

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

October 4, 2011

Council Chamber, 8th Floor

CONVENE: 1:34 p.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair (In 3:20 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

STAFF: Scott Kaneshina, Legislative Analyst
Carla Nakata, Legislative Attorney (Item No. 70)
Camille Sakamoto, Committee Secretary
Lois Bisquera, Executive Assistant to Councilmember Mike White

ADMIN.: Jeremiah L. Savage, Deputy Director, Department of Finance (Item No. 70)
Scott K. Teruya, Administrator, Real Property Tax Division, Department of Finance
(Item No. 70)
Marcy Martin, County Real Property Technical Officer, Real Property Tax
Division, Department of Finance (Item No. 70)
Adrianne N. Heely, Deputy Corporation Counsel, Department of the Corporation
Counsel

Seated in the gallery:

Patrick T. Matsui, Deputy Director, Department of Parks and Recreation (Item
No. 11(2))
William Medeiros, Administrative Assistant, Office of the Mayor (Item No. 11(2))
Sananda K. Baz, Budget Director, Office of the Mayor (Item No. 11(2))

OTHERS: Item 11(2): Frank R. DeRego, Jr., Chair, Cost of Government Commission
(2011-2012)
Ann Moe, Chair, Cost of Government Commission (2010-2011)
Yarrow Flower, Vice-Chair, Cost of Government Commission
(2010-2011)
Five (5) additional unidentified attendees

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

CHAIR PONTANILLA: . . .*(gavel)*. . . The Budget and Finance Committee meeting is now in session. Good afternoon, Members. Thank you for being here. The Chair at this time would like to call the Budget and Finance Committee meeting into order. Today's date is October 4, 2011. The time is about 1:34. Members present this afternoon are Members Carroll, Baisa --

COUNCILMEMBER BAISA: Good afternoon.

CHAIR PONTANILLA: --good afternoon. Cochran --

COUNCILMEMBER COCHRAN: Aloha.

CHAIR PONTANILLA: --Couch --

COUNCILMEMBER COUCH: Good afternoon.

CHAIR PONTANILLA: --good afternoon. Victorino --

COUNCILMEMBER VICTORINO: Good afternoon, Chair.

CHAIR PONTANILLA: --Member White --

COUNCILMEMBER WHITE: Aloha, Chair.

CHAIR PONTANILLA: --good afternoon. Chairman Mateo --

COUNCILMEMBER MATEO: Good afternoon, Chair.

CHAIR PONTANILLA: --and excused at this time is Member Hokama. From the Administration, we do have from Corporation Counsel, Deputy Corporation Counsel Adrienne Heely --

MS. HEELY: Good afternoon.

CHAIR PONTANILLA: --good afternoon, and supporting the Committee again is Scott Kaneshina as well as Camille Sakamoto. Secretary, do we have anybody signed up for testimony?

MS. SAKAMOTO: No, Mr. Chair.

CHAIR PONTANILLA: Thank you. If there's no objections, the Chair would like to close public testimony at this time.

COUNCIL MEMBERS: No objections.

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CHAIR PONTANILLA: Thank you.

**ITEM NO. 11(2): COST OF GOVERNMENT COMMISSION ANNUAL REPORTS
(ANNUAL REPORT 2010-2011) (C.C. No. 11-57)**

CHAIR PONTANILLA: Members, we do have two items on the agenda. The first item is BF-11(2), Cost of Government Commission Annual Reports (Annual Report 2010-2011). Available to the Committee this afternoon is Ann Moe and Yarrow Flower, former Chair and Vice-Chair of the commission at the time of the submittal of the report; and the current Chair of the Cost of Government Commission, Mr. Frank DeRego. So at this time I would like to have all three of you come forward. And, Staff, can you put one more chair over here? . . . *(long pause)* . . . Thank you. At this time the Chair would like to recognize Mr. Frank DeRego to give us a brief overview in regards to the work that was done on the Annual Report 2010-2011. Frank?

MR. DeREGO: Chair Pontanilla and Members of the Budget and Finance Committee, thank you for having us here this afternoon. I am, as Chair Pontanilla outlined, Frank DeRego, Jr., Chair of the current Cost of Government Commission. Here to my right is Ann Moe, past Chair of the Cost of Government Commission, will be addressing the commission's findings and recommendations on boards and commissions from its 2010-2011 Annual Report. Further to my right is Yarrow Flower, past Vice-Chair of the Cost of Government Commission, will be addressing the commission's findings and recommendations on the County golf course from that same report. I'd like to thank them for being here today and for their service to the County of Maui through the commission. The Cost of Government Commission misses their presence, their integrity, their leadership, and their wise counsel. It can be said that there's one thorn here and two roses on the other side of me right now. I want to also recognize here this afternoon Bill Medeiros who is standing in for John Buck. John Buck represents the Administration on the commission. I understand John is ill. I'm sure we all wish John a speedy recovery. I also want to recognize, I think Adrienne Heely is here. Oh, there we go, I'm sorry. From the Department of Corporation Counsel--there we go, my senior moment of the, of the day--who is standing in for the Commission's Deputy Corporation Counsel, Scott Hanano. I would also want to thank you, Chair and the Committee, for inviting us to present our findings and recommendations of the 2010 Report. But before we get started into the substance of our 2010-2011 Annual Report, I do have a few prefatory remarks. First, the Cost of Government Commission is a group of citizen volunteers who have been appointed by the Mayor and approved by the Council, whose mandate in the Charter is to investigate and recommend measures that will increase economy, efficiency, and improved quality in the delivery of services in County government. I mention this because if you look at the Cost of Government Commission reports over the last three years, there's a definite gravitas and substance to these reports that have deserved the attention of both the Administration and the County Council. These quality reports have been delivered in spite of time and resource constraints. I would like to thank the Chair of this Committee, the Council, the Mayor, and the departments, for taking the findings of the Commission seriously. That fact notwithstanding, I am in the process of taking the last three reports and creating a matrix on how the Administration and the Council have responded to its recommendations. Chair Pontanilla, I

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would like to thank you for providing information on how this Committee and the Council has responded to some of the issues raised by the commission's 2008-2009 and 2009-2010 Annual Reports, but also would like to recognize and commend the Administration for responding in practical terms to some issues raised in those past reports and the present report. So this begs the question, "Why go through this exercise of collecting this information?" As you know, consultation reports and recommendations, whether they're from private consultants or citizens groups, for whatever reason often end up on the shelf collecting dust. Last year, the Cost of Government Commission made what I believe was a pivotal decision to meet with Council members and the Administration to discuss its findings and recommendations of not only the present report, but past reports as well. We also decided to take a more proactive and practical approach to our recommendations by providing, where possible, the vehicles for their implementation, one example being the creation of suggested ordinances as the part of the report. In this regard, we'd like to thank and commend the Department of the Corporation Counsel and give recognition to Jeff Ueoka, our former Deputy Corporation Counsel at the time. The commission recognizes that we are not the fount of all knowledge and that our findings and recommendations are subject to scrutiny and critique. That being the case, I do see the findings and recommendations of this commission as the catalyst in the dialogue of how to address specific issues that have been identified by the commission. These findings and recommendations, whether you agree with them or not, are the fruits of dedication and commitment of citizen volunteers and are therefore worthy of response. If, just bringing an issue to light results in it being discussed openly and transparently with the creation of new and innovative solutions, I think the commission has done its work. So with that I would like to turn to the next portion of our presentation or turn the next portion of our presentation to Ann Moe, who will speak on boards and commissions.

MS. MOE: Good afternoon. Good afternoon. Good? I wanted to spend a little time reviewing some of the key points about the recommendations related to boards and commissions, and then perhaps if you have some specific questions at the end of that, I'd be happy to answer them. The, the background of this is--you may remember from looking at the report--Maui County has 37 boards, commissions, committees, and councils. And we decided rather than taking on the full thing, we would look at those entities that we thought had the potential of either changing or being eliminated to save money. Our criteria primarily was not the dollar saved, but whether these functions actually contributed to the County's running its business, whether it represented an opportunity for an increase of County revenues, efficiency, or both; whether it was a duplication of services that were available by, through not-for-profits or profit firms and the broader community; or perhaps some of them were just simply no longer relevant. I think you'd all agree some of 'em have been around for a long time. So that's pretty much our criteria where we're not necessarily looking for hard-dollar savings, although they would be welcome. If you've waded through the detail of the report, you'll see that our recommendations, which I'll cover briefly for you, represent a savings of \$2.9 million. Now these are soft-dollar savings. We'd love it if they could be hard-dollar savings. I'm sure you would be, too. But even in the environment that the County's in now, the idea that we can remove some less-than-helpful activities from a list of things that County employees do so that they can go on and attack other things that are of higher priority represents an opportunity to perhaps not hire that next person or

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perhaps delay work on something that's important to the County and its constituency. So soft dollars of 2.9 over five years does represent I think some potential for the County as a whole. When, when we looked at these potential savings, we started out by...with the assumption that it would be the staff cost of helping volunteers on these boards, commissions, committees, and councils. It would be the staff cost that actually drove the overall expenses. But to test that idea we picked two individual entities: one was the Committee on the Status of Women, and the other one was out of Housing and Human Services and it related to persons with disabilities. And we picked those two because they had very different focuses and because they were staffed and they had staff information about the time that it took to service those entities with minutes, agendas, transcribing minutes, working with the members of the organizations. And what we found out was, if there was any meaningful savings, it was not going to come from that. The great irony is the biggest cost to the County of these organizations is the recruitment and the approval and the, and the approval of these people who come along. And if you ask yourself, "Why, we only do that once a year?" Well first of all, there are a lot of people that you have to review and approve on an annual basis. Nobody's more aware of that I'm sure than you are. The second thing is, there's a relatively large amount of turnover in the thirteen entities that we chose to focus on. And, and so not only are you choosing someone for perhaps a five-year term--or in the case of Cost of Government, two-year term--you run the risk that they will resign or that they won't be active. So, so you're incurring some cost there. And then finally, the recruiting process actually involves to a great degree some of the most expensive people in the County, including the Council of the whole. So we have attorneys, we have staff members who research these things, we have people who carry on conversations, review the applications, all that kind of stuff, to the point that our estimate is that for every opening that needs to be filled every year, it cost about \$70,000 including the benefit cost of the people who are doing the work. Now granted again this is soft dollars, this isn't hard dollars, but that's time and energy and frankly money that can be put against something that is perhaps more important to the constituents of the County. So the real driver here is not the staff time. It is in fact the recruitment-related expenses in which you participate. The other thing is the, the organizations that we focused on tended to be those organizations where the organization didn't meet because they couldn't get forum or they didn't have a clear idea of what their mission was and a goal to complete. And as a result, there were not a lot of meetings, so that saved some staff time along the way. So the big bucks, if you will, out of that 2.9 million in soft dollars over five years is really driven primarily by the cost of recruitment. The, the, the "what" of our recommendations is we have recommended the elimination of, of the Affirmative Action Advisory Council; the Animal Control Board—the last time they met was in March of 2010, I think they actually have a hearing in October, this October—Commission on Naming Streets, Parks, Facilities; Commission on Children and Youth; Commission on Culture and Arts. And we, we made recommendations for changes or potential eliminations from commission status of the Outdoor Lighting Standards and Subdivision Engineering Standards. You have proposed bills on all of those changes. I understand that there's some support for all, but there's some other considerations of moving the responsibilities for Outdoor Lighting Standards and Subdivision Engineering Standards into Public Works which makes sense I think probably to the members of the commission. There are some where we actually recommended some changes. We recommended combining the Commission on Aging and the Commission on Persons with

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Disabilities, not because the focus of those is inappropriate, but for the following reasons. From the Federal government to State governments down to counties around the United States, those two are being pulled together. And they're being pulled together for two reasons: one is that's how Federal funds are now being distributed; and the second reason is, the issues are often very much the same. So there is an opportunity here to combine these two. Oh, by the way, in doing so, you go from a total of 24 commission seats that need to be filled over time down to 9 if you combine them from a 15 and 9 to a 9 group. This, by the way, had quite a bit of support from Housing and Human Services. You're probably aware that the Maui County Council on Aging actually is doing that very thing. They're dealing with the issues out of that one organization. That decision alone has the potential of having an impact over five years of \$1.1 million in soft-dollar savings, and I'm sure the people who are involved can think of ways that they might better utilize their time. On the Committee of Status of Women, it is required by State law and the, the committee itself has been re-energized in the last few years; however, the things that they've done and focused on really duplicate resources that are already available in the community. I'm sure at one point in time, there was a huge void and having a directory every year, for example, of services available for women and children in the County of Maui was an extremely valuable thing, but if you perhaps have noticed on our report, the very guide that they produced for their...for the community last year, listed over 120 agencies or other entities that serve those needs. So we don't see that as the highest and best use of their time and energy. Instead we see their highest and best use of their time and energy on focusing on advising the County itself about the status of women in Maui County and what the County should be doing about it. We, we also kind of reached out I think as it related to the Maui Redevelopment Agency. As you all know the Maui Redevelopment Agency has received \$70,000-\$80,000 a year in support. And, and there's a sense that, that it's not enough to really make a ton of difference, but the people are really trying hard to get the payback for that longer term investment. But there's a much bigger opportunity out there. A potential model for it is the Hawaii Community Redevelopment Authority, Kaka'ako that redeveloped all of the Waikiki area on Oahu. It can be facilitated with some changes in State laws which allow us to actually get separate funding--not from necessarily the County, it could actually issue its own bond--but this is not something that you would likely be interested in throwing yourself at in the short term. As a result, what we suggested you consider doing is putting together a group of business people, residents, and others in the community and to have them, like a commission might, study the issue, what the potential is, and what the things are that you would need to be done to actually go make this thing happen. This is a potential for big payback instead of a lot of little payback. We wait on, on the Real Property Tax Appeals Board. I know the crisis is pretty much over at this point. But there are some things to, to remember when we look at this process that we've been through. It is very difficult to staff the Appeals Board. It is because you want people with real estate experience, but when the market is hot, they are really, really stretched and it's hard for them to commit to participate. One of the advantages of having two appeals boards is that you can have coverage for each other. So if you have...or you can't get a quorum in one, you can use members from the...for the...from the other. I believe this was in a...in a bill that you looked at and not so long ago. But there's also an advantage of actually building different levels of expertise. One board concentrates on commercial properties, another one concentrates on residential properties. The actual method of assessment is really quite different between the two

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of them. So it, it really allows you to build specialized expertise going forward. So we think that there is, there is potentially an opportunity for the Real Property Tax Appeal Boards to be more effective if you had to and you begin to build some specialization. So that's the "what" of our recommendation. I have to say we have some...wherever there's a what there's a how. Don't you find that to be the case? And we have some comments about how. They are not necessarily related only to those entities where we are recommending, those 13 entities, where we're recommending changes or elimination; they actually apply to all of the commissions, boards, committees, and councils. One of the things that we think is absolutely critical is that, that on the websites, the County of Maui website, where it talks about the responsibilities of a particular entity, that it spell out very specifically those things that help people understand what they might be raising their hands for, what day of the week they generally meet, what time of day, even things like what percentage of a full-time job they spend. And you think, "Why in the world is that necessary?" People have been appointed to boards and commissions and they can't go to the meetings because they can't leave work during the day. Well guess what? County employees can't meet at night, it means overtime. So we need to be very clear, and it's easy to do that, all it needs to do is go on the website. The second thing is, every one of us who have been, as you have, have been on a board or a commission has had to sign a disclosure statement. And we believe that there should be added to that disclosure statement something that asks them to sign that they acknowledge what the requirements are for participation in a board or commission, and that they understand that they may be asked to resign if they don't live up to those expectations. You would be amazed at the stories were heard--right?--about, you know, some guy raises his hands and says, "You know, I'd love to be on this one." Shows up at the first meeting, never seen again for his entire term. Even the Cost of Government Commission has been in a situation where we've had members that we saw, what, two times a year --

MS. FLOWER: Maybe.

MS. MOE: --three times a year. So I, I, that piece of the "how" is really important. All the work you might do and the dedication that you have in identifying and, and, and approving these people, don't pay off at all for the County if they just never show up or don't participate. Finally, we want to make it easy for you to take action on these things, and so we were very pleased when Corporation Counsel agreed to draft some resolutions to actually take action on these things. We believe that, that is in the best interest of the County of Maui right now, and we believe that all through our work, the internal analysis, the comparison with what other jurisdictions are doing, information which is included in your report, really justify taking action and taking it now. Even though it's soft dollars, it frees up resources to focus on more important issues. Thanks.

CHAIR PONTANILLA: Thank you. Maybe you should continue with Yarrow.

MR. DeREGO: Yeah, I was going to ask if you wanted to.

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CHAIR PONTANILLA: And then you'll go to Q&A, and we'll...yeah, we'll take Q&A by, first of all by the commission of reducing the number of commissions that we have and then take questions...strictly the golf course in that manner. Yarrow?

MS. FLOWER: Thank you. Can you all hear me? Okay? Alright. Good afternoon, my name is Yarrow Flower, and I did serve on the Cost of Government Commission as the Vice-Chair for the 2010-2011 commission term with Ann. And during that term, I also participated on the Waiehu Golf Course Subcommittee. The task that was given to our subcommittee was to identify ways to provide a savings in the transfers of funds from the General Fund to the Golf Course Fund which over the past five or six years has been increasing substantially on an annual basis. The most obvious way to accomplish, to accomplish this to decrease basically the subsidy of the Golf Course Fund was to raise fees. That was the first recommendation that came from our subcommittee. We based this recommendation on meetings with the Department of Parks, a site visit to the course, as well as comparing fees that are charged at other municipal courses throughout the State. We did propose a fee schedule, just a sample fee schedule as a, as a suggestion in our report, that showed a potential increase of revenue by approximately \$400,000. The other thing that we did is we also distributed a survey to golf players, in cooperation again with the Department of Parks who was very helpful. We received 303 surveys back, and we're actually very surprised to learn that 64 percent of the people who responded to our survey indicated that they supported a moderate greens fee increase in order to keep the course public. Keeping the course public is something that was very, very important to just about everybody who filled out one of those surveys. Of those supporters, 34 percent agreed to a \$3 increase, 30 percent to a \$5 increase, 8 percent to a \$10 increase, and 2 percent agreed to a \$20 increase in fees to accomplish that. It was more than we expected and I think it was...although it wasn't a scientific survey, it certainly shed a lot of light on, on just general opinion of, of players. And as I'm sure you're all aware, as the discussion on course fees for, for Waiehu comes up every year, there's also discussion on the condition of the course, the greens, tees, and fairways. During our site visit, we did see some small improvements. This was actually...it was last year. My understanding is that since then there's actually been some, some noticeable improvements, especially within the last six months that, that efforts have been made to, to really upgrade the turf and, and it's showing. So we're, we're very pleased to hear about that, and I understand that the Council has approved an update to the USGS [*sic*] turf survey prior to the next budget process. So I think that, that that's continuing in the right direction. We're really pleased to hear about that, optimistic that, that the conditions of the course will increase and we'll be able to, to increase the fees accordingly. The second recommendation the subcommittee had was for the County to operate the golf cart rentals. While this had an opportunity to increase revenue for the County, there was also questions about how the pro shop space would be operated, whether or not additional employees would be needed to, to run those operations, et cetera. My understanding is that a lease for the carts and pro shop recently was executed for five years which kind of makes it a moot point anyways. So we'll move on to the last one. And the last recommendation the subcommittee made was to implement a strategic marketing plan. We really feel that this is an untapped opportunity and, and is worth looking at. I would encourage an inclusion of a marketing element or strategic plan in the operational and management audit of the course that was also recently approved along with that updated turf audit. So that's just a

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super quick summary of the, the recommendations our subcommittee had and, and I'm here to answer any questions you might have. Thank you.

CHAIR PONTANILLA: Okay. Thank you, Yarrow. Members, we'll first take questions with Ann Moe in regards to reducing the number of commissions that we have here in Maui County. So we'll start from my right. Mr. Mateo or Chairman Mateo?

COUNCILMEMBER MATEO: Yeah, Mr. Chairman, thank you very much. Ms. Moe, thank you very much. I, I was, you know, it's a, it's always a benefit to be able to speak directly to the individuals that help compile all of the information and, and you...you've apparently, you know, the, the commission itself has apparently done an exceptional job because I'm quite impressed with the specifics that you've shared with us.

MS. MOE: Thanks from all of us.

COUNCILMEMBER MATEO: And, and --

MS. MOE: It's a lot of work.

COUNCILMEMBER MATEO: --and, you know, for us I, I think...well for me, you know, the number of boards and commissions has always been rather ridiculous, because we, we kept hearing...and each one of the Members on, on this Council and prior Councils have always seen all the resignations of all these people that we put onto boards and commissions. You know, we've gone through a wide gambit [*sic*], but we also have to remember that these are citizen volunteers, you know, and we're grateful for whatever time they can give the County. So you, you know, your recognition of those I guess boards and commissions that could be either eliminated or combined really makes sense to me. One of, one of the areas that I do have difficulty, however, in trying to understand is the cost savings, because the individuals who service, that's part of their job description, right. So part of their job description, there is no additional compensation because they're still getting paid whether the committee, the board, the commission exists or not, so they're still there. And yet it looks really good on paper, but how realistic is it, because, you know, for our purpose and intent, once we realize a savings, there's a potential for an, you know, for us to spend it. So I'm worried that, you know, what you're telling us might not be as pretty as the picture you just painted.

MS. MOE: Well I, I think you bring up a really interesting point, so let me just go back and clarify a couple things. We didn't include any cost related to any volunteer who's serving on any board anywhere that we didn't include there. We didn't include staff cost because as I suggested earlier, you know, you look at something like the Committee on the Status of Women, and it's one of the most active committees among the ones that we looked at, and if you added up everything and averaged it out over two years, they spent less than \$2,500. So, you know, we didn't include any of those costs either so there's no staff cost. The cost that we're looking at is really driven by the fact that you...these people have terms, so they term out, they get reappointed or they go away, and somebody has to replace them, and then a fair number of them

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resign in the ones that we are looking at, the, the boards and commissions that we're looking at. And when you do that, then you have to go back and say, "Okay, who are the people who are involved in that process? Who are the people that are?" And in the back, it is...if you're just dying to look at it sometime, it is Exhibit E in here. If you look at the people who are involved all the way from Corporation Counsel to all of you, staff who go through the hundreds of applications; and you take a reasonable estimate of their salary plus the benefit cost that's associated with that salary, you come up with a number that's about \$70,000 for every person. Now, that doesn't mean that Mike White's not gonna...he's just not gonna...he's gonna take that time out of his, you know, time with the County. You're still gonna be here, you're still gonna be working fulltime, but it can be spent on something else. So it's \$2.9 million estimate in soft dollars, but if you got \$2.9 million in soft dollars, Councilman Mateo, you can maybe not hire someone else or maybe you can put that staff time against something that has a higher value to the County as a whole. So that's basically what we're saying here. There's no hard-dollar savings that we can identify.

COUNCILMEMBER MATEO: Thank you. Thank, thank you very much.

CHAIR PONTANILLA: Thank you. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I have a hard time with the concept that we have millions in soft-cost savings --

MS. MOE: Over five years.

COUNCILMEMBER WHITE: --without the, without the ability to say, okay, well if, if we were to combine the two boards, boards that you suggested, and we were able to reduce the, the amount of time spent on recruitment, on transcription, on attending meetings because there would be one, one group meeting instead of, instead of two --

MS. MOE: And nine people instead of twenty-four.

COUNCILMEMBER WHITE: --right, don't you, don't you think that if somebody...let's look at the, the Mayor's attrition policy. Did you take a look at how the people could be reassigned so that if somebody retired, we wouldn't need to fill the position? Because that's, that's where the, you know, that's where the real dollar savings are. So I would've been a little more comfortable with these numbers if there'd been just that next step of analysis to say, here's how it translates into...or how it can translate into hard dollars if certain steps are taken.

MS. MOE: You know, I, I think, I think that's an excellent point and, and we didn't take it to the next step. We both didn't have the time or the information, but that's no excuse. But in that 2.9, there are a lot of possibilities. And there are...you would be the first to say that they're not going to happen right away --

COUNCILMEMBER WHITE: Right.

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MS. MOE: --that once those two entities, Persons with Disabilities and Aging, are combined, there's not going to be a lot of free money floating around. But over time there will be some, but we don't know, we don't have a decent way of gauging what that is. It might be a very interesting question for the department heads, however, because you can look at that one example as a great example. Both of those are in the Department of Housing and Human Concerns. They support this I believe, by the way, but I don't know how they would handle that. I don't know who's going to be retiring there. I have a...we, we didn't go that route.

COUNCILMEMBER WHITE: Or, or, or who could be, or who could be reassigned --

MS. MOE: Correct. We didn't go that far.

COUNCILMEMBER WHITE: --in the department if another position opened up --

MS. MOE: Yeah.

COUNCILMEMBER WHITE: --that they were qualified for. 'Cause I, I think if this is...the way I look at your report is this is a way for us to support the Mayor's attrition policy by starting to create some of these reductions in, in load where the load isn't really producing the outcomes that we might want to see happen.

MR. DeREGO: And as I said in my opening remarks that we do have time constraints and resource constraints as being volunteers, and to take that the next step in the limited amount of time that we have to do these things, we only meet once a month, and then we have to work in between our own jobs. That, that's a great suggestion. I think maybe this is the time for the Council to say, "Hey, maybe we need to take the ball forward on this and maybe take the next step in the analysis." So...

COUNCILMEMBER WHITE: Right. And I think that's why...I mean that as you know the Council under Joe's leadership has taken a, a very strong stance against replacement of autos, and it's all because ... *(clears throat)* ... excuse me, all because of the work that you all did. So I'm, I'm really grateful for the work that you do, because I think it starts the ball rolling in, in many ways. And so just wanted to qualify some of those questions or estimates, but --

MR. DeREGO: Oh, good. No --

COUNCILMEMBER WHITE: --thank you.

MR. DeREGO: --no, thank you very much, though.

COUNCILMEMBER WHITE: Thank you, Chair.

MR. DeREGO: That's an excellent idea.

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COUNCILMEMBER WHITE: Thank you.

CHAIR PONTANILLA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And first of all, thank you very much for a very comprehensive overview and what you suggesting. I tend to agree there are some boards that may have lived or outlived their usefulness; and as sad as it may sound, it may have. I still have a difficult time with combining elderly and people...persons with disability, because even though there are many similarities, they are still big differences, big differences. And differences would be, first of all, how many elderly people if they're not a disabled elderly, would need to have streets--what do you call--street ramps, entrances to buildings, so there are some big differences. Now as the elderly get elderly, and they need these things, well they...they're there already. How's, how's that sound? So I have a tendency not to say I agree with that one right off the bat. Fifteen members maybe I think in the Senior Council there are...Council on Aging. Maybe that's too big, maybe I'd like to see it dropped to nine instead of fifteen. That's my personal take on that. You thinking everybody's going to agree with you, you got another thought coming 'cause I never think with the rest, I think alone. But no, really, I really mean this because the disabled...persons with disability and our elderly definitely...nutrition, there's all kinds of things we do for our elderly that doesn't necessary transfer to persons with disability, and we do for persons with disability that doesn't necessary...'cause I have elderly out there that are healthy, that can do things, don't need a lot of that kind of changes in what's going on out there. So I think I, I, I would oppose changing that. I may be in the favor of reducing so then maybe a more manageable number...ideas, ideas. Okay.

MS. MOE: And, Councilmember Victorino, that, that might be a good interim step, but, but I think what the staff has said and what we're seeing on a Federal and State level around the, around the United States is that while the specific needs might be different, the, the strategy and the source of funds is the same and that you under-maximize the return that you get from those funds if you break them up into two buckets. That's point one. Point two is there's nothing to indicate that either or both of these entities were designed to represent their constituency to all entities in the County. They were designed to represent those entities that the County could do something about. So streets and curbs is a good example, for, for example, for both of them. But, but the County wins if whatever is done with streets and curbs that meet the needs of both, not separately. And today there's no mechanism for these two groups to come together and come to the County with the ideas and the input that really help solve both groups' problems. Am I making sense? They operate separately.

COUNCILMEMBER VICTORINO: You, you make sense, but I, I also realize our forefathers had the insight to set up these programs for which Maui, bar none, is way ahead of the rest of the United States and all the counties. I'm proud to say I go around, and I can tell you my dad now, I'm struggling to take care in the Big Island. They don't have the things for our elderly and our disabled that we have here. So you cannot tell me what we have hasn't worked 'cause I've seen it with my own eyes. So when you tell me you went to other counties and you compared it,

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don't, 'cause I hate being compared. Maui, I've never want it to be compared, we stand alone. And that's just my opinion while other men may think differently, but I really believe that because I'm having personal experience finding this out on another county. It's not as easy as it we have it here.

MS. MOE: Do, do, do you really think that the fact that we're so successful is a function that we have two separate advisory groups or is it because Maui has been so effective in getting so much --

COUNCILMEMBER VICTORINO: The advisory groups--

MS. MOE: --grant money?

COUNCILMEMBER VICTORINO: --have helped an awful lot keeping us focused, let me tell you that. Okay. I'm sorry. I'm not going to be mincing my words, you're gonna have to hear it. I, I like what you guys have done, but I'm not going to say, "Hey, I agree" because I disagree. Now, I may be the only one sitting here today, but I will tell you that because of these groups keeping us focused, calling us, being here, meeting with us, and all of these Members have met with these various groups. That keeps us focused in what we need done. Anyhow, I think I've taken enough time. Thank you for your hard work. I'm not knocking the work you do --

MS. MOE: I understand.

COUNCILMEMBER VICTORINO: --that's just one area that I really took, took exception to and feeling that maybe more needs to be done instead of eliminating both and combining 'em as one. I, I just don't feel comfortable with that one. Thank you very much.

CHAIR PONTANILLA: And thank you. Maybe I should interject here. I, I do have in my hands ten recommendations or ten proposal that came out of this commission that I will be taking up separately on a agenda'd item so we have more time to discuss --

COUNCILMEMBER VICTORINO: Okay, thank you, Chair.

CHAIR PONTANILLA: --reducing the size of the commissions. Mr. Couch?

COUNCILMEMBER COUCH: Thank, thank you, Mr. Chair. Well that's a tough act to follow. . . . *(laughter)* . . . No, was good. I, I do disagree with Councilmember Victorino, but that's okay. We...when we discuss that further down the line, we can go with that. Because there's some...been some good studies done. The one thing that I wanted to mention to the Members and then ask you guys if you, if you took this into consideration is, you're talking about saving staff time, both at the staff level and at the, you know, in, in recruiting and whatnot. And the thought was well maybe we can do the Mayor's attrition policy, and there'll be not enough work for somebody to do and, and maybe we can lose a position or whatnot. Let me just say having been both on a board and commission and trying to fill that...those positions, there's a whole lot more work to be done that isn't being done because of the fact that boards and commissions have

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to be filled, and it is a huge job. I was watching and helping with that and it's a huge job, and, and that person or those persons could be doing a whole lot of other stuff that still needs to be done. So I, I, I don't know if you guys looked into that that far or not. I know you said it frees them to do other things, but there are a lot of other things to do. So I appreciate that and including the staff that, that runs the board or commission, because when I was with the Department of Planning, we, we've had several staff members that took a lot of their time outside of the board and commission meetings to do the, the board and commission work. So if, if those boards and commissions weren't there, they could do their regular work that kept...keeps getting stacked up, especially since we're not hiring new people now. So I, I'm, I support most of what your, what your recommendations are. My, my concern is the Animal Control Board. I believe, and I, you know, I've been trying to research it a little bit more, is that the Animal Control Board is supposed to be independent, sort of independent of the Humane Society or whoever we have doing that function as an independent board, so we don't, so there isn't any perceived conflict or, or whatnot there. I know they don't meet very often, although lately apparently they're meeting more or they're gonna be meeting more because of all these recent dog attacks. Is there...have you looked at something in between just getting rid of the Animal Control Board and, and keeping it as, as it is now? I know you, you recommend putting that function back under the Humane Society, but I thought that was the intent of the Animal Control Board is to stay away, you know, be independent of the Humane Society.

MS. MOE: Yes, we did recommend that in those cases where the animal owner--most of these cases as you know are dangerous dog designations--has a, a...doesn't agree with the designation, that they would be able to go to a group that is representative of the Maui Humane Society and that the County would pay Maui Humane Society for the adjudication of that particular dispute. Let, let, let me say the things that went through our mind is, if you have four or five animal control appeals in a given year, is that worth the effort to try like the best you can to get a veterinarian on that board? Because that's what's required. You gotta have a practiced, licensing veterinarian, and those guys who are willing to give up time from their own practices are few and far between. Is that a fair trade-off or is there another solution? You know, in our conversations with the people in Kauai, Hawaii, and, and Oahu, we're the only ones that have an adjudication board for animal control. They have found other ways to solve those problems. In Oahu, they've got a, a pound master who gets to decide. He's kind of, you know, that...the decider in the thing. So there are other solutions that are at work here in Hawaii that we might want to look at, but the board seems...it seems inappropriate for the County to allocate these kinds of resources to something that only serve those few needs. If we had a hundred a year, it'd be different.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, folks, for volunteering. I know that's, you know, really hard to come by. So thank you for that. I'm...so is our topic today just about the boards and commissions, Chair?

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CHAIR PONTANILLA: No, we'll take the boards and commission, as I said, first, and then go to the golf course.

COUNCILMEMBER COCHRAN: Okay. There's some other...well no, I'm looking at the "create additional departments" and then the "Countywide fleet management program". Nobody really talked about those two.

CHAIR PONTANILLA: But that...those are the past recommendations and, and studies that they did probably couple years ago.

MS. MOE: 2009-2010.

COUNCILMEMBER COCHRAN: Okay. I was just curious on a update on that.

CHAIR PONTANILLA: Yeah, this is only for 2010-2011 Report.

COUNCILMEMBER COCHRAN: Okay. Then I want to jump just to the duplication of services that I think was one of your bullet points in regarding which committee...boards and commissions to eliminate. And I was just...I know you're, you know, the combining the Disabilities with the Council on Aging. I was just curious if you folks looked at non-profits that we give grants to on the, you know what I mean, looking at, at the opposite side or their duplications on that end, such as, Aging with Aloha, you know, their funding was cancelled because we felt Council on Aging already provided that service within the County. So I'm just, you know, wondering if you had looked at...because that's a savings. If we take away a funding from an outside non-profit which I can see there's a particular heading here that's sort of a duplication, the Maui Redevelopment Agency, for example.

MS. MOE: No, we, we were trying to be very thoughtful in looking at these entities to make sure that if they had money coming in from somewhere, Federal money, or they had County money going out to not local not-for-profits that that was included in our analysis. And I hope when you go through this and maybe have some more time, you'll find out where those things are. 'Cause the, the dollar amounts are substantial. We, we were not in this particular case recommending that if we combine the Council on Aging with the Persons with Disabilities, that that would any, in any way change the way not-for-profits were funded with County grants. We weren't suggesting that. What we were trying to focus on, Councilmember Cochran, was, how efficient is it inside the County to have these entities exist. So we didn't, we didn't study the, the grants going to these...the outside organizations. We're trying to make it more efficient inside the County operation. Did I answer your question?

COUNCILMEMBER COCHRAN: Yeah, but, you know, I'm just looking at duplication of services whether it's outside...I mean it is our hard dollars leaving this County to an outside non-profit that, that we have an actual, you know, entity that's providing the same service as...anyways --

CHAIR PONTANILLA: Yeah, maybe, maybe I can help.

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COUNCILMEMBER COCHRAN: --so I thought there was a hard-dollar --

CHAIR PONTANILLA: Maybe I can...yeah.

COUNCILMEMBER COCHRAN: --amount that could've been saved. So...

CHAIR PONTANILLA: Maybe I can help in this situation. Every year the Cost of Government come to each of us to ask questions in regards to what do you want done. And maybe a question like that can be posed to the commission to look at, you know, duplication of services by non-profit. You know, maybe that's a direction that we should take and, and, you know, the Cost of Government really, you know, do the things that we want them to do. So when they come up for next year...and maybe, Mr. DeRego, since you...your pen is going like 90, if you could jot that, jot that down.

MR. DeREGO: Yeah, I'm jotting that down right now.

CHAIR PONTANILLA: Thank you. Are you done?

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Okay, Ms. --

COUNCILMEMBER COCHRAN: And just a quick comment, sorry.

CHAIR PONTANILLA: Okay, go ahead.

COUNCILMEMBER COCHRAN: On Committee of Status of Women, I, I was on that committee. And yes, they do an awesome job on a shoestring budget, so kudos to that particular committee, thank you.

CHAIR PONTANILLA: Thank you.

MS. MOE: Very enthusiastic.

COUNCILMEMBER COCHRAN: Yeah, they are.

CHAIR PONTANILLA: Ms. Baisa?

COUNCILMEMBER BAISA: Yes, thank you very much, Chair, and thank you for the folks in the Cost of Government Commission. I'm very impressed with your reports and the work you do, and I personally want to thank you very much. It's difficult to get volunteers to put this much effort into work, and it's professionally done. I did want to comment on a couple of things. Strangely enough I'm very interested in the recommendation about the merging of the Commission on

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Aging and the Commissions on Persons, Persons with Disabilities. I've been actively involved in both. Not so much on the local Commission on Persons with Disabilities, but with the State. In fact I chaired the State Commission on Persons with Disabilities. I'm very familiar with the scope of work that is possible. I'm not saying that it has been done, but it is possible. There's a huge scope of responsibility that they could, you know, they could potentially be involved with. But I think that, you know, maybe they haven't had enough time or enough direction or whatever to...they, they could be a lot more active. I'm also a current member, I was appointed this year to the Commission on Aging. And it's real interesting, since I've been on that commission, I have found out that...well of course for my work at MEO I had a little bit of idea about what they were about, but now I'm on this, you know, on the commission itself, and I find the agendas to be quite full, I find the meetings to be very meaty, and they are in the...they're in transition. You know, what was going on with elderly and what is going on now is changing a whole lot, and we're talking about the ADRC here on Maui. And, you know, dealing with in the, in the future and right now how services for the elderly are gonna be handled. There's a whole new system coming down about how we take care of our elderly, how people are paid for servicing elderly. There's a lot of work going on in that commission right now. And the folks in the Office on Aging really have their hands full. Ms. Arendale is the live wire and she's working really, really hard at doing all kinds of exciting things and going after Federal money, and I think the point I'm trying to make is they have a full agenda. I don't know if they would have enough time to seriously focus on the needs of persons with disabilities, and that's just from my participation recently in the Commission on Aging. And also knowing potentially what the Commission on Disabilities could be involved in if they had more, maybe more, more leadership, if more attention was paid, you know, they, they fill a very important need. You know, Persons with Disabilities require a lot of care and a lot of support, and I'm very grateful that from my former work I was very familiar with this and God was good to me, he also stuck me in a wheelchair with a broken hip for six months which gave me a tremendous understanding of what it is to be in using a wheelchair and the barriers that we have everywhere. You know, until you do it you really don't know. I had no idea. I also had the opportunity to travel internationally in a wheelchair, and that was a challenge. And I found out that airlines are really not that great about people in wheelchairs, believe me. It was a terrible situation and my husband cringes when I talk about, you know, going in a wheelchair 'cause he knows what he went through. So, you know, I'm kind of worried that maybe putting this together would be too much of a job for one commission, and that's just my position. The other thing I did want to mention was I'm really curious to know about the Commission on Children and Youth. You know, I got kind of involved in working with youth at MEO, and it seemed like there's a tremendous amount of money being given to agencies that handled children and youth here in Maui County. You know, we give tremendous money to youth centers and to non-profits and to lots of groups that handle children and youth. And I don't know, I'm sorry I'm not familiar with the work done here by the Commission on Children and Youth, and I'd really like to hear a little bit more from you guys about why this recommendation.

MS. MOE: I think, I think the primary reason that we recommended that it be eliminated is the very thing that you mentioned that the County is doing a very, very good job in financially supporting dozens of organizations that are focused on children and youth, what makes us think that a

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commission can cause the County to do a better job or even as good a job as is being done the way the County is supporting that now. And, you know, in many ways when you talk to the staff that work with this, this particular commission, the thing you come away with is the sense that the commission does not actively participate, because in their own way, they recognize that the County is supporting these private not-for-profits in a way that, that a commission cannot do. So in many ways I acknowledge what you're saying, and in many ways that's why we recommended that it be eliminated, that it's not necessary, necessarily a place where a County commission bring, can bring value added.

COUNCILMEMBER BAISA: They don't see themselves as an agency of coordination or evaluation or looking for recommendations or none of that? They don't participate and they have nothing to do with rating programs or none of that stuff? Okay. No, I just wanted to --

MS. MOE: Yeah.

COUNCILMEMBER BAISA: --understand why because it's such a big part of our community. Thank you. Mr. DeRego, did you want to say something?

MR. DeREGO: Yeah. I, I think if you just empirically go to some of these websites, just click through one of these days, and you'll see the difference between the commissions and boards that meet and the ones that don't. Some of them have agendas that say they've chosen their chair, and that's the last time they meet, and some of these haven't met for years.

COUNCILMEMBER BAISA: This, this doesn't meet?

MR. DeREGO: They've had very few meetings over the past few years.

MS. MOE: They can't get a quorum.

MR. DeREGO: They can't, they can never get a quorum.

COUNCILMEMBER BAISA: Thank you.

MR. DeREGO: Now all the kinds of functions that you say that they'd be valuable if, you know, and which comes to another point I think, you know, which is something we else, else we mentioned. I think it's important that when board and commission members become board and commission members, that there'd be some sort of orientation done for board and commission members whether as a whole or in groups. It's important for them to know what, not only know what their responsibilities are, but also what is the goal of this commission and what is it supposed to be doing. I mean, you know, there's...I know in our commission we have what we call--and what was started by Ann, I think it was, correct--what we call our E Komo Mai package. And in that package, we have an explicit explanation of what the commission is expected to do, when we meet, what the rules of the commission are, and that's sent out once they're confirmed. And I think if every commission in some way, shape, or form understood what their goal is, what the

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direction they're supposed to do, and then of course there's some creativity involved in that as well. You know, commission members have to be dedicated enough to be able to find work to do sometimes in order to, to be of value or service to the community and set a direction and be able to do some digging and investigating themselves for their particular area or their particular function. Then I think we'd be better served by people who serve on boards and commissions.

MS. MOE: And I, I, I think...one more thing, Councilmember Baisa --

COUNCILMEMBER BAISA: Yes.

MS. MOE: --perhaps you would agree that volunteers not trained, without experience, in a particular field, like how to work with youth and children, who, who don't have any professional background, why would they be better at making key decisions without the benefit of trained staff, many of which in the example you used, they have Masters and PhDs in this field, right?

COUNCILMEMBER BAISA: Absolutely.

MS. MOE: So, so I think that while the tendency is to, to get better decisions, having a volunteer board that doesn't have the foundation to make key decisions, shouldn't be left to them. Now to provide counsel and input, that's one thing, and I think the people that we talk to really welcomed that. But, you know, the idea that you start to transfer the responsibility for deciding on things I think is really a, a slippery slope.

COUNCILMEMBER BAISA: Thank you very much. I have shared that opinion for a very long time that it's very difficult to make good decisions in a field you don't understand.

MS. MOE: Yes. . . . *(laughter)* . . .

COUNCILMEMBER BAISA: Yeah. Thank you very much.

CHAIR PONTANILLA: Thank you. Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, thank you. And those comments I agree wholeheartedly. Because as a former Board of Water Supply member, it took me almost a year just to understand the setup. And just when I learned to understand that setup, they changed us from semi-autonomous to advisory, so took me another year to figure out that one.

MS. MOE: Yeah. . . . *(laughter)* . . .

COUNCILMEMBER VICTORINO: So I spent two years figuring that out. And even in this Council seat, it took me awhile to figure it out, to understand all the nuances, to understand all the different procedures. So anybody who says they can just come in and, and take off, knowing or not knowing, being an expert or not being an expert, it's really difficult. So having orientation, you know, that's very important. I think another thing that I, I, I, I really...I didn't see it

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addressed in any of these is, is the fact that certain boards, you can serve one term and no more. And that's like Water Board and some of them, the real key boards, that once you understand, you got the experience, you cannot come back. You have to be replaced. So that's another thing I'd like to see, maybe some, some looking into. Mr. DeRego, write this down. Okay, St. Anthony --

MR. DeREGO: Alright. . . . *(laughter)* . . .

COUNCILMEMBER VICTORINO: --grads gotta write all these things down. Excuse me, I know I'm married to one so I know exactly how you work. And you're a lefty so more so I know how you work. But looking at not only boards and commissions, but having longer tenures or, or the ability to come back for a second term. You know, because the first term, they pretty much got it and then you replace it with somebody who may, even as an expert, take a while to, to understand. The last thing I'll say is, in the overall scheme of eliminating some of these, Mr. Chair, I think I would also like the discussion if we eliminate, is there any possibility of one day bringing something back that would be more appropriate in today's...?

CHAIR PONTANILLA: Or future environments.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER VICTORINO: Or today's environment --

CHAIR PONTANILLA: I'm sure.

COUNCILMEMBER VICTORINO: --or future environments, thank you. Thank you for bringing up future, you know, because today you might say we don't need some of these things, but who knows in five years. So I know none of these as far as I know are not charter-based. These are all the ones that --

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER VICTORINO: --you know, were brought about by Council action or the Mayor or whatever, right. So I think that's just one thing also to, to know that if in the future something makes good sense, that we're able to bring it back or bring some form of that back, like Ms. Baisa said, the youth, you know, maybe, maybe some other means of doing something of that nature that can be productive and have quorum. And I think the other question always begs to be asked, if you commit then make sure that person...I like the three unexcused absences, you know, I think that's important, but other things can happen. So if they really lose interest or they don't want to do it, having the ability to gracefully say, "No thank you, I can't do it" and not feel like oh, you going get looked down upon. So giving them an opportunity is real important. Thank you, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Before I call on...if you can hold your questions, I'm gonna give Ms. Yarrow the last 20 minutes. And, and if you can hold that question until we're done with Ms. Yarrow, then, you know, I'll open up again. You know, I, I know you wanna ask Ann another question, so we'll go to Ms. Yarrow at this time. And I'll start with Member Baisa.

COUNCILMEMBER BAISA: Actually I don't have any questions. I, I think I've, I've spent a lot of time hearing about the golf course. I think your recommendations are right in line with the things that we're looking at and trying to do, and it's a tough nut to crack. I thought what was really interesting, though, one thing that came out that was interesting was your information about the survey you did of people willing to pay more, because when we try to raise rates, golf rates here, it's like trying to...like we were going to do something really, really bad. And, you know, all of a sudden we were inundated by people that are...we're ruining their lives. And so that was really interesting statistics, and that, that's about all I have to say on the subject of the golf course. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I'm just curious, little bit more elaboration on the concierge service program. I'm trying to figure out how is it that a hotel concierges book something and the golf course makes the money? I mean is it because it's drumming up more...

MS. FLOWER: It would be on commission-based only. The one idea that was, that was bantered about...we obviously didn't do an in-depth marketing study or any kind of strategic plan for marketing for the golf course, 'cause it was a little outside of our scope. But one of the ideas that was thrown around was the idea of a concierge service that would take a percentage of fees that would be brought in that, that the golf course otherwise wouldn't see. So say they bring in, you know, 20 rounds a week or whatever, as an example, then, then the County would see that revenue minus the 10 percent where otherwise they wouldn't see any of the revenue at all.

COUNCILMEMBER COCHRAN: So you're just saying it's a, I guess a marketing thing.

MS. FLOWER: Exactly.

COUNCILMEMBER COCHRAN: You drum up more...

MS. FLOWER: More use. Use has been declining over the past four years.

COUNCILMEMBER COCHRAN: Right. And the --

MS. FLOWER: And that could be attributed to --

COUNCILMEMBER COCHRAN: --... *(inaudible)*... greens, or whatever.

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MS. FLOWER: --a lot of things. It could be attributed to the economy, it could be attributed to the quality of the course, it could be attributed to, to, to tourists not knowing that it exists. I mean there's, there's lots of options.

COUNCILMEMBER COCHRAN: Right, but...speaking from a concierge, I did that for 13 years. We were always given the commission to book, that was our incentive to want to book something. And thereby the company made more money by our bookings, but we got the commission to push for it. And, you know, a product that is not up to par or, or worthwhile pushing is not going to get the extra business. Thereby I don't care if even if there is an incentive put on it for the person to book, those revenues are not going to be generated. And that's exactly what happened with Waiehu, as speaking from a concierge's point of view. People could go play at better courses, bottom line.

MS. FLOWER: Right. I, I think the idea is that, that the concierge service wouldn't necessarily be a hotel concierge, but like the, the discount golf booking that you see over on Kahului. I think they had actually approached the County at one point with some kind of an offer that, that was not looked at because it just fell outside of, of our fee structure and how we operate.

COUNCILMEMBER COCHRAN: Okay. But, you know, I applaud anyone trying to figure out how to make this course --

MS. FLOWER: We're reaching.

COUNCILMEMBER COCHRAN: --and make revenue. . . . *(laughter)* . . .

MS. FLOWER: . . . *(laughter)* . . . We're reaching.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR PONTANILLA: Thank you. We get a Deputy of, of Parks over here. You know, as the golf course improves and, you know, the concierges will take notice. Mr. Couch?

COUNCILMEMBER COUCH: Thank you. I just wanna, you know, they, they point out Maui County Code, Section 13.16.040 and which says in part that, to the end, that the golf course shall be self-supporting. I know we've been talking in our previous committee meetings including EDR about the concept of it not being self-supporting. So obviously it's here in Code. Are you suggesting that we take that out of Code? Or, or I guess I would have to ask the, either the EDR Committee Chairman or you, Chair Pontanilla, what's... 'cause we're kinda appear to be going in two different directions even though it says, yes, we can supplement every year and we do. Are we still going for that goal to be self-supporting? Or are we going to kind of treat it like a, a swimming pool or a tennis court or anything else and help supplement that?

CHAIR PONTANILLA: Well hopefully we don't supplement the golf course. And basically, you know, the fee structure would help them operate that golf course. But until we finally improve

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the golf course and see, you know, increase in the numbers of golfers to the golf course, then I, I think it would be at that time that we don't fund the golf course. One of the things though that we all gotta understand is that because of the economic condition today, you know, we competing with the other golf courses who also have dropped their rates. So in a classic case on Kauai, they raised their rates by \$15, and guess what, they went to the resort courses. So we gotta be very careful in the marketing that we do for Waiehu. So...

COUNCILMEMBER COUCH: So I, I guess the ultimate question is, do we want it to be self-supporting eventually, and, and are we working towards that goal or --

CHAIR PONTANILLA: Yes, we are.

COUNCILMEMBER COUCH: --okay. Alright, thanks.

MS. FLOWERS: And if I may add, Councilmember Couch, it's possible. We've done it before. From 2001 through 2006, there, there was no additional funding from the General Fund. It was self-supporting. And in Oahu, they also have self-supporting golf courses, not so much in Hilo or Kauai, though.

CHAIR PONTANILLA: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And, and I, I agree. We've talked about this a lot and there's not much more to be said. With the improvement in the course itself, when they improvement, they will come. And I think that's the bottom line. The other thing is, our starters and the starting times, that has to be more regulated. I think that has been a challenge I've been hearing about also. And so we need to look at that area, too, because that's something very important. When we've gone and you've become where it's an automated system and that way, you know, it's first-come-first-serve I think that helps also. So there's a couple of small tweaks that we need to look at in the near future. But raising rates would not be what I would consider important. And I can tell you I don't know who told you that, but I'd like the list of those guys. Because when the next time we talk about raising golf rates, I want those guys to come to the meeting. Because me and...and we've heard it, I mean we're close to Attila the Hun. You know, I don't wanna say, oh, we're close, too, but when we talk golf rates, that has more reaction than almost any other rate. I'm serious, you're laughing at me.

MS. FLOWER: I know, I'm not laughing at you --

COUNCILMEMBER VICTORINO: Just come to the meetings --

MS. FLOWER: --I know, it's true. . . . *(laughter)* . . .

COUNCILMEMBER VICTORINO: --and okay, Mr. Pontanilla, make sure she's invited to the next meeting when we talk about raising golf rates.

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MS. FLOWER: It, it would appear that the people who are willing to fill out surveys do not feel passionately enough about paying additional fees to come and testify . . . *(inaudible)* . . .

COUNCILMEMBER VICTORINO: Well they better come testify next time, that's all I got to say. . . . *(chuckled)* . . . Please. But anyhow, so thank you again. You know, I think again once our course gets what I call the major facelift that's happening right now, more people will want to go and play golf at Waiehu, the residents. And when we have more playing time, more tee times, the rest will all come together, the rest will come...we don't have to be raising rates. 'Cause if we raise rates much more, like you say, I think now they can go \$25 special at the...Mr. Chair? They don't have some specials up here at Kahili like \$25 after 12:00 or, you know, I mean --

CHAIR PONTANILLA: Yeah. For locals, yeah.

COUNCILMEMBER VICTORINO: --yeah, locals.

UNIDENTIFIED SPEAKER: After dark.

COUNCILMEMBER VICTORINO: After dark is cheaper yet.

COUNCIL MEMBERS: . . . *(laughter)* . . .

COUNCILMEMBER VICTORINO: You know, Mr., Mr. White knows about playing after dark 'cause he goes up there all the time and practices. He doesn't get many balls gone, but that's another story. But no, all joking aside, I think we're in a...we're in good shape. I think we've had some real positive things occur, and I gotta give the Administration, the Director, and all the workers down there that work real hard, give them kudos for that job. Thank you.

CHAIR PONTANILLA: Thank you. Ms. Yarrow [*sic*], just one fast question. You say from 2001-2006 we were self-sufficient at Waiehu Golf Course?

MS. FLOWER: Yeah, that's my understanding. I can get the exhibit for you if you like.

CHAIR PONTANILLA: Okay. No, I just want to share some information is that City and County of Honolulu does subsidize from the General Fund the golf courses. I, I think they have maybe three or four golf courses that they provide on that island. So for City and County, they've been subsidizing the golf courses. Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. Yeah, I, I want to say that the impetus for our working committee to formulate the, the two audits came from this report. So again I want to thank the commission for doing their work, because it, it is initiating action on the Council side. The reason that Mr. Couch...well not what...not the reason why he brought it up, but the, the reason that we were discussing whether or not the golf course should be self-sufficient was simply that we don't charge when people use a pool, we don't charge soccer clubs, we don't charge the baseball teams, we don't charge anybody else for using the facilities. And in our

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quick review, the other parks per acre require more cost and, and more help than the golf course does. So I, I don't know where this is all going to end up, Mr. Chair, but we will continue to work on the golf course issue, because and I, I agree that it should be self-sufficient and hopefully we'll be able to make them self-sufficient without raising the fees too much by improving the course and improving playership. So, but thank you very much for all the work that you all have done. Mahalo.

CHAIR PONTANILLA: Thank you. Just one fast question from me. The golf course itself, personnel, anything in regards to training?

MS. FLOWER: We didn't go into that. And it wasn't in the scope of our report, no.

CHAIR PONTANILLA: Okay, fine. Thank you. Chairman Mateo?

COUNCILMEMBER MATEO: Thank you, Mr. Chairman. Can you elaborate just a little bit more on that recommendation for strategic marketing planning that the golf course could embark on?

MS. FLOWER: To put simply, we, we...when we made the site visit and we spoke with the superintendent at the time, it was clear that there really was no marketing being done for the course at all. I think with the exception of, of one ad that's been put in one magazine for many, many years. And just coming from, from the business side, it seems like that was an untapped opportunity and it's something that should be looked at, which was why a strategic plan was recommended to really see what opportunities were out there.

COUNCILMEMBER MATEO: Okay, thank you. And, you know, I guess your charge was specifically to take a look at the efficiencies of that particular operation. In looking at efficiencies, your group, was there any discussion on privatization as a potential?

MS. FLOWER: Yes, more at the beginning of our charge, it was definitely on the table. But as we moved through our meetings with Parks Department and got the results of our survey, and just kind of the general feeling of the community, we decided to not include that as a recommendation. And that was just the experience that we had. We did discuss it at length, though.

COUNCILMEMBER MATEO: Okay. And, and lastly, in a prior discussion in looking at boards and commissions, there was a reference made to the fact that if you're gonna put people on boards and commissions, if you wanna make a difference on that board and commission, then there should be some kind of proficiency by the individual filling. With the golf course, is there proficiency in positions?

MS. FLOWER: We had an attorney, a shop owner, a retired person, and myself...

COUNCILMEMBER MATEO: Oh no, not yours, on the golf course itself.

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COUNCIL MEMBERS: . . . *(laughter)* . . .

MS. FLOWER: We had some good golfers on our subcommittee. . . . *(laughter)* . . . On, on which staff?

COUNCILMEMBER MATEO: On the golf course, Waiehu.

MS. FLOWER: We, we did not look at qualifications of golf course staff or, or proficiencies.

COUNCILMEMBER MATEO: Okay.

MS. FLOWER: That wasn't something...it's a lot of really good points that you and some of the other Council members bring up, though, and I, I really hope that with the operations audit that stuff and issues like that could be looked into more in depth. Just a little outside of our scope.

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

CHAIR PONTANILLA: Frank?

MR. DeREGO: Yeah. Yarrow, just to clarify, I think there were some suggestions, and correct me if I'm wrong, in the USGA audit that was done, that referred specifically to personnel and qualifications and those kinds of things. So if the Council wants to go back and review that report, I think there was some recommendations in that audit from the USGA that mentioned something about the training and qualifications of personnel.

CHAIR PONTANILLA: Thank you. I, I know Mr. Couch had questions for Ann, so at this time.

COUNCILMEMBER COUCH: Thank you. I wanted to first point out I guess to, to Mr. DeRego's comments. I looked at the, for instance, the Commission on Children and Youth, the last agenda they had or the last sets of minutes, I'm sorry, was 2/12/2010. The last agenda they put out was 10/29/2010. So, that, that speaks to your point. So that's...

MS. MOE: We actually included in the report the numbers of meetings that they'd --

COUNCILMEMBER COUCH: Yeah.

MS. MOE: --had in the last two years. So you'll see a real trend among the ones that are recommended for elimination. They have not been active. I, I am not aware of any human cry from the community that says that, that they're missing it.

COUNCILMEMBER COUCH: Right.

MS. MOE: So, you know, you, you raise a really good point. Something though that I think is really worth acknowledging is, you know, being put on one of these commissions is not a gift, it's not a

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reward, it's, it's agreeing to do a job. And when you don't have a chance to do that, you get appointed to a commission or a board, and you don't get a chance...you go to a meeting and for five meetings in a row, not a...there's no quorum, so you turn around and you drive home again. You know, this is a downer, not just to the volunteers, but also to the staff, it's really a downer. And, you know, one of the neat things about the boards and commissions is, when it goes well, like it does with the Cost of Government Commission, you've got some real people out there who are doing good PR for the County, 'cause they're out there talking to people about the kinds of things that they're thinking about and the kinds of people that they're working with and so on and so forth. But when it doesn't work, it's exactly the opposite. So it, it undermines I think what you're really wanting to do.

COUNCILMEMBER COUCH: And if I may, a--

CHAIR PONTANILLA: Sure.

COUNCILMEMBER COUCH: --couple follow-up. Yeah, I was the chair of the Board of Ethics for two years, and, and you're right, it, it...if there was a time when we didn't have quorum it, it...you, you wasted your time 'cause you took time off of work and said oh, you're gonna be gone that day. But also we had a, we had an orientation for the Board of Ethics. Now you were talking about orientations. Are you talking about a general orientation for all appointees first and then possibly a, a specific one for the board? Or are you just...

MR. DeREGO: I, I would say both are important. I think a, a general orientation to like...I know we do at times have the Deputy Corporation Counsels do go through the Sunshine Law, what that means, how that operates. If the board or commission...not every board and commission has their own rules. We do; but not every board and commission sets up their own rules which they have the ability to do. The other thing you have to understand is some of these boards and commissions...and this also determines who we looked at and who we didn't, a lot of the boards and commissions we looked at, they were all established by ordinance. You know, when we were looking at terms of boards and commissions, that's defined by the Charter. So, you know, I think that's another distinction we have look at here. When we we're looking at boards and commissions, we were looking at the ones where we could make recommendations that could be fixed or done in pretty short order if the Council decided that's what they wanted to do. Whereas, you know, to change something like terms for the, the Department of Water...the Board of Water Supply, that's a Charter amendment.

COUNCILMEMBER COUCH: Yeah, that was my follow-up is that the Charter specifically states that you can only serve one term. But you can wait two years and then come back.

MR. DeREGO: Back. Right.

COUNCILMEMBER COUCH: So --

MR. DeREGO: That's something the Charter Commission--

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COUNCILMEMBER COUCH: --that would have to be a Charter change. I wanted to note that for you in case you...since you were writing it down anyway.

CHAIR PONTANILLA: Now don't, don't forget that, Frank.

MR. DeREGO: . . . *(laughter)* . . . I'm on the Charter Commission and I made a presentation on that.

COUNCILMEMBER COUCH: So, yeah, really. Note that, it's Page 45, No. 6, I think.

MR. DeREGO: Yeah.

CHAIR PONTANILLA: Okay, any more questions for our resource people? Mr. White?

COUNCILMEMBER WHITE: Thank you, Mr. Chair. The...after all this discussion about the lack of quorum being such a downer, I think your recommendations really do make a lot of sense because there's nothing stopping interested individuals from going to a meeting called by a department to discuss issues without having the need for Council confirmation, without the need for a quorum, without the need for staff taking minutes, et cetera, et cetera, et cetera. So you can still do the job, you can still fulfill the purpose without having the structure that, that really flattens the tires if you don't have a quorum.

MS. MOE: And there's no better example than that based on what we learned in the...than the Commission on Persons with Disabilities. You know, Councilmember Victorino is right, they've got a lot of, they've got a lot of input to give and it should be welcomed. But that maybe is better done by being involved in the broader community on these issues than it is to function inside the kind of governance of a board and commission, where you really should be focusing on what the County does.

COUNCILMEMBER WHITE: Well not only that, but once you become a board or a commission, you're subject to the Sunshine Law, quorum, et cetera, et cetera. So if, if you're short one person, the six or seven people that showed up can't --

MS. MOE: Exactly.

COUNCILMEMBER WHITE: --can't talk. They can't hold a meeting.

MS. MOE: Yeah, exactly.

COUNCILMEMBER WHITE: Even though they're all there, they've all made the effort, and it just, you know, we all know what it's like. . . . *(laughter)* . . . So thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you.

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COUNCILMEMBER VICTORINO: Chair?

CHAIR PONTANILLA: Any more questions?

COUNCILMEMBER VICTORINO: One, yeah.

CHAIR PONTANILLA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Quick, quick...was considerations also at reducing the size of these various...because you, you, you, you keep using the word quorum as being one of the major issues, okay, and that's fine. But you know there's, you know, probably three, four, five people come every time, but you don't have a quorum if you have nine, right. Five just...as bare quorum, so four. So if you went from nine to five for some of these commissions which again I think are important, and that way you don't have this issue about quorum because, you know, you probably get three, four people to come every time. That could do a lot of things and still advise us. Was any consideration done in that area or was it just, you know, I don't...they don't have quorum so maybe we should just eliminate 'em?

MS. MOE: Well it was really, you know, really kind of depends on --

COUNCILMEMBER VICTORINO: Yeah.

MS. MOE: --on which one you're looking at. There aren't a lot of people on the Animal Control Board, but that's one of the most difficult ones to staff because of their requirements of having a vet, et cetera, et cetera. There's no, there's no kind of sense of purpose 'cause you don't meet for a year and a half, and then you meet, kind of thing. So, so there's that kind of situation that becomes a drag on with a five-person board.

COUNCILMEMBER VICTORINO: Right.

MS. MOE: You have a situation like the Cost of Government Commission, although we didn't look at ourselves, there's, there's a sense at least these days that we have a collective mission to carry out. And so I can't remember a time...do you guys remember a time that we've been on it where we didn't have a quorum? I can't remember a time. So, you know, it kind of depends on the nature of the entity itself. I don't think we solve a problem with Children and Youth, the Commission on Children and Youth, and I don't think we solve it by taking it down to five. The, the problem is they, they don't have a sense of mission. They, they don't have anything to go do that isn't already being done in the community, and I don't know that, that would change that.

COUNCILMEMBER VICTORINO: I, I, I, I think I still like, you know, and, and we'll discuss it more in details when we get it, but those boards that I'm talking about I still think are very relevant, as Ms. Baisa has said, they have a lot to be done, a lot of specific areas. So if quorum is an issue maybe we gotta look at changing that and giving them that opportunity. And maybe that's another thing, I don't want to say anything negative, but they've also said they didn't really feel

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like they were wanted when they were there, that they didn't feel that the staff and as well as sometimes the Administration. And not speaking about this, I don't want to say anything about anybody in the Administration, but that was the feedback I got from them, is that they didn't get the...that, that support that, that, that they wanted and so then they kind of lost interest. So, Mr. Chair, I, I, I don't want to get deep into it and, you know, so I'm sorry.

CHAIR PONTANILLA: Okay. I'll give Mr. DeRego the last...

MR. DeREGO: The last word? Okay, well thank you. . . . (*chuckled*) . . . Just to your point actually there is a precedent. I think the commission on the, the Committee on the Status of Women actually had a nine-member board and by ordinance the...they changed it to seven to deal with the problem of that was expressed about having quorum there. I think it gets back to also Councilmember Couch's questions to us about the mission and orientation and giving people a clear sense and goal of why they're on this commission and who they are to be on that commission. I think it's very, very important that whatever boards we do establish we make sure there's a clear goal, it's, it's established. And really, I'm a sociologist, you have to establish a certain culture on the commission of commitment and passing on traditions and mores and, you know, all these things that go on in a group like that. That if people are committed to, to the group then that's passed on eventually as the new members come on. So I think it's important in these...each of these groups to establish a certain culture of commitment and also dedication to what they're doing. Thank you.

CHAIR PONTANILLA: Okay. Thank you. If you guys have any more questions, maybe, you know, send it to me and then I'll try get some answers. And again, you know, I did receive from the Mayor, ten proposed bills, and we'll discuss this thing in another setting. And these are recommendations by the Cost of Government Committee. At this time I'd like to thank Frank DeRego, thank you very much for being here; Yarrow Flower; and the lady with the most questions asked, Ann Moe. Thank you very much.

MR. DeREGO: Thank you.

MS. FLOWER: Thank you.

MS. MOE: Thank you.

COUNCIL MEMBERS VOICED NO OBJECTIONS. (excused: RBC and GRH)

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: Okay, Members, Chair is gonna take a short recess up to 3:15 and we'll take the second item for this afternoon, BF-70 at 3:15. So --

UNIDENTIFIED SPEAKER: Thank you very much.

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CHAIR PONTANILLA: --this meeting is now in recess. . . . (*gavel*) . . .

RECESS: 3:08 p.m.

RECONVENE: 3:20 p.m.

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

ITEM NO. 70: DISPARITY OF REAL PROPERTY ASSESSMENTS FOR AGRICULTURAL VERSUS NON-AGRICULTURAL LANDS
(C.C. No. 11-227)

CHAIR PONTANILLA: The next item on our agenda is BF-70, Disparity of Real Property Assessments for Agricultural Versus Non-agricultural Lands. At our last Budget and Finance Committee meeting, we were presented with a PowerPoint from Councilmember Mike White, which all of you have a copy in your binder this afternoon. The Committee is in further receipt of a communication dated September 27, 2011 from Member White, proposing the establishment of an investigative group to make findings and recommendations on policies relating to the apparent disparity of real property assessments for agricultural use versus non-agricultural use. So at this time, I'd like to call...oh, I'd like to introduce the personnel from the Finance Department. We do have the Deputy Director, Mr. Savage; we do have Scott Teruya; as well as Marie Zielinski [*sic*]. Thank you for being here. So Chair at this time would like to have some comments by the Finance Director, followed by the Real Property Tax Assessor or Administrator, Scott Teruya, if you have any. Mr. Savage?

MR. SAVAGE: I'll just repeat what I said before. I appreciate Councilmember Mike White bringing this to light of the Council and to the public. We're here to provide as much information to you as possible. So that's why we have our staff here, Scott Teruya and also Marcy Martin here. So I'll defer to Scott.

MR. TERUYA: Thank you, Chair. Good afternoon, Members, Scott Teruya, Real Property Administration. I briefly went over Councilmember White's handout. They all seem to be valid in just. . .understanding just really general how assessments work in the Division and the current practice which was established back when the State gave the County control in 1981. As far as some comments, the only thing I would like to offer the Committee is that I've returned back from a IAAO conference, which is the assessing officer's conference in...last month. And there was a very good topic from Professor Richard England from the University of New Hampshire, who did a study on agriculture assessments across the United States. And he...without going into too much history of it, it's...agricultural assessments started probably in 1957 in Maryland. And during those days whenever the assessor...it seemed like whenever farmers had a bad crop, they seemed to have gone to the assessor's office for relief. And as the institute started to come about with procedures of how to assess agricultural lands, and that it was unconstitutional to give taxpayers a break, then the farmers went through legislation. So agricultural use assessments actually started in the '60s and '70s, and that's how it all began. His research had provided some

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detail for most of the states that reported back to his study, and it was very interesting for him to, to report back that there was no one way that anyone does assessments in agricultural use. The way that we do assessments in agriculture is one of the *predominant* ways of how they assess agriculture--where there is a "use value" for the portion that is being used for agriculture. The *inconsistent* portion is how people are valuing the homesite. So the way we value the homesite is one of many ways that people assess homesites. There's also the "highest and best use value"--if, if you were to carve out that homesite. So there's many different ways and there is no *consistent* way throughout the United States that people are doing it. So with that, Chair, that is just a brief overview and if there's any more detailed questions, I can answer to that.

CHAIR PONTANILLA: Thank you. Members, any questions for both Mr. Savage as well as Mr. Teruya at this time? If not. . .this meeting we'll be...we will be establishing a temporary investigative group. And, Members, this is how we're gonna go through the process. Number one, discussion of additional required information, looking at membership, due dates. Two, discussion of process, walk-through of a process, then we'll do main motion for discussion, amend to main motion if we have any, vote on membership, vote on the due date as well as a vote on the main motion. Members, in your binders you do have Exhibit "1", Temporary Investigative Group ("TIG") of the Budget and Finance Committee. And let me just read the Exhibit "1". Purpose of investigation: To make findings and recommendations on policies relating to the apparent disparity of real property assessments for agricultural use versus non-agricultural use. Scope of investigation. The scope of the investigation may include, but is not limited to the following: 1) Review of the current and historical methodologies and practices related to assessments of agricultural and non-agricultural real property in Maui County; 2) Review and analysis of real property assessment practices, tax rates, policies, codes and ordinances of municipalities outside of Maui County; 3) Interviews and discussions with personnel related to the County's assessment of real property; 4) Interviews and discussions with representatives from agricultural associations and community or homeowner associations which represent neighborhoods that are located on agriculturally zoned lands; and 5) Interviews and discussions with real property mass appraisal and tax policies industry experts. And, Members, the membership will comprise of four members from this Committee. The Temporary Investigative Group Chair, his authority or her authority will call, convene, and facilitate TIG discussions; request staff assistance from Council Chair and Administration; report TIG's findings and recommendations, if any, to the Budget and Finance Committee; establish and enforce parliamentary procedures. The TIG Vice-Chair, his authority or her authority in the absence or disability of the Chair, the Vice-Chair shall assume the duties of the Chair. And TIG members, two TIG members, they are voting members. And on Page 2, General rules: Discussion of matters relating to the purpose and scope of the investigation is restricted to only those Council members appointed as TIG members by the Budget and Finance Committee; 2) The physical presence of three TIG members for a discussion called and convened by the TIG Chair shall constitute a quorum; 3) Discussion of matters relating to the purpose and scope of the investigation is only permitted during a discussion called and convened by the TIG Chair, or in the absence of the TIG Chair, the TIG Vice-Chair; 4) Three affirmative votes shall be required to establish a recommendation of the TIG. Items that do not receive three affirmative votes shall be disclosed as findings; 5) The TIG Chair shall submit a report of the group's findings and

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recommendations, if any, to the Budget and Finance Committee no later than...a date 2011; and
6) The TIG shall be dissolved upon presentation of its findings and recommendations to the Budget and Finance Committee. So, Members, that is Exhibit "1" and the purpose as well as the scope of investigation and, and the membership as well as general notes. So at this time the Chair would like to ask the Members if they have any discussions in what I have just read. I'll, I'll go right down the line, okay. Member Carroll?

COUNCILMEMBER CARROLL: No.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No questions, Chair. I think it's very well laid out and I'm ready to participate in any of your recommendations.

CHAIR PONTANILLA: Thank you. Member Cochran?

COUNCILMEMBER COCHRAN: No, Chair.

CHAIR PONTANILLA: Member Couch?

COUNCILMEMBER COUCH: Thank you, Chair. My only concern would be your, your intent is to have this report by the end of, essentially December 31st, 2011 or are we possibly going into 2012?

CHAIR PONTANILLA: Members, that particular date, as far as getting the report from the Temporary Investigative Group, will be sometime probably the last week of October or the first week in November.

COUNCILMEMBER VICTORINO: Of this year?

CHAIR PONTANILLA: Yeah. Last week...a week in November. I, I need to get that particular date straightened. We need to...if we're gonna move forward and approve such an item or amendment or an ordinance, we need to get it completed by December 31st. We have two meetings, Council meetings in December. You know, we can do first reading and second reading, and hopefully if it does pass during, you know, at the second reading in December.

COUNCILMEMBER COUCH: Okay.

CHAIR PONTANILLA: Member Hokama? Member Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Member White?

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COUNCILMEMBER WHITE: No, sir.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Oh, that was easy.

ALL: . . .*(laughter)*. . .

COUNCILMEMBER VICTORINO: Well, you said what you wanted. So...

CHAIR PONTANILLA: So at this time . . .*(laughter)*. . . Members, if there's no questions, any questions for Administration at this time?

COUNCILMEMBER COCHRAN: No.

CHAIR PONTANILLA: So none. So at this time the Chair would like to move that the Budget and Finance Committee establish an investigative group pursuant to Section 92-2.5, Hawaii Revised Statutes, as set forth on Exhibit "1" attached to the memorandum dated September 27, 2011.

COUNCILMEMBER VICTORINO: So moved, Mr. Chair.

COUNCILMEMBER WHITE: Second.

CHAIR PONTANILLA: Okay, been moved by Member Victorino, seconded by Member White. Members, any more discussion? At this time, the Chair would like to . . .amend. . .the motion, one, membership. Mr. White?

COUNCILMEMBER WHITE: . . . Can we have a recess, Chair?

CHAIR PONTANILLA: Sure. Short recess, call of the Chair. . . .*(gavel)*. . .

RECESS: 3:32 p.m.

RECONVENE: 3:34 p.m.

CHAIR PONTANILLA: . . .*(gavel)*. . . The Budget and Finance Committee meeting is now reconvened. This is the first of its kind ,so I hope you all understand.

ALL: . . .*(laughter)*. . .

COUNCILMEMBER VICTORINO: Yeah, yeah, we understand.

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CHAIR PONTANILLA: So at this time ...*(laughter)*... the Chair would like to make his recommendation as far as the membership of this committee. For the Temporary Investigative Group Chairman, I note Mr. Mike White; for the Temporary Investigative Committee Vice-Chairman, Riki Hokama; for the Temporary Investigative Committee Member, Mike Victorino; and the Temporary Investigative Group Member is Gladys Baisa. And, Members, in regards to the Chair's selection, I based it as far as the membership, Mr. White, who is the introducer of this particular Temporary Investigative Group for the Budget and Finance Committee as the Chairman. He is actually the one, the one that will be spearheading this committee, and he's been spearheading this movement from the start. For the Vice-Chairman, Mr. Riki Hokama because of his longevity and awareness of County Government. For Member Baisa, because you represent a whole lot of Upcountry folks that do have...that will be affected in regards to whatever the committee comes out with. Member Victorino, same thing for Member Victorino, he has lot of constituents that have farm lots in the Wailuku district as well as he has a bill pending in, in regards to agricultural real property tax. So, Members, that, that is the Chair's recommendation, any discussion? Seeing none, at this time the Chair would like to make his recommendation or motion.

COUNCILMEMBER WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR PONTANILLA: The...wait, let me read the motion.

ALL: ...*(laughter)*...

CHAIR PONTANILLA: The motion is to move that the Budget and Finance Committee establish an investigative group, pursuant to Section 92-2.5, Hawaii Revised Statutes, as set forth on Exhibit "1" attached to the memorandum dated September 27, 2011.

COUNCILMEMBER COUCH: Mr. Chair, point of order?

CHAIR PONTANILLA: Sure.

COUNCILMEMBER COUCH: You already had that motion.

CHAIR PONTANILLA: Oh.

COUNCILMEMBER COUCH: We're for the amendment now to add the members.

CHAIR PONTANILLA: Oh, okay, I'm sorry. ... *(short pause)* ... Okay, thank you, Mr. Couch. Okay, at this time the Chair is entertaining a motion to amend Exhibit "1" attached to the memorandum dated September 27, 2011, by establishing Councilmember Mike White as TIG Chairman, Councilmember Riki Hokama as TIG Vice-Chairman, and Councilmembers Michael Victorino and Gladys Baisa as TIG members.

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COUNCILMEMBER VICTORINO: So moved, Mr. Chair.

COUNCILMEMBER WHITE: Second.

CHAIR PONTANILLA: Moved by Member Victorino, seconded by Member White. Any more discussion?

COUNCILMEMBER WHITE: Mr. Chair?

CHAIR PONTANILLA: Yes, Mr. White?

COUNCILMEMBER WHITE: I'd just like to bring up the, the, the notion that because of the tight timeframe that we are potentially looking at in order to get this work done, I would just like to have a sense from each of the Members you've recommended to the Committee that they will be available on certain nights and possibly weekends in order to get the, the amount of work done in time to meet whatever deadline we need to, to make sure that we can provide the...provide a finalized bill in time for the real property tax people to have time to do their work by the end of the year.

CHAIR PONTANILLA: Thank you. Member Baisa, you got any comments or concerns?

COUNCILMEMBER BAISA: Yes, Mr. Chair, I wanna disclose--because I had already asked the question and, and made it known that I normally take my vacation for the year in December. I'll be leaving the night of December 8. It's my understanding that the work of this Committee will be complete by then. On that basis, I'm willing to serve.

CHAIR PONTANILLA: Thank you. Member Hokama? Okay. Member Victorino? Okay, thank you.

COUNCILMEMBER WHITE: Thank you.

CHAIR PONTANILLA: So all in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Thank you, 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.

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ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion.

CHAIR PONTANILLA: At this time, the Chair will entertain a motion to amend. Move to amend Exhibit "1" attached to the memorandum dated September 27, 2011 by establishing...at this time I'd like to call on Mr. Scott Kaneshina to provide us with some alternative as far as a date.

MR. KANESHINA: Thank you, Mr. Chair. As Member White's memo dated September 27th kind of spells out, if what comes out of this group is legislation, that may impact the Fiscal '13 Budget process, any legislation would need to pass second and final reading by December 31st. So with that in mind, the two...there are kind of two options based on *current* scheduled meetings for the rest of the year. The first option is to have the TIG report back by October 25th. That would allow posting for November 1st Budget and Finance Committee. It would also allow posting for a, a second meeting on November 15th by the Budget and Finance Committee. And then it would allow for passage of any bill and it, for to have two readings by Council, the last being December 16th. The, the second option is to allow the TIG a little bit more time and pass it out to Budget and Finance Committee on November 8th. That would allow for posting on November 15th of Budget and Finance Committee. That would, you know, they would have to review it, discuss it, make their recommendation. But then again, that would allow for Council to have two readings, the second being December 16th. So the two dates are either October 25th and let Budget Committee have more time to discuss, or, or November 8th and allow the TIG to discuss and work on it for a little longer, and then Budget takes it with one meeting.

CHAIR PONTANILLA: Thank you. And, Members, I've heard that Member Baisa will be...oh, I'm sorry, she's gonna go in December so that's fine.

COUNCILMEMBER BAISA: ...*(laughter)*...

CHAIR PONTANILLA: So at this time the Chair's recommendation...well, I'll, I'll put in the date November 8, 2011 as the date by which the TIG shall submit a report of the group's findings and recommendations.

COUNCILMEMBER VICTORINO: So moved.

COUNCILMEMBER WHITE: So moved. Second.

CHAIR PONTANILLA: So be moved by Member Victorino, seconded by Member White. Any more discussion? So to get it straight, the date will be November 8, 2011 as the date which the TIG shall submit a report of the group's findings and recommendations. All --

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COUNCILMEMBER WHITE: Mr. Chair, I'd --

CHAIR PONTANILLA: --in favor of the motion...oh...

COUNCILMEMBER WHITE: --I'd be happy to also point out that if need be, the...I'd be more than willing to give up the EDR meeting date on the 17th to allow the committee additional time to consider this measure. And I would assume that the Council Chair, if we need it, would be willing to, to allow a, an additional meeting on the 22nd if that becomes necessary. So --

CHAIR PONTANILLA: Okay.

COUNCILMEMBER WHITE: --I'm, I'm comfortable that gives us enough time to do the work in the group and report on a timely basis.

CHAIR PONTANILLA: Thank you. So 11/8 will be the first...well, will be the submittal of the group's finding.

COUNCILMEMBER WHITE: Correct.

CHAIR PONTANILLA: Okay, thank you. 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: APPROVE amendment to main motion.

CHAIR PONTANILLA: Back to the main motion. Any more discussion on the main motion? If not, all in favor of the motion, please say "aye".

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COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any "noes"? Seeing none, motion is carried.

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 main motion as amended.

CHAIR PONTANILLA: Thank you very much, Members, that's all we have for this afternoon. I want to thank Administration for being here; Staff for supporting the Budget and Finance Committee this afternoon; and all of you, Members, thank you very much.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: The Budget and Finance Committee meeting for October the 4th is now adjourned ... *(gavel)* ...

ADJOURN: 3:43 p.m.

APPROVED:


JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:111004

Transcribed by: Raynette Yap

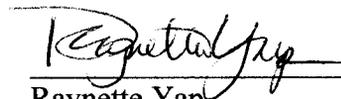
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CERTIFICATE

I, Raynette Yap, 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 the 12th day of October, 2011, in Kihei, Hawaii



Raynette Yap