we have already placed monies in specific accounts to pay for those requirements. And I, I just need

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to know why we don't use those specific accounts the Council has authorized and placed monies to be utilized for. That is my, my, my main question, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more comments? Maybe for Corporation Counsel? Short recess, five minutes. We'll reconvene at 4:35. . . .(gavel). . .

RECESS: 4:28 p.m.

RECONVENE: 4:40 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Thank you, Members, for...allowing the Chair to have a short recess to...confer with our attorney, our Staff as well as our Members. In regards to BF-30...yeah, BF-30, Chair would like to make his recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: Thank you. Chair's recommendation is to defer this item, have the Administration come back with two resolutions, one for the \$100,000 and the second resolution for the \$350,000. Understand that the repair work for the storm damages actually came from the Road/Bridge/Drain Maintenance Program. So if there's no objections, Members, the Chair would like to defer this item.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: Well, that took long.

MR. BAZ: Thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Thank you, Mr. Baz. Thank you, Mr. Goode.

**ITEM NO. 31: AMENDING FY 2011 BUDGET: DEPARTMENT OF
TRANSPORTATION (GRANTS AND DISBURSEMENTS FOR
PARATRANSIT SERVICES - HIGHWAY FUND) (C.C. No. 11-67)**

CHAIR PONTANILLA: Moving forward, Members, the next Item is BF-31 Amending . . . before we take up this item, I know we just had a five-minute recess, you guys need to take care of some important business at this time? If not, the Chair will just continue on.

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COUNCILMEMBER VICTORINO: Continue on, Chair.

COUNCILMEMBER COCHRAN: Continue.

CHAIR PONTANILLA: Okay, thank you. The next item is BF-31, Amending Fiscal Year 2011 Budget, Department of Transportation, Grants and Disbursements for Paratransit Services, Highway Fund. The purpose of the revised proposed bill is to amend the Fiscal Year 2011 Budget by establishing programs with the Department and increasing the appropriation for Paratransit Services by \$425,000. So at this time Chair would like to call on our ex-colleague in this Chambers and who is the Director for our Transportation area, Ms. Johnson, to provide us with some comments.

MS. JOHNSON WINER: Yes, aloha and thank you very much, Members. And officially now I changed my name with Social Security so it's Jo Anne Johnson Winer so...and my husband's in the audience. So I wanna thank you so much. I know this has been a long day. To assist you we have provided a handout giving you the cost and the analysis for where these monies are being requested. And at this time if you do...the Members need a few moments to look over the handout or are you comfortable with me just going through it?

COUNCILMEMBER BAISA: Chair, could--

CHAIR PONTANILLA: Members?

COUNCILMEMBER BAISA: --could we have a few minutes, please?

CHAIR PONTANILLA: Okay, we'll take a few minutes to review. Couple minutes? Okay.

VICE-CHAIR HOKAMA: Are we in recess?

COUNCILMEMBER VICTORINO: No.

MR. KANESHINA: Mr., Mr. Chair? Excuse me.

CHAIR PONTANILLA: Yes.

MR. KANESHINA: Are we gonna take a brief five-minute recess for the Members to review?

CHAIR PONTANILLA: Yeah, we'll take couple minutes, like...okay, we'll take a recess. Reconvene 4:50. So meeting is in recess. . . .(*gavel*) . . .

RECESS: 4:44 p.m.

RECONVENE: 5:01 p.m.

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CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting is now in session. And thank you, Mr. Hokama, for notifying the Chair in regards to an item regarding this particular agendaed item that we have this afternoon. Members, I'm gonna have the Department make opening comments. And that's the extent of this agendaed item and the Chair is gonna defer this item in regards to the request that is being made and bring it back. We still need...the bill still need to be worked on because there's some things in the bill that doesn't look right.

UNIDENTIFIED SPEAKER: Yes.

CHAIR PONTANILLA: And also, you know, Mr. Kushi will explain a piece of the puzzle regarding this particular issue. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you very much. As I shared with you, and I believe some of the Members of your Committee is aware, that there are some legal issues regarding this consideration. And at the appropriate time if Mr. Kushi in open session can share certain statements or certain factors that may impact this deliberations. And, again, whether or not you would consider it appropriate depending on the situation, of course, Chairman, that the State statute allows you to call for an executive session regarding...matters pertaining to the jurisdiction and liabilities of the County and to the Council regarding this specific item that we would defer to your direction and Corporation Counsel's advice. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Hokama. As I stated in regards to this particular item, Chair is gonna have opening comments by Member, . . .(*chuckles*). . . not Member, but Director Johnson.

MS. JOHNSON WINER: That's okay.

CHAIR PONTANILLA: What's your new name now?

MS. JOHNSON WINER: Johnson Winer.

CHAIR PONTANILLA: Okay. And some comments by Corporation Counsel. The Chair's intent is to re-agenda this item with the...insertion of a possible executive session at our next meeting. And I already talked to the Council Chairman in regards to a meeting during the budget session which I, I know, you know, a notice has been circulated by the Chairman that no other meetings other than the budget session will be allowed. But in this case here, the Department is looking for additional funding to continue the operation of transportation. So with that, Ms., Ms. Johnson.

MS. JOHNSON WINER: Yes, and, and thank you Mr. Chair. And I totally understand, you know, why this was done. Obviously I'm not the person that actually physically does the budget amendment and did all of the legal work on this. But I think that, you know, the questions that you've raised are certainly legitimate, because I would wanna know the answers myself if I were sitting where you are. And so I can see that because of the way that it was structured that there are some

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issues that do arise. Principally, we've attached a summary just so you could see the trends and where we're going with this. The Paratransit, I think in the previous Administration, it was beginning to increase in ridership so what we did was we gave the estimates, you know, or at least from now until the end of this fiscal year to kind of give you an estimate of where we're going. Also commuter costs because the 425,000 that we're asking for is a combination both of Paratransit and commuter costs. The projections, of course, are based on existing trends but as you well know as the gas prices increase our ridership is going to escalate. And unfortunately I don't think that even myself as a Council Member sitting where you are, I never dreamed that we would have the explosion in Paratransit ridership that we currently do. It's a very popular service and that is principally the education and, of course, myself contributing to this about saying what a wonderful service it was. Sometimes you have to be careful what you say because it is really, you know, it, it really has exploded in the numbers. So you'll see that we did attach graphs and, you know, so if you have any questions on those. But principally we do have monies that are available, you know, from the Federal level. What happened was we had fiscal year monies which were 5311 funds coming from FTA and that took care of a portion of the cost overrun. So that was \$555,525, and Fiscal Year '10, 554,681. So we were able to utilize some of those funds to make up for operating expenses in the Paratransit area. We also had, if you would recall, the proviso that was attached even when I was on the Council, that stated the Paratransit contract would go out to bid and be separated, you know, from the main contract. That, unfortunately, was not able to be done which Mr. Kushi will explain what he can in open session as to why that created a difficulty for the Department to actually execute that due to a legal challenge. But \$375,000, if it can be utilized, that is one of the other things that we need to either remove the proviso or we need to acknowledge that that money can be utilized for whoever the provider of the service is because we will run short in Paratransit by the end of the year. And as far as our Commuter costs we are trying to work on this issue. Currently what's happening with our commuter buses, it also is extremely popular. It's cyclical based on how many people are on call at a particular property. South and West Maui are the areas where we do have our commuter runs but we're trying to reconfigure that right now so that we don't end up having to put on additional unanticipated buses. When you run the commuter route, it's a service that you can't just say, oh well, gosh, too bad there's five people and not enough seats. So oftentimes what Roberts will have to do, and they're a vendor that provides this service, they end up having to put on an additional vehicle and that happens more often than, than, than we would really like. And I don't wanna see anybody not have a seat on the bus. So those are the commuter costs. There also was--and this happens every year 'cause I'm sure you'll have a question when you look at the...computation down at the right hand side of your first page. You'll see where we owe Roberts which was the vendor that provided both Paratransit and commuter overages. You'll see a shortfall. Unfortunately, every year what happens is basically what you're seeing right now. We don't know how we're gonna end up because it's an...Paratransit and commuter services are basically on-demand services. We run a regular commuter route but we never know how many riders may show up for a particular time so, you know, working on that issue but there is an additional clause in the contract that would allow those riders to be served. So we have that, you know, the 375,000. We have the Federal funds to be utilized. We came up with the total of 415,303 projected shortfall and we rounded it to 425. And, of course, I heard an earlier testifier say it would be nice to expand the routes. It

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would be nice to provide additional services. This is not able to be done at this time. We are required, as you know, under ADA to simply when you provide a fixed route you must provide the services under the Paratransit comparable. So it's not something that we can just say that we don't want to do that. We are required to do it by law and the only way that we could cut back on these expenses would...would be to amend our fixed routes. And so those are...that's just a brief explanation and if you have any questions.

CHAIR PONTANILLA: Okay. At this time, Chair is gonna call on Mr. Kushi for some comments.

MR. KUSHI: Yes, Mr. Chair, Members. As, as you know, there has been litigation on this issue which this body chose to put a proviso on the grant for Paratransit. However, notwithstanding the litigation, the services have continued. There was a Circuit Court action that is in the process of being dismissed. There was an appeal, administrative appeal, on the question whether it was a grant or a contract that has been resolved to the extent where the RFP has been withdrawn. So anyway, but the, the period of any appeals may still be pending. The affect of that pending appeal or, or, or possible relitigation still exists as far as I'm concerned. That being the case, and with the Chair's intention of deferring this matter, I will not request an executive session at this time. And when this matter comes back, I will have my staff definitely put a note on your agenda to request an executive session. However, as the Department has stated, in any event they need more funds. And the Federal funds are available. They need to, they need to adjust their budget to at least complete this fiscal year's services. So, you know, regardless of what happens, you know, to continue services, they need to amend their budget. Their wording of the amendment is causing stress between your, your staff and, and yours truly but, apparently, you know, the attorneys in my office are not there today anyway. So that being said, Mr. Chair, I would await your decision and the body's decision to defer this matter and bring it back.

CHAIR PONTANILLA: Thank you. Go right down the line. If any of the Members ask any question that may hamper our litigation, Mr. Kushi, if you can just tell us so. Yeah, thank you. Member Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I just have one question that could always be answered when they come back. \$415,303 projected shortfall, rounded is \$415,000. We have \$425,000 over here which is a \$10,000 *addition*. I would like to know what the \$10,000 addition is for.

MS. JOHNSON WINER: Actually because these are estimates, they're guesstimates. And all I did was, I just felt that because we don't know and we will more than likely be slightly overbudget we can only use these monies for anything, that was my suggestion. Instead of just putting it at 415 because that is a guesstimate anyway, I went to 425. One of the things that, you know, is happening is in these particular monies we never know how many services we're gonna get. And I will just share with you the estimates that we're giving you are fairly conservative because what we're seeing is that with the Department of Education's cuts where they have actually cut some of the services and buses to the schools, we have been getting an increase now from many of the schools. We...last year I understand that we did get most of the high schools covered but

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now we're getting the intermediate schools and we must serve those special needs students and that's where I, I felt...I, I, I...maybe I just used bad judgment. But that's why I figured I can't use it for anything else. Any overage, you know, would carry over into the next fiscal year.

COUNCILMEMBER CARROLL: Chair?

CHAIR PONTANILLA: Mr. Carroll?

COUNCILMEMBER CARROLL: The rationale for that aside, it still would be more appropriate to add \$10,000 because of projected fuel cost increases or something. Putting it like that is misleading to say the least and that we don't know unless we ask. We really still don't know why that \$10,000. You're just guessing it like you said. But being more precise would be helpful.

MS. JOHNSON WINER: Yeah, and, and that's fine if, if, if we come back and you want to put it at \$415,000, that's fine...since it's gonna be redrafted anyway. I don't have a problem with that. We...we're running short of monies on printing and other things but I didn't even want to go there on that, you know, not in this go around. It's, it's just Paratransit and commuter I'm concerned with at this point.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER CARROLL: Thank you, Chair.

COUNCILMEMBER BAISA: Thank you very much, Chair. I have a million questions but I'll just limit it to a couple because this is gonna come back. But, two things. One was interesting to listen to the testifiers today. And they seem to be under the impression that this money that we were asking...that you're asking for is gonna be used for new vehicles. Is that true?

MS. JOHNSON WINER: No, not at all, no. . . .(Chuckles). . .

COUNCILMEMBER BAISA: Where did they get that idea?

MS. JOHNSON WINER: I have no idea where they got that...I, you know, impression. I think that because I've met with the people in the Commission on Disabilities, what I was speaking about was another totally different program where we're going out once the new budget, you know, comes out you'll better understand that but we are going for additional vehicles in that. And so I said when the budget hearings come up, to please support the Department's request for the 2012 Fiscal Year. And that, that's probably what they're referring to. You know, oftentimes, as you well know, people don't differentiate. But it did not come from me.

COUNCILMEMBER BAISA: They sounded very...you know, they brought up two things. One was expanding services and they kept talking about outside of the boundaries which is a matter I'll look into at another day. But what I did want to mention was I think it's kinda interesting that we have this financial situation and we're short of money and we're trying to provide services

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whatever. Yet we're paying our current provider 3588 a...service and MEO can do it for 1742. So if we can do it cheaper, that might have a big effect on the budget. Thank you, Chair.

CHAIR PONTANILLA: Member Cochran?

COUNCILMEMBER COCHRAN: Yeah, I don't think I have any questions. I know this is deferred. But that was alarming to hear that we have more ridership from our students and I guess I just wanna make sure nobody is lacking service when needed. So I'm looking forward to revisiting this. Thank you.

CHAIR PONTANILLA: Thank you. Member Cochran...oh, Couch? ...*(Laughs)*...

COUNCILMEMBER COUCH: Thank you, Chair. Director Johnson Winer?

MS. JOHNSON WINER: Yes, thank you.

COUNCILMEMBER COUCH: Okay. How much...you say you...we owe Roberts for...FY '10 because of unanticipated overages or whatever that you couldn't anticipate. Are you trying to...are you going to try and anticipate that same amount and is that included in this 415?

MS. JOHNSON WINER: I'm, I'm coming to you now because what we're projecting if we get the money, we may...because we don't know what the ridership is going to be, it's on-demand service. We're trying to prevent too much of a carryover next time. But it happens continuously because you never know what your ridership is going to be even at the time that the budget is approved. Even as I'm coming to you now, unless I had a crystal ball, I could not tell you. But every year this has been occurring, every year this has been occurring. So these carryovers, I just preferred to come to you now and alert you to what is happening so that when we reach the end of the fiscal year hopefully there won't be that much of a difference.

COUNCILMEMBER COUCH: Okay. And you mentioned commuter, you know, the commuter bus if it has five extra people, you fill the bus and has five extra people. They get...what do they call, another whole new bus or do they call the--I notice in the budget you had sedan...or in your Power Point, you had sedans or vans.

MS. JOHNSON WINER: It is what, whatever Roberts has available. You know, oftentimes they're not able to respond with, you know, an appropriate-sized vehicle. It's whatever they have nearby. I tell you, we have such a shortage of vehicles. Right now, we're running short in all areas so they put on what they can but that's not really a question. Every time that they come and they respond and they put on an additional vehicle that costs us. There is a cost attached to that.

COUNCILMEMBER COUCH: Do we get charged the same per passenger on this commuter run no matter what the vehicle is?

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MS. JOHNSON WINER: Yeah, when you...it's not per passenger. It's basically, it's basically when you have to provide an additional vehicle. That, that's a flat charge.

COUNCILMEMBER COUCH: So...okay, I guess...so if it's a 55-passenger bus versus a 10-passenger van, it's gonna be the same price?

MS. JOHNSON WINER: It makes no difference. And there's no fuel adjustment clause either in the Roberts contract.

COUNCILMEMBER COUCH: Wow. . . .*(Laughs)*. . . Given those same numbers that Councilmember Baisa just mentioned too, one is a for-profit entity trying to make profit which is understandable. But to have it double the amount of cost, it, it's kinda scary. And the last question I guess I have is, how're you paying for it now? If we don't pass this ASAP, how're you gonna pay for it?

MS. JOHNSON WINER: Well, we have some, some of the money that we can allocate but because, you know, we will run short before, you know, I guess the vendor will just have to wait until the amendment is passed, to be compensated. I, I, you know...we...the only other thing if we stop Paratransit we have to also stop a fixed route. So I mean that's just the reality. So that's why it's important for us to deal with us on a timely basis. We...we more than likely, because the way that the billings go out and the way that we're presented the billings, there is some lag time anyway.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Thank you, Chairman. I'm referring to the first page, Madam Director. You shared, you shared with us under Federal funds received which is the Federal Transit Authorities--

MS. JOHNSON WINER: Right.

VICE-CHAIR HOKAMA: --5311 funds.

MS. JOHNSON WINER: Right.

VICE-CHAIR HOKAMA: You show '09 and Fiscal Year '10 amounts which is about 1.1 million.

MS. JOHNSON WINER: Right.

VICE-CHAIR HOKAMA: Do you have any funds for the Fiscal Year '11 from this Federal program?

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MS. JOHNSON WINER: We're just waiting for the people in Washington. There's apparently a release of, I think, for the first allocation, there is...there are some 5311 monies that have been allocated. But it's not enough. It's not the usual amount. So we're just waiting for a final vote to take place in Washington. And we believe that we will be able to get that money released.

VICE-CHAIR HOKAMA: And would it be in the amount close to what you have, you have received in the previous two years?

MS. JOHNSON WINER: It should be equivalent to that so--

VICE-CHAIR HOKAMA: About 550,000 plus or minus?

MS. JOHNSON WINER: Right. We, we show it in our budget if you look. We have a placeholder where we basically show 1.5 million as a rough estimate. But that basically is divided usually by three islands. So then we do that as a placeholder. But then every year when we get the confirmation, that's when we know when the actual amount...what that actual amount will be.

VICE-CHAIR HOKAMA: Uh-huh. And this is more a question for clarification, Madam Director.

MS. JOHNSON WINER: Sure.

VICE-CHAIR HOKAMA: I notice that in the narrative of the correspondence of March 8, 2011 which is transmitted a revised proposal. The request as, as Committee has agendaed it is for a \$425,000 consideration for Paratransit services. But in the breakdown in your front page you also show commuter components which my understanding is we normally place that under the public transportation component of the budget. So can you give us a comment whether or not this is--

MS. JOHNSON WINER: Yeah, and, and--

VICE-CHAIR HOKAMA: --on our part, our understanding or is it gonna be some revision or some adjustments?

MS. JOHNSON WINER: No, and when you raise the issue, because I wasn't involved, you know, I, I looked at this but obviously I'm not an attorney and I'm not the Budget Director. So I deferred to what they wanted to do. And when I look at it now, you raise a very good point and I think that that should be addressed.

VICE-CHAIR HOKAMA: Thank you. That would be appreciated, Madam Director. Mr. Chairman, thank you very much.

CHAIR PONTANILLA: Thank you. Mr. Victorino.

COUNCILMEMBER VICTORINO: . . .*(Sighs)*. . . No, no questions at this time, Chair.

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CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. Question for you, you brought up the issue of students that you're now having to take care of. Who was taking care of the students' transportation to and from school previously?

MS. JOHNSON WINER: The Department of Education actually had funds that they had set aside but I believe on a lot of the...I don't know if it was totally excursions or some transportation to and from school. I know that special needs students were given transportation that was separate and apart from their main bus contract. But when the DOE cut that funding those trips were gone. But by law, we have to provide, you know, the services if they do qualify for Paratransit. So sometimes what happens is you might get three students that are going, you know, to a particular location. We try to combine and that's what we're doing but as long as they're qualified for Paratransit and they meet the criteria that they can't make it to the bus stop and they're within three-quarters of a mile from our direct route, we have to do that. And so it's caused shifting that is now come down. It started last--well, actually probably started a little bit sooner because some of the individuals did know of the service. And there were special needs students that used it to go for doctors' appointments or other things but now we're seeing more of a...I, I don't want to say "recreational" but I mean that's a service that we do offer too. And that's what I'm seeing more and that's what our Department has been reporting.

COUNCILMEMBER WHITE: Roughly what percentage of the ridership that you are experiencing now is made up of the students that have been dropped by the DOE?

MS. JOHNSON WINER: I'm not certain. I can get that information for you though. And I'd be happy to provide that the next time that we come back.

COUNCILMEMBER WHITE: Okay. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. Mateo?

COUNCILMEMBER MATEO: ...*(Inaudible)*...

CHAIR PONTANILLA: Thank you. Members, Chair is gonna defer this item if you don't have any objections.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

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CHAIR PONTANILLA: Thank you. And again, we'll bring back this item because of the needs for the Department of Transportation. Thank you...Jo Anne. We'll see you. . . .(Pause). . . Moving on. I just learned today that you don't take seven budget amendments in one meeting.

COUNCIL MEMBERS: . . .(Laughter). . .

CHAIR PONTANILLA: But I think it's a good exercise that we've gone through.

COUNCILMEMBER BAISA: Getting ready for budget.

CHAIR PONTANILLA: That's right. And, and, you know, I gotta thank you guys for asking hard questions because you know, that's the type of questions that we need to ask the, the departments in regards to anything that concerns the public money.

ITEM NO. 26: AMENDING FY 2011 BUDGET: DEPARTMENT OF MANAGEMENT (MANAGEMENT PROGRAM) (C.C. No. 11-50)

CHAIR PONTANILLA: The next item on our agenda is BF-26, Amending the Fiscal Year 2011 Budget, Department of Management, Management Program. The purpose of the proposed bill is to amend the Fiscal Year 2011 Budget by increasing the appropriation for the Department of Management by \$81,768. A Certification of Revenue is included in the proposal. Joining us this afternoon is First Assistant Manager David Ching. So at this time the Chair would like to call on Mr. Ching as well as Mr. Baz in regards to providing us opening comments. Either one first.

MR. CHING: Thank you, Chair, Members. Basically, pretty down and dirty request from Office of Management for \$81,768 for six months salary funding for two positions in the Office of Management that were in the budget but were unfunded. And these were for members of the past Administration who had return rights to these positions. And right now we're asking to be able to fund those positions so we can continue to pay them. That's all I got, Chair.

CHAIR PONTANILLA: I have a fast question. In regards to the return rights, I guess when the new Administration, you know, started to fill up their positions, was the return rights...the employees that were on return rights being considered as part of the numbers in regards to the budget for this fiscal year?

MR. CHING: Chair, the...the bodies themselves were not counted as a full-time equivalent positions for the office. But the positions were identified by position numbers and they were just kept vacant and unfunded. So it was zero FTE, zero dollar funding.

CHAIR PONTANILLA: Yeah, understanding, understanding that. But in the budget sheets, it had indicated...or was it indicated...return rights for these two employees?

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MR. CHING: . . .*(Inaudible)*. . .

CHAIR PONTANILLA: And the only reason I ask is that hopefully that, you know, knowingly upfront that you needed to take care of...the Administration, new Administration needed to take care of some of the employees that had return rights to this County.

MR. CHING: Chair, correction. They, they are counted in our EP count. The positions are counted in the...EP count. And they're also footnoted in the budget as having return rights. So no funding, footnoted as having return rights and counting as 2.0 full-time equivalents.

CHAIR PONTANILLA: So no...no consideration in regards to knowing that they were gonna come back and, you know, you have certain amount of dollars to administer the program...or the department. You know, knowingly you have two employees coming back and continue to hire more than what is needed.

MR. CHING: Chair, that's correct. There was no monetary consideration for these people returning.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, no questions.

CHAIR PONTANILLA: Member White?

COUNCILMEMBER WHITE: I'm sorry. Missed whether that...the number is in next year's budget? Are they funded in next year's budget or not?

MR. CHING: . . .*(Inaudible)*. . .

COUNCILMEMBER WHITE: The budget beginning July 1st.

MR. BAZ: That's part of the FY '12 proposed budget.

COUNCILMEMBER WHITE: Okay, so they are, they are included at this point?

MR. BAZ: Yes.

COUNCILMEMBER WHITE: Okay. I guess I, I have kinda the same question. If you knew there were two individuals returning, at what point did you know that?

MR. CHING: Chair? We,--

CHAIR PONTANILLA: Go ahead.

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MR. CHING: --we became aware of it when we took office January 3rd. And since that point we've been funding the positions with our current budget. However, our current budget cannot pay for the positions for their return without negatively affecting the rest of our office. So, in other words, we're not gonna, we're not gonna have enough money to fund our normal office operations with this, with this additional two bodies without a budget amendment.

COUNCILMEMBER WHITE: Okay, thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And, and that is one of the challenges we have, yeah? You have these return rights and I think I've seen this happen a number of times before when Administrations change, these return rights become an issue, yeah? So I, I understand what, what you're trying to do. And these two people were assigned to your particular office, Office of Management?

MR. CHING: Yes, they were.

COUNCILMEMBER VICTORINO: Yeah, okay. No, that's it. I mean I understand that and I think I can accept that. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you very much, Mr. Chairman. Gosh, it's good to have institutional history because I believe, Mr. Ching, that it was in the Mayor's first administration that these employees were assured of their return rights. And that therefore, you...folks should have known better now in your second term...in administrating this program. But my...you know, one of my questions isn't, you know, whether you guys knew or didn't know. The point is didn't the Department of Management, knowing these situations could occur, still yet hired exempt employees that could've covered the cost of these two return-right employees?

MR. CHING: I'm sorry . . .

VICE-CHAIR HOKAMA: These positions that are not required but...were covered by civil service return rights, that the Department chose to hire additional personnel knowing or should have known, that you had two employee positions that had to be funded and had to be addressed. And I bring up again that it was during this Mayor's first administration that this two employees were granted those return rights.

MR. CHING: Chair, our office actually, besides myself, Managing Director and the secretary to the Managing Director, our office didn't hire any other employees. And...and we were, we were forced to reinstate these two positions that were unfunded from a prior budget. So there was actually no increase in personnel.

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VICE-CHAIR HOKAMA: Can you assure the Committee this afternoon or this evening that there is no funds in the B Account for consideration to address this issue?

MR. CHING: There's, there's funding but there's not enough funding for us to, to carry through. And if we do expend all our other funding for what they're intended for, then there will be no funding to, to pay these salaries.

VICE-CHAIR HOKAMA: Unless the Department makes some internal adjustments that is under the purview of our Managing Director as a management tool that I'm sure, you know, can be, or should be considered. Chairman, I'm not convinced. And so, you know, I'm not willing to support this request this evening. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Mr. Ching, what are the functions of these, these two positions?

MR. CHING: Currently the two positions are assigned to...they're assigned projects that have to do with improving our, our overall operations and specifically they're both assigned projects from the 2009-2010 Cost of Government Commission Report. One is assigned with all the vehicle, motor vehicle...projects and fleet management. And the second is assigned to look at our overtime and Countywide overtime, see if we can make savings there.

COUNCILMEMBER COUCH: Having...being new to this side of the budget process, return rights, can you explain that a little bit to me, please?

MR. CHING: In the case of these two employees, there were executive orders signed by Mayor Arakawa as well as Mayor Tavares that specifically allowed these two personnel to be able to return to their position after serving in other positions in the County. They're basically positions that are held open so that these people have some place to return after serving in, in some cases for the Administration, prior Administration.

COUNCILMEMBER COUCH: And they were in the Department of Management before? I don't seem to recall that happening.

MR. CHING: These two position were identified as being in Management.

COUNCILMEMBER COUCH: From back five years ago, six years ago?

MR. CHING: I, I can't give you the history right now but according to our budgetary documents and the position numbers, they're assigned in the Department of Management.

COUNCILMEMBER COUCH: And are they transferable at all? I mean do we have other departments that are...may have a shortfall? Any reason why we can't transfer those bodies...those numbers over there and...

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MR. CHING: As I understand it, they could be transferred. But they'd have to be like positions. So if they are departments with exempt managerial positions, they, they could be.

COUNCILMEMBER COUCH: Has your, has your Department taken a look to see if--since you are the, the place that could look at that--take a look to see if there is another department that could use them?

MR. CHING: I'm not, I'm not sure we did, to tell you the truth.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I guess in, in your interpretation or whatever, these two employees aren't...their positions are indispensable? I mean we cannot carry on without these two in their respective positions at this point?

MR. CHING: That's a good question. But then again that goes to, to every employee in the County. You know, we, we get to the point...are we gonna sit here and have a reduction in force? You can definitely, as a body, tell us you've gotta reduce your staff. And well, guess what, we gotta do it. But right now, I'm, I'm gonna say that I really can't make that decision right...sitting here right now and tell you that they're, they're not needed. You know, as, as far as I know, there's work for them to do. They're very capable of doing that work so we got 'em working.

COUNCILMEMBER COCHRAN: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: Yes, thank you, Chair. It seems like we're dealing with these employees with return rights and that's the way the law is so that's the way the law is. I just wanna be clear. So from what I understand, the request is to spend...or to get \$81,768 to pay these employees. And I guess we paying them from...retroactively from January to June of 2011. And beyond that, they'll be covered in the new budget?

MR. CHING: That's correct.

COUNCILMEMBER BAISA: Okay.

CHAIR PONTANILLA: Thank you. Member Carroll?

COUNCILMEMBER CARROLL: No, I think all the questions that I had have already been asked and answered. Thank you.

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CHAIR PONTANILLA: Thank you. Fast question, Mr. Ching. Have the Management area first took a look at all that is available to the Managing Director's office?

MR. CHING: I'm sorry, Chair, can you repeat that, please?

CHAIR PONTANILLA: Did you folks take a look at what's...what funding is available to the Managing Director's office?

MR. CHING: In terms of this year's budget?

CHAIR PONTANILLA: Yeah. I'm looking at the General Fund. You have balance available of \$1.5 million.

MR. CHING: Yes, yes we have.

CHAIR PONTANILLA: And all that money is spoken for?

MR. CHING: Yes, as far as, as far as we know and looking at our actual numbers up to several months ago, all of the funds will be expended for the programs that they were earmarked for.

CHAIR PONTANILLA: It's not gonna be one of those crash...I gotta spend?

MR. CHING: I, I really don't see us being able to do that.

CHAIR PONTANILLA: I, I just gonna...put it, you know, put it really blunt to you.

MR. CHING: Chair, with respect to the program in the Department of Management that, that the funds are being asked for, it's the administrative part of the program. That's actually one of the least funded parts of the program. We do have Management Information Systems and Geographic Information Systems that make up the bulk of the budget. But we're not...those, those programs are very lean. They're, they're anticipated to be spending down their funding according to the way they planned and so far it looks pretty good. And with respect to the administrative program, we're, we're very, very lean outside of salaries. We, we don't have much else in our budget besides salaries. That, that's why we're making the request.

CHAIR PONTANILLA: Well, it's hard to believe that you cannot find \$81,000 in a balance of 1.5 million so...Members, any more questions?

COUNCILMEMBER VICTORINO: Defer or recommendation?

CHAIR PONTANILLA: Mr. White?

COUNCILMEMBER WHITE: Thank you. Of the positions in the Department that are covered by this line item, how many are appointed?

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MR. CHING: Three of us.

COUNCILMEMBER WHITE: So it's you, the Managing Director and...

MR. CHING: And the Secretary to Managing Director.

COUNCILMEMBER WHITE: Okay, thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions for the Department? You wanna...Mr. Couch? No?

COUNCILMEMBER COUCH: I'll wait on the recommendation.

CHAIR PONTANILLA: Okay. Recommendation by the Chairman is to defer this item.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

COUNCILMEMBER COUCH: That's where I had my question, sir. What happens if we defer? Are they...are these folks out of a job? Or is Mr. Ching out of a job?

CHAIR PONTANILLA: No, they're not. I can take a look in this budget book to see where there's funding available. And through resolution they can do that.

COUNCILMEMBER COUCH: Okay, thank you.

CHAIR PONTANILLA: Thank you. Okay, thank you, Mr. Ching, for being here.

MR. CHING: Thank you, Chair.

**ITEM NO. 103: AMENDING FY 2011 BUDGET: DEPARTMENT OF FINANCE,
DEPARTMENT OF FIRE AND PUBLIC SAFETY
(ADMINISTRATION/MAINTENANCE AND FIRE/RESCUE
OPERATIONS PROGRAMS) (C.C. No. 10-246)**

CHAIR PONTANILLA: Last item. Finally. Members, the last item for today is BF-103, Amending Fiscal Year 2011 Budget, Department of Finance, Department of Fire and Public Safety, Administration/Maintenance and Fire/Rescue Operations Programs. The purpose of the

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proposed bill is to one, reduce the appropriation to the Emergency Fund by \$1.1 million. Two, increase the appropriation to the Administration/Maintenance Program by \$250,000. And three, increase the appropriation to the Fire/Rescue Operations by...\$860...\$860,000, sorry. With us we, we do have personnel from the Fire Department. So at this time the Chair would like to call on the Fire Department Assistant Chief...provide us with some opening comments.

MR. SHIMADA: Good afternoon--

CHAIR PONTANILLA:: Oh, Deputy Chief.

MR. SHIMADA: --Chair Pontanilla, Chair Mateo and the Council Members. The Department...of Fire and Public Safety is requesting your assistance with obtaining a budget amendment to help offset costs incurred due to an exceptionally busy and most challenging year. It's been by far the busiest brush fire season that I've seen in my 20 plus years in the Department. It actually started at the end of the previous fiscal year and continued into this fiscal year. The increasing incidents has taken its toll on our personnel, equipment and resources. This resulted in increases to overtime, repairs, maintenance, fuel consumption, and a replacement of damaged equipment. There was a 28 percent increase in the number of brush fires between July 1st and October 31st from 2009 to 2010. There is three and a half months to go in this current fiscal year and we're at the mercy of Mother Nature. I cannot say for sure what will happen in the coming months but I can share with you what happened last year during this time frame. The Department of Fire and Public Safety responded to a total of 2,294 incidents between March 15, 2010 and June 30th, 2010. 87 of these were brush fires which included the 6,000-acre Maalaea fire. The brush has grown back in previously burnt areas and it's starting to dry out. The following areas are currently listed on the National Oceanic and Atmospheric Administration website as being in various stages of drought. For the island of Maui, South and West Maui ranging from abnormally to moderately dry, Molokai, approximately two-thirds of Molokai abnormally to moderately dry, Lanai, the entire island is...moderately dry. And the website was last updated on March 8 of this year, 2011.

CHAIR PONTANILLA: That's it?

MR. SHIMADA: Yes, thank you.

CHAIR PONTANILLA: Thank you. Mr. Baz, you have any comments?

MR. BAZ: Mr. Chair, the request for the budget amendment was submitted to prior Council by the prior Administration to reduce the transfer of General Funds to the Emergency Fund in the amount of \$1,110,000. So far this fiscal year, we have transferred on paper \$1 million into the Emergency Fund. There is yet a million dollars not transferred. Options of this body include directing us to, to...if you do the budget amendment at a 100...\$1,110,000 we would reduce the transfer to \$890,000. If you make the budget amendment just a flat \$1 million we will not reduce that transfer and just leave it as straight at a, at a million dollars. Just for your information also, these items relating to Fire...well, first of all, for the Emergency Fund, because we are...or have...it

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has been requested to reduce the transfer to the Emergency Fund, one of your major questions will be how much is in the Emergency Fund and what would this reduction do to that Emergency Fund. We currently have, if...included the \$1 million we transferred this...so far this fiscal year, current fund balance is \$15,719,904.97. The...if we...if we reduced the transfer for this year to just \$890,000 it would leave a balance in the Emergency Fund of \$15,609,000. So there's, you know, significant Emergencies Fund in there. Also your...the proposed budget for FY '12 takes into account the reduction of transfer into the Emergency Fund that had been proposed for this fiscal year and the supplements next fiscal year's Emergency Fund transfer to, to more than cover that reduction. As far...another item that is always a question with the Fire Department and these emergencies is FEMA reimbursement. While we've heard, you know, that FEMA reimbursements may be reduced, we have received FEMA reimbursements. So far for the Kaunakakai fire in the amount of \$174,499 and for Maalaea fire in June of 2010 it's \$238,000 approximately. So...we, we were authorized that as a FEMA reimbursement. We will, we will be receiving 75 percent of, of those funds that I just mentioned. So...but those funds, when they do get reimbursed from FEMA to us, go back into the General Fund which is where the Fire Department's budget comes out of anyway. So I hope that answered some of your questions before you asked them. And I'm sure you're gonna have a lot more.

CHAIR PONTANILLA: For the 2010 Budget, what, what was the Carryover/Savings for the Fire Department?

MR. BAZ: Unexpended funds in the Fire Department's budget--

CHAIR PONTANILLA: Yeah.

MR. BAZ: --for 2010? Mr. Chair, we don't have that information with us...right now. We can recess if you'd like and get it or...

CHAIR PONTANILLA: Yeah, maybe somebody can get it. The other question that I have is that I, I know 2012 Budget is not with us at this time. You guys anticipating any Carryover/Savings in the Public...Fire and Public Safety area?

MR. BAZ: Mr. Chair, the Carryover/Savings that are any unexpended funds in the Fire Department's budget would be included in General Fund Carryover/Savings for the proposed FY '12 Budget. So it would be, it would be General Funds monies, not Department.

CHAIR PONTANILLA: But the General Fund supports the Department?

MR. BAZ: Correct.

CHAIR PONTANILLA: Okay, so you don't know...well, until we get that budget we won't know how much Carryover/Savings from the Department had gone into the proposed 2012 Budget?

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MR. BAZ: Correct. For the Fire Department, you're, you're talking about, you know, what do we project unexpended funds to be?

CHAIR PONTANILLA: Yeah, yeah.

MR. BAZ: Well, if this budget amendment doesn't go through, they're not gonna have enough money to continuing operating even to the end of the fiscal year so...

CHAIR PONTANILLA: Okay, so we didn't identify any Carryover/Savings?

MR. BAZ: I would have to verify that but...

CHAIR PONTANILLA: Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. As a follow up to your question, you know what I was looking for, Mr. Baz and, and...and I couldn't find this so maybe you can direct me if I'm, if I'm not reading the documents right. But one, on the FEMA reimbursements--and I'm, I'm glad the Chief is here. So thank you for being here this late in the...your long day, Chief. The 75 percent reimbursement from FEMA, is that the standard percentage of reimbursement or is this something new, Chief, please?

MR. SHIMADA: No, that's, that's standard. 75 percent.

VICE-CHAIR HOKAMA: Of, of what we submit for this?

MR. SHIMADA: Yes, yes.

VICE-CHAIR HOKAMA: And we, of course, have to put in our true cost of what we expended on behalf of either the State or other parties involved?

MR. SHIMADA: That's correct.

VICE-CHAIR HOKAMA: Okay, so I guess you guys did not juice it up by 25 percent then so we can get our 100 percent back. I'm, I'm, I'm being facetious and I apologize. So, you know, since it wasn't clear on the submittal then, Mr. Baz, either you or for the Chief, currently is there enough funds to meet payroll till June 30th? Because that's one of the key questions and concerns for me and, and...part of my concern is because of the question Chairman Pontanilla asked and the response that was given to his question. So my question more specifically is, can the Department meet payroll with this current balances till June 30th?

MR. BAZ: Mr. Hokama, I'll defer to the Department.

VICE-CHAIR HOKAMA: Thank you, Mr. Baz.

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MR. SHIMADA: To answer your question, Mr. Hokama, I, I really honestly can't tell you if we do have enough money. Unfortunately, the nature of our business is very unpredictable.

VICE-CHAIR HOKAMA: Understood, Chief, understood.

MR. SHIMADA: And we don't know what this fire season is going to be like. I, I hope to have enough monies in the bank to pay our salaries but I, I really cannot answer that.

VICE-CHAIR HOKAMA: Okay. And so is...what portion of this is then going to be dedicated for payroll, the current request, proposed request? The whole amount? A portion of the amount? Can, can you assist the Committee by sharing what you can this evening, please?

MR. SHIMADA: The additional request for monies is for overtime.

VICE-CHAIR HOKAMA: Okay, so if that's for overtime then, and that's why I ask my previous question, Chief and Mr. Baz, then I'm making an assumption there's enough money to meet the regular payroll till the end of June 30th.

MR. SHIMADA: Yes.

VICE-CHAIR HOKAMA: Okay, thank you very much. Chairman, I'm happy to pass it on to the next Member.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: And if need be, I'll guess I'll have a second round.

COUNCILMEMBER COUCH: No questions.

CHAIR PONTANILLA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, no questions, Chair, no questions.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Carroll?

COUNCILMEMBER CARROLL: No questions.

CHAIR PONTANILLA: Member Mateo?

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COUNCILMEMBER MATEO: Thank you, Mr. Chairman. Mr. Baz, the bill then in essence doesn't really reduce the appropriation to the Emergency Fund. It just...taking...it reduced the appropriation to the Emergency Fund not taking monies *out* from the Fund?

MR. BAZ: Correct. And that's something that we had to clarify, you know, when...when this...I was reviewing this budget amendment request and, and verifying that those funds are not Emergency Fund monies that we're then now taking out to pay for this budget amendment but just reducing the transfer of General Fund monies that would have gone to...were appropriated to go to the Emergency Fund for this fiscal year.

COUNCILMEMBER MATEO: So if it would have been designated to go into that fund, would there be criteria for the *use* of the monies that's not going into the fund?

MR. BAZ: The money that's not going into the Fund, no there wouldn't...it's just General Fund monies that you would have...appropriated. If the money *had* gone into the Fund, then there would be criteria.

COUNCILMEMBER MATEO: Yeah, okay, thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: I guess the bottom line in all of this, Chief, is you still anticipate even with this additional funding, you still anticipate the high probability of more brush fires and other major emergencies occurring between now and the end of the fiscal year?

MR. SHIMADA: Yes, we do.

COUNCILMEMBER VICTORINO: And with that in mind, this more or less adds that reassurance that when needed, we are available to take care of these emergencies.

MR. SHIMADA: That's correct.

COUNCILMEMBER VICTORINO: And I think...and I, I, I'm not knocking my Members because they, they're asking valid questions. I think the biggest concern I have is and you guys came last year when I was on the other Council and we deferred it to this term because we said come back, bring us more facts, you know, and we would look favorably upon it. And I said that at that time and I will not change what I said because you then came back and substantiated--and also as I said earlier when Mr. Baz, I was questioning him on Carryover/Savings, I brought that fact up. That, you know, brush fires occur. Last year was a very heavy year. I mean I was there and you know I was there. My community was very much impacted both here and Mokuhan Valley and right up here in Wailuku Heights and Kehalani. And those were major brush fires that you guys did a yeoman job, Mr. Chair, no question about the, the ability and the, the skills of our Fire...Department and...our Fire personnel is far none, some of the best I've ever seen. And I hate to have quibbling over money when it comes to something like this. Now, that's just me.

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Not knocking anybody else. You can look for money any place, change B Account, C Account, you know. I, I believe this is one of the areas because I know the necessity. When we need them we're not gonna be...quibbling over a few dollars. So I brought up the stuff last year about the helicopter and other things and you guys came back and gave us the justification. And I seen the helicopter working...what you call that out in Hana? Hamoa Bay. Looking for somebody and they spent something like six, eight hours looking for somebody, ended up the person hadn't...but anyway that kind of tragedy was avoided because the person actually had come ashore someplace else. And that's what the, the, the report that was given that Sunday. However, Mr. Chair, all that's said and done this is one of the areas that I really believe that I would hope my Members would look favorably upon giving them that difference of \$860,000. I think the \$860,000 has been well spent. In my community alone, I can tell you, we lose one, two houses and \$860,000 is gone and then some, and then some. Not only talking the grief and all that, there's property lost. I can justify this in my heart, into the community that this is money well spent. And Mr. Chair, I would hope the other Members look upon it this way and not in any other light. But again, I only speak for myself. I thank the Chief, the Deputy Chief again for being here. Chair, thank you for allowing me this moment because I really believe this is very, very important. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Victorino. Yeah, we don't doubt the work that the Fire Department does for the County of Maui is very important. And they do, you know, an excellent job in providing public safety. But we do have some responsibilities ourselves in regards to how do we spend our monies. It's not only for this department but all of the departments that has come through in this budget amendment day. You know, it's no easy task. Yeah, you know, the public safety...well, we, we do have some responsibility and one of 'em is public safety. And we don't wanna cut these guys short but in the same time we need to do our fiduciary responsibility. Is there any more questions for the Department at this time? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. I'm glad Mr. Victorino brought out a point that reminded me of something. So, Chief, if and when possible, I would like to know the protocols and parameters of the hospital...the helicopter use, please? Because I would hope that it is not for every call that we call the chopper to fly out. That is only under certain protocols and parameters that meets the Department's criteria is when we're gonna...use the helicopter because of its expense. And it's my understanding also, is that because we encumber that contract early upfront in the fiscal year, you know, if we don't need to use it, then there's potential savings from that contract. And so I, I, I would ask if that is something that's written in the Department's manual of operation procedures or what, but I would appreciate if you could share with the Committee some of those protocols and under what situations the helicopter is warranted and under what situations a helicopter would *not* be warranted by...because of the ability of the situation and the ability of your stations to respond with the adequate equipment.

CHAIR PONTANILLA: Department?

MR. SHIMADA: We're currently in the process of...rewriting our procedures. We're almost done with it thanks to Chief Kino, in the audience there. To answer your question, there, there is some

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basic rules that apply. In all instances, we wait for the first...engine company to give a proper size-up and justify the need for the helicopter, be it on a rescue or a brush fire. So to answer your question, yes.

VICE-CHAIR HOKAMA: And, and I thank you for...and thank you for sharing that comment with the Committee, Chief, 'cause it reassures not only myself but my colleagues that the Department's currently reviewing its operating procedures knowing the fiscal constraints and situation we face as appropriators of public funds. I can also tell you that coming back from our national conference and talking to our peers, we are well...have been made well aware that even at response to a certain types of emergency situations particularly when a person, a resident has been warned of the imminent danger and yet still places that person in, in a hazardous situation and then the government agency responds, I can tell you our peers have sent bills to be reimbursed for those type of services. And so I'm hoping that you would at least consider that there may be times when it is appropriate for us to charge the individual or property owner those type of fees or reimbursement request that is...meets those type of specific criteria. And I think it's something that I would ask also our Chairman to consider down the road if whether or not that might be something viable and reasonable that the County considers, especially when we then place our first responders in harms way. Thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Just a fast question for the Department. Your encumbrance in the Administration/Maintenance Program...oh, 233,000, can you explain that? Mr....maybe Mr. Baz?

MR. BAZ: I'm sorry, Mr. Chair, could you repeat the question?

CHAIR PONTANILLA: Yeah, on the Admin./Maintenance Program there is an encumbrance of \$233,000 and also on the Fire Operation Maintenance Program, you do have an encumbrance of \$311,000.

MR. BAZ: Mr. Chair, the majority of that funds are for rent.

CHAIR PONTANILLA: Rent?

MR. BAZ: Yes.

CHAIR PONTANILLA: Okay, for both sides?

MR. BAZ: Correct.

CHAIR PONTANILLA: Okay. Members, any more questions? Member White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Chief, when, when the initial size-up is being made by the first, first people on the scene at what point is the helicopter contractor advised?

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MR. SHIMADA: When the initial call comes in, normally we have personnel monitoring the radio and the helicopter is put on standby.

COUNCILMEMBER WHITE: Okay, and, and is the...are pilot's there on, on site with the helicopter or...?

MR. SHIMADA: They're usually within ten minutes of the hangar.

COUNCILMEMBER WHITE: Okay. It occurs to me that there are, are probably times when if the helicopter was dispatched, we might have squelched the fire earlier than, than if we hold on to them. So, you know, you guys know your business way better than we do but I'm just wanted to ask that question because I think too often we have situations where maybe we could've taken care of it with a helicopter because lot of our fires are on tough to access places so...

MR. SHIMADA: I mean lot of times when we're cancelled enroute, when the helicopter is cancelled, the...we've been not billed in the past so I, I really appreciate that by the vendor.

COUNCILMEMBER WHITE: Yeah. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Chief, what's the number one cause for majority of our fires? Is there a certain...is it arson? Is it...do you know?

MR. SHIMADA: I, I would have to take a look at the stats and consult with our Fire Prevention Bureau. A lot of these fires, the cause is undetermined. So I, I would have to check into that.

COUNCILMEMBER COCHRAN: Okay, thank you.

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

COUNCILMEMBER MATEO: Mr. Chair?

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: This is just for clarification purposes. You know, like satisfy my curiosity. Maybe Mr. Baz can, can respond. When the appropriation is made, say \$2 million is appropriated to the Emergency Fund, is that money considered to be in the Emergency Fund when the appropriation is recognized or when it is actually deposited or transferred into the Emergency Fund account?

MR. BAZ: Thank you, Mr....Council Chair Mateo. The Emergency Fund monies become Emergency Funds at the end of the fiscal year. When those monies are transferred into the Emergency Fund

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account on June 30th, they become unencumbered funds which are, are included in the CAFR for the Emergency Fund balance then.

COUNCILMEMBER MATEO: Okay, thank you. And that just, that just, you know, now explains the appropriation for the fund, you know, instead of taking it out. Now we can...I...understand the need for us to act expedient at this point. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, you know, I've been reading the, the initial transmittal and what not so I'm gonna ask what has changed because as I understand it, in, in response to your question regarding the encumbrance, it was for rental.

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: But yet part of this request is for the rental. So am I having a...another misconnect, Mr. Chairman?

CHAIR PONTANILLA: Yeah. Mr. Baz, if you can answer that question?

MR. BAZ: Thank you, Mr. Chairman. Mr. Hokama, can you refer to the date of the transmittal for this?

VICE-CHAIR HOKAMA: I'm looking at the October 29th, 2010 transmittal and then...on the...first page...on the last paragraph that the Department request \$250,000 for Administration/Maintenance Program and part of the reasons is in the area of overtime, vehicle parts replacement, repairs and warehouse rental. I believe a response to Mr....our Chairman's question was the encumbrance was for the rental. So...that's the purpose of my question to have some clarification, please?

MR. BAZ: Mr. Chairman and...Member Hokama, I, I'm unsure of that statement from the prior Budget Director in transmittal of this amendment. The Department, do you have any clarification on that?

MS. KAGOSHIMA: The rental for the...our warehouse space that includes the Fire Prevention...offices and our warehouse, the total encumbered for the year is \$411,591.34. That's for the entire year. And that is more than what was budgeted. And the reason we did that is we chose to take the money out of our regular budget instead of tapping into the Revolving Fund because the Revolving Fund over the years has been showing a decrease in revenue and an increase in expenses since we have two salaries coming out of that fund right now.

VICE-CHAIR HOKAMA: Uh-huh. And thank you for that response. So maybe, Chairman, part of our long--I can see it's going to be a long budget review--I think we better re-review or review thoroughly the Special Funds, the Special Accounts, the Revolving Funds to understand what balances are in there and why or why we are or we are not using those funds to take care of

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certain requirements that is part of the Code which authorizes and enables to have such existing accounts. And I think it's important...now more than ever to maybe consider then, if appropriate, sunseting all those funds and having each department return requesting reestablishment of those specific funds. Because if we're not utilizing it for the purposes that was established, then we need to understand what is the issues, what's the problems and how would we then remedy those situations to relieve the amount of burden that is being generally placed on General Fund considerations. Thank you, Chairman.

CHAIR PONTANILLA: Yeah, thank you. And I'll instruct Staff to send a correspondence to our Budget Director in regards to Mr. Hokama's request. Member Victorino?

COUNCILMEMBER VICTORINO: Yeah, thank you, Chair. And if I may, you know, just for the public's knowledge, the Revolving Fund, what does that involve and, you know, how do we get income in that Revolving Fund?

MR. SHIMADA: It's through the plans review process. As you know, the Department has two full-time plans reviewers that reviews plans on a regular basis. So it does generate some income but due to the downturn in economy and construction we don't have as much money coming into that fund as we had in the past.

COUNCILMEMBER VICTORINO: So and, again, I ask this in a, in a manner that I hope doesn't offend you. With that, like a lot of departments, if you don't no longer need two and if it's that slow, has slowed down, could that other body be transferred somewhere else where may be needed and cut expenses there? I'm not...I'm just asking. I mean, you know, that's something that, you know, but something that is important to the people out there.

MR. SHIMADA: Actually, those personnel assist with the fire inspections. So and in that category we're actually really shorthanded.

COUNCILMEMBER VICTORINO: Okay, so, so in other words, they have dual purpose?

MR. SHIMADA: Yes.

COUNCILMEMBER VICTORINO: Okay, so they're not just sitting there waiting for plans to walk in?

MR. SHIMADA: No.

COUNCILMEMBER VICTORINO: Okay, okay. And...when you do fire inspections, do we charge for that?

MR. SHIMADA: No, we don't.

COUNCILMEMBER VICTORINO: Maybe something to consider, Chair. Okay, thank you, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Mr. Baz?

MR. BAZ: Mr. Chair, I have answers to couple of questions that were brought up here. First of all, how much did--well, I guess, again, this information is gonna come out in the budget shortly--but how much did we appropriate for Carryover/Savings or, or do we anticipate for Carryover/Savings for the Fire Department's budget? And it, it is zero.

CHAIR PONTANILLA: Okay.

MR. BAZ: We did anticipate zero. In June...as of June 30th, 2010, you know, for Fiscal Year '10, the lapsed appropriations were \$881,126.

CHAIR PONTANILLA: Thank you for that information. And just another question, because, because the Fire, Police and, you know, are covered by the General Fund, you know, General Fund does not, you know, identify where those Carryover/Savings came from. It's just a general term, General Fund, "x" amount of dollars so...

MR. BAZ: Correct.

CHAIR PONTANILLA: So if you can provide us that information, you know, what Carryover/Savings on the General Fund side, would be good...during Budget session.

MR. BAZ: Okay, thank you, Mr. Chair.

COUNCIL MEMBERS: ...*(Laughter)*...

CHAIR PONTANILLA: At least it gives us a very good idea, you know, where the Carryover/Savings are located. Members, any more questions? If not, the Chair's recommendation.

COUNCIL MEMBERS: Recommendation.

CHAIR PONTANILLA: Thank you. The Chair's recommendation is to pass on first reading, a proposed bill entitled, A Bill for an Ordinance Amending the Fiscal Year 2011 Budget for the County of Maui as it Pertains to Department of Finance, Department of Fire and Public Safety, and Part II, Special Purpose Revenues, Schedule of Revolving/Special Funds for Fiscal Year 2011 and filing of County Communication No. 10-246.

VICE-CHAIR HOKAMA: Move on your behalf, Chairman.

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

CHAIR PONTANILLA: Thank you, it's been moved by Member Hokama, second by Member Victorino. Any discussion? Member, Member Hokama followed by Member Baisa?

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VICE-CHAIR HOKAMA: Chairman, I thank you for your recommendation and I was happy to make the motion on your behalf. You're well aware of my fiscal philosophy and concerns, Chairman, so I will just state why I'm happy to move this forward, I still have my issues with the, the amounts as well as---gosh, you know, Chairman, I don't know how to state this. You know, we're all very tired but obviously we do not want Fire to be impacted in any way that whereby they cannot respond to any situation that the community requires them to perform. But saying that though, Chairman, there are limitations on what we can and cannot do, you know. And, and I would hope that the, the Chief's comments that if there is a cancellation or a callback that the vendors would continue to consider not charging the County for, for services that may not be required. But I am, at this time, even if I have some reservations I'm willing to move forward because I, I feel that the Chief has reassured me that they are continually reviewing their procedures of operation. They're willing to look at improvements and make adjustments on the parameters of use of equipment such as the helicopter. And so I'm willing to give them the support at this time to make those types of improvements, procedurally and operationally, and hopefully we'll be able to see the savings by implementation of this new procedures or proposals and that we can make those then more appropriate adjustments in the upcoming budget. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Yes, thank you, Chair. I just wanna say that during the painful last budget session I remember sitting here and having to make a tough decision in regards to the Fire Department and we reassured them that we would be here for them if they needed more money. And so I'm very happy to support your motion. Thank you.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. And I'll make this really quickly. Again, I'm grateful for the Department and their abilities, the way they serve this community in many respects. I'm very thankful for that. I think the community is very thankful. And I'm glad to hear and, and Mr. Hokama--I have the utmost respect for him and his fiscal premise, you know. And I still learn from him every day watching him how he moves. Between him and Mr. Pontanilla, one day I may even become smart enough to understand what I'm doing here. But in the meantime, I will say that I wholeheartedly support, just like Ms. Baisa, when you guys came last budget session we said we'd be here for you. Come back if you need it. You have and I can support that. I am here and I say yes. Thank you very much.

CHAIR PONTANILLA: Thank you. Members, any more questions? Before the Chair calls for the, the vote, if I can have a short recess, maybe three minutes? I need to confer with the Budget Director. So we're in recess until 6:32. Meeting is in recess. . . .(gavel). . .

RECESS: 6:28 p.m.

RECONVENE: 6:35 p.m.

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CHAIR PONTANILLA: ...(*gavel*)... The Budget and Finance Committee meeting is now reconvened. Members, it had been moved by Member Hokama and seconded by Member Victorino that we approve the...we approve the motion as read by the, the Chairman. At this time, the Chairman would like to recommend an amendment to the Budget Ordinance. If you look on Page 1 of your Budget Ordinance, Section 1, the last sentence in Section 1, Transfer to the Emergency Fund, by reducing its appropriation in the amount of...presently it's \$1.1 million, to read as follows, so the change would be...the amendment would be to change the 1.1...\$1,110,000 to \$1 million. And in Section 2 . . . let me read the whole thing. Ordinance No. 3751, as amended, Fiscal Year 2011 Budget is hereby amended as it pertains to Section 3.B.5.a, Department of Fire and Public Safety, Administrative/Maintenance Program, by increasing its appropriation amount of \$250,000 and 3.B.5.c., Department of Fire and Public Safety, Fire/Rescue Operation by increasing its appropriation amount of \$750,000. So the 750,000 and the 250,000 reflects the appropriation amount of \$1 million. And part of the amendment is to let staff to balance the appropriations on the Budget Ordinance. So I'm looking for a motion to amend.

VICE-CHAIR HOKAMA: I move to amend the proposed ordinance document, Chairman, according to the comments you provided in your statement.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: I second that, Mr. Chair.

CHAIR PONTANILLA: Thank you. It's been moved by Member Hokama, seconded by Member Victorino. Members, any more discussion to the amendment? If not, all in favor of the amendment say "aye".

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Motion is carried. Nine ayes, zero noes.

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VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama, and Councilmembers Baisa, Carroll, Cochran, Couch, Mateo, Victorino, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion.

CHAIR PONTANILLA: Back to the main motion as amended. 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. Nine ayes, zero noes.

VOTE: AYES: Chair Pontanilla, Vice-Chair Hokama, and Councilmembers Baisa, Carroll, Cochran, Couch, Mateo, Victorino, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill and FILING of communication.

CHAIR PONTANILLA: Members, it's been a long day. . . .*(Laughter)*. . . But we finished one hour and twenty minutes, oh, twenty two minutes early from the 8:00 o'clock...target time. So, Members, thank you very much for being here during this grueling budget amendment process and, and thank you to Administration and thank you to Staff. But at this time the Chair would like to recognize the Deputy Chief.

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MR. SHIMADA: Thank you, Chair. I'd just like to, on the behalf of the Department of Fire and Public Safety, I'd just like to say thank you very much.

CHAIR PONTANILLA: Thank you. So with that, Members, the meeting of the Budget and Finance Committee meeting for March 15 is now adjourned. . . .(gavel). . .

ADJOURN: 6:38 p.m.

APPROVED:



JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:110315

Transcribed by: Reinette Kutz

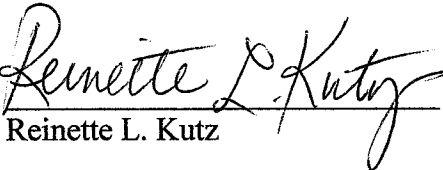
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CERTIFICATE

I, Reinette Kutz, 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 30th day of March 2011, in Wailuku, Hawaii.


Reinette L. Kutz