

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

February 28, 2012

Council Chamber, 8th Floor

CONVENE: 1:34 p.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Donald G. Couch, Jr., Member
Councilmember Danny A. Mateo, Member (In 1:45 p.m.; Out 4:06 p.m.)
Councilmember Michael P. Victorino, Member
Councilmember Mike White, Member

STAFF: Scott Kaneshina, Legislative Analyst
Camille Sakamoto, Committee Secretary

ADMIN.: Anthony T. Arakaki, Community Development Block Grant Program Manager,
CDBG, Office of the Mayor (Item BF-2(3))
Sananda K. Baz, Budget Director, Office of the Mayor
Danilo F. Agsalog, Director, Department of Finance (Item BF-66)
Glenn T. Correa, Director, Department of Parks and Recreation (Item BF-66)
Robert W. Parsons, Administrative Assistant, Office of the Mayor (Item BF-66)
Scott K. Hanano, Deputy Corporation Counsel, Department of the Corporation
Counsel (substituting for Adrienne N. Heely) (Item BF-2(3))
Richelle M. Thomson, Deputy Corporation Counsel, Department of the Corporation
Counsel (Item BF-66)

Seated in the gallery:

Guy Hironaka, Real Property Manager, Department of Finance (Item BF-66)
Kyle K. Ginoza, Director, Department of Environmental Management
(Item BF-2(3))
David Thyne, Assistant Chief, Department of Fire and Public Safety
(Item BF-2(3))

OTHERS: John Howell, Retired CEO/President, Easter Seals Hawaii (Item BF-2(3))
Hokulani Holt, President, Kauahea Inc. (Item BF-66)
Levi Kainalu Almeida (Item BF-66)
Duke Sevilla (Item BF-66)
Diana Shaw, Executive Director, Lanai Community Health Center (Item BF-2(3))
Phyllis McOmber, Board Member, Lanai Community Health Center (Item BF-2(3))
Reagan Pohaku Kahooohanohano (Item BF-66)
Ki'i Kahooohanohano, Member, Na Wahine A Kauhi A Kama (Item BF-66)

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Jennifer Noelani Ahia, Member, Na Wahine A Kauhi A Kama (Item BF-66)
Laura Kaakua, Native Lands Project Manager, The Trust for Public Land (Item BF-66)
Greg Dela Cruz, Family Coach, Neighborhood Place of Wailuku (Item BF-66)
Henrietta Mollena (Item BF-6)
Four (4) additional unidentified attendees

PRESS: *Akaku: Maui Community Television, Inc.*
Melissa Tanji, The Maui News

CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting for February 28, 2012 is now in session. Time is 1:34. The Chair would like to introduce some Members that are present this afternoon: Member Carroll, Member Baisa, Member Cochran, Member Couch, Member Hokama, Member Victorino--

COUNCILMEMBER VICTORINO: Aloha, Chair.

CHAIR PONTANILLA: --Member White.

COUNCILMEMBER WHITE: Aloha.

CHAIR PONTANILLA: Excused at this time is our Chairman, Chairman Mateo. Upfront from the Administration we do have from Deputy, from Corporation Counsel, Deputy Scott Hanano. We do have the Budget Director, Mr. Sandy Baz.

MR. BAZ: Aloha.

CHAIR PONTANILLA: And... Aloha. And then from the CDBG, we do have CDBG Program Manager Aunty, Anthony Arakaki.

MR. ARAKAKI: Aloha.

CHAIR PONTANILLA: Supporting the Committee this afternoon, we do have Scott Kaneshina, Legislative Analyst, as well as Camille Sakamoto, who is the Committee Secretary. Members, we do have two items on the agenda this afternoon. And we do have several members from the public offering testimony. So at this time, the Chair would like to request that every one of us please put our cell phone on the silent mode or if we can turn it off. Thank you. For those that are providing public testimony this afternoon, Chair will give you three minutes to provide your public testimony. Chair will allow one minute to conclude, and when you come up to the lectern, if you can speak directly into the mike, provide us your name, organization that you represent. Chair would like to say that once you are done with your testimony, if you can stay at the lectern for a few seconds some Members may have questions for you. So with that, the first testifier this afternoon is John Howell.

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...BEGIN PUBLIC TESTIMONY...

MR. HOWELL: Mr. Chairman, Members of the Committee, thank you for this opportunity. Last year, when I addressed this group on a CDBG request, I was the President and CEO of Easter Seals Hawaii. I've since retired but I'm deeply committed to the organization. I'm still supporting them with a project that we actually had the blessing yesterday at the Wakea location, new site of the Maui campus for disability services. Last year, we were fortunate to be considered for alternate funding, but the funding ran out. So we moved forward with the project with funds of our own. We purchased the 1.7-acre parcel of property next to Queen Kaahumanu Center for this campus for disability services two years ago. Since then we, on the \$6 million project, we've raised over two-thirds of the funds to include a million-dollar grant-in-aid from the State of Hawaii. We recently were awarded funds from the Harry and Jeanette Weinberg Foundation. We're in for funding through CDBG this year. We believe that we've gotten the support so far of the Committee and the Mayor. And we respectfully ask for your support for our CDBG request. If there are any questions, I'd be glad to address them.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier? Seeing none, thank you, John.

MR. HOWELL: Thank you very much.

CHAIR PONTANILLA: Next testifier is Hokulani Holt.

MS. HOLT: Aloha.

COUNCILMEMBERS: Aloha.

MS. HOLT: Okay. Don't start the clock yet. Aloha. I'm Hokulani Holt, and I'm the president of Kauahea Incorporated. Kauahea has been a Maui-based, not-for-profit organization since 1994. Kauahea's mission statement says, Kauahea Inc. supports Hawaiian arts and culture, Hawaiian spiritual practices, and the preservation and perpetuation of Hawaiian language by providing access to learning opportunities throughout our community. Over the years, Kauahea has provided classes and workshops on many aspects of Hawaiian culture throughout our community, such as hula implement making, kapa making and dyeing, cordage making and lauhala weaving, to name just a few. Our educational endeavors include supporting cultural experiences in Malama `Aina at Pai Loko, Waihee; to schools such as Kahului School, Wailuku Elementary, Waihee School, Punana Leo o Maui Hawaiian Immersion Preschool, Kula Kaiapuni Hawaiian Immersion Schools, Na Pua Noeau Center for Gifted and Talented Native Hawaiian Children, the University of Hawaii Maui College, and various halau hula. For this particular testimony, the Board of Directors of Kauahea Inc. wish for me to extend our encouragement and support of the County's purchase of the Ka`ehu property, also known as the Paukukalo Coastal Wetlands at Ka`ehu Bay so it can be protected as natural open space. It is critical that this last open coastal area along this particular shoreline continue to be available for community access

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and use. Of particular cultural interest are the traditional shoreline and ocean uses, preservation of the native plants and birds, seaweed restoration and the restoration of wetlands, which are fed by underground springs and streams. These are also critical to uses that support a thriving community of our Maui residents and those who would assist in the same endeavors. Our modern world provides few chances for each of us to interact with and appreciate the natural world. What makes this particular place important is that it is near an urban setting and will offer our families a chance to be a genuine part of its growth and life, as well as their own. In addition, it will offer an unprecedented opportunity to be a truly natural location just minutes from our neighborhoods. On a personal note, my family has lived along this shoreline--

MR. KANESHINA: Three minutes.

MS. HOLT: --for more than six generations, and continues to do so to this very day. I was raised most of my childhood and as a youth in my grandmother, grandparents' house which remains at Waiehu's, at the Waiehu Stream side of the bay. Ka'ehu Bay was welcome . . . Ka'ehu Bay always welcome those who would use it carefully and respectfully and also provided for the families in the area. The community groups and individuals who regularly use the area today are already working together and are supportive of one another's efforts at Ka'ehu. It is anticipated that these relationships will continue, and more relationships will be established to extend the benefits of this special area to our community. I encourage the County Council to purchase the Paukukalo Coastal Wetlands at Ka'ehu Bay from the Trust for Public Lands in order to protect this piece of shoreline for our Maui community. Mahalo.

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

MS. HOLT: Thank you.

CHAIR PONTANILLA: Next testifier is Levi Kainalu Almeida.

MR. ALMEIDA: Aloha kakou. My name is Levi Kainalu Almeida and I've been living, my family's been living in Paukukalo for five generations. I am the fifth. And I'm 18 years old, a recent graduate of Kamehameha Schools Maui. And, you know, I believe that... I think everyone has a dream, you know, everyone in the whole world. They have an idea of what path they want their lives to take. And, you know, growing up in Paukukalo, my tutu always used to tell me, you know, Levi, Paukukalo used to be the most beautiful lo'i. Fish, fish filled the water, and you know, just abundance and how beautiful it was. Going to the store was unheard of because everything they needed was in their backyard and everyone malama'd that place. But, you know, as time goes on, things change. And, you know, I just tried getting older, thinking about, you know, what my adulthood's gonna be. You know, I one day decided, I said, you know what, why can't we make Paukukalo how beautiful it once was? You know, I believe with every cell in my being that together, with everyone's support, that we can make Paukukalo a really special place for our whole community. Not just for my family, but for the whole community, you know, so everyone can come down, learn, learn these cultural things. And, you know, it's

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important for people to find common ground, because I believe that's why, you know, there's so many problems, you know, war. And just like, within our own ohanas today, all people are divided. And I believe that Ka`ehu Bay can be that place for our community to come together and for the Hawaiian people to come and know that we can really talk about how we can get ourselves healthy again. And yeah, I just believe, I just really believe that we can make it a fantastic place with your help. So mahalo, and if you have any questions, I'll be happy to answer them.

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

MR. ALMEIDA: Mahalo.

CHAIR PONTANILLA: The next testifier is Duke Sevilla.

MR. SEVILLA: No start yet. Just like Hoku. Aloha, Council members, I'm back again. Another passion of mine other than water is Ka`ehu. I'm here in support of the County of Maui to purchase the Ka`ehu Paukukalo Coastal Wetlands property from the Trust of Public Lands. My connection to this property is where my family land adjoins the Ka`ehu Coastal Wetlands property. Having grown up in this area, I have seen many changes that have occurred in the last 55 years. My dad, A. B. Sevilla, told me years ago he envisioned families in the area leasing the land from Wailuku Sugar Company and restoring the taro patches and fishponds to be semi self-sufficient by growing some of their own food. That inspired me to seek out others that would help accomplish that task. Forty years has gone by, and now we have an opportunity to restore and use Ka`ehu as an outdoor classroom for residents and visitors. But let me give you some background information. In 2001, word spread that a Caucasian guy bought the Ka`ehu property, 64 acres, from Wailuku Agribusiness, and that he was informing the residents that they were going to develop the whole oceanfront. I thought, wow, this cannot be. I eventually took the initiative to meet with this Caucasian fellow and found out that he had no cultural sensitivity, no tact, and he acted like a cattle baron. His plans were extravagant. I told him that he could not build in some of the areas because of the wetlands, burial sites in the area. That information did not seem to discourage him at all. I decided to find out more information. I called Wailuku Agribusiness and found out that a company called North Shore of Waiehu bought the property. Eventually I did meet the owners and tried to convince them that development was not the best thing for the property. With a bad manager, North Shore started to get negative publicity. They decided to put their plans on hold and to find someone else to manage the property. Through all the chaos of developers wanting to develop Ka`ehu, my emotions grew high, each thought of Ka`ehu being developed. Eventually with the help of Venus Rosete-Medeiros, who at the time was the Executive Director of the Neighborhood Place of Wailuku, we came up with an idea to see if we could lease some of the property from North Shore of Waiehu and start a values-based program to help native Hawaiian families stop abuse and neglect in their homes. With a grant from the Federal government and consent from North Shore, the program started. My families, many families that participated in the program have come to Ka`ehu to find peace from abuse and neglect in their homes through education and working on the land. A ropes challenge course

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was built with funds from OHA, and it was not only to serve the NPW's clients, but also many local agencies. To name a few, MEO Youth Services, UH Maui College, the Kuina and Title 3 programs, Department of Education and Kamehameha Schools Maui, that have used the course to enhance team building, leadership, conflict resolution, communication and goal-setting skills to staff, students and clients. NA and AA programs have regular meetings on Mondays and Tuesdays, with my wife and I donating the electricity as a way to give back to the community.

MR. KANESHINA: Three minutes.

MR. SEVILLA: As time went on, we had convinced North Shore of Waiehu their grandiose plans were not what the people wanted. North Shore of Waiehu, seeing that their plans would be too much of a challenge and with the economy slump, NSW decided that they needed to sell the property but soon it went into foreclosure. This is where we went into high gear in finding ways to acquire the land before some developer would. We went to OHA, DHHL, Legacy Lands, and then Trust for Public Lands. Only TPL showed that they were all in. And with the help of Laura Ka'akua, sitting right over there, TPL's lead person who has worked diligently on this project, meetings with the Mayor Arakawa, Councilman Victorino, Executive Assistant to the Mayor Rob Parsons, and Budget Director Sandy Baz has helped us with getting us closer to a legacy of keeping Ka'ehu open space for restoration. The County of Maui is getting a bargain in purchasing this property for less than half of its appraised value. We are almost there. With your yes vote, it will be complete. I encourage each of you to drive by Ka'ehu, envision what can be accomplished. At this time, we are working hard through meetings, informing a coalition of individuals and agencies to plan, set goals, to be responsible for the land--

MR. KANESHINA: Four minutes.

MR. SEVILLA: --and to recommend a nonprofit organization that the County of Maui would feel comfortable partnering with to oversee the restoration of Ka'ehu. Thank you.

CHAIR PONTANILLA: Thank you. Can you identify yourself?

MR. SEVILLA: Oh.

CHAIR PONTANILLA: For the record.

MR. SEVILLA: Duke Sevilla. Sorry.

CHAIR PONTANILLA: Thank you. Members, any questions for Mr. Sevilla?

MR. SEVILLA: Okay.

CHAIR PONTANILLA: Thank you. The next testifier is Diana Shaw, followed by Phyllis McOmber.

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MS. SHAW: Aloha. My name is Diana Shaw, and I'm the Executive Director of the Lanai Community Health Center. We came before you for a couple of years in a row and are very pleased to be cautiously optimistic that the CDBG Application Committee as well as the Mayor have approved our request. As many of you might be aware, our request is to purchase land for the construction of our new 6,800-square-foot health center facility, which will benefit predominantly low- and moderate-income persons on Lanai to provide, in providing direct health care services. Our new facility will have nine exam rooms, a procedure room, dental x-ray bay, two dental operatories, and a . . .(inaudible). . . layup to provide layup facilities for our patients. It will also have an activity room that is available to anyone to use for free on the island of Lanai. As a Federally qualified health center, we are the only individuals on this island to provide and actually welcome care for the uninsured. We are very excited about the thought that purchasing the property will open many doors for funding for us. We've already secured at least a million dollars in funding for the construction. And the complete facility will allow us to provide services for an additional 755 unduplicated patients. Again, thank you so much for your support, and we hope that the Committee will, the Council will vote yes on, on this.

CHAIR PONTANILLA: Thank you. Members, questions for Ms. Shaw? Seeing none. Ms. McOmber.

MS. McOMBER: Hi. I'm Phyllis McOmber. I'm a board member of the health center and I'd like to say thank you to the Council because there's been a team of us that have worked for over 10 years. We started as a women's health center. And you have helped us all the way. We would not be a Federally qualified health center if you hadn't supported us over the years. So we hope you'll continue to do that today. Thank you so much.

CHAIR PONTANILLA: Thank you. Members, questions for Ms. McOmber? Seeing none. Thank you again, ladies. Next testifier is Reagan Pohaku Kahooohanohano.

MR. KAHOOHANO: Aloha. My name is Reagan Pohaku Kahooohanohano. I'm here on behalf of Ka'ehu, wanting to save it. Wanna see it, you know, for the future of our people, for the future of our generations coming after us. While doing family genealogies and research, I came across a document from the Great Maheles where Charles Kanaina, which was King Lunalilo's father, had claimed Waiehu and different lands for his son, for Lunalilo. And in it, it states that, you know, these are the lands that he got from his ali'i, which were his parents, grandparents and so on. And, you know, his rights are from in the ocean up into the mountains. And in this, it says, O na mea apau a piliana i ua mau e `aina nei o na ia kapu. These areas are kapu. O na wahi i hana ia a me na kula e waiho wale ana apau loa. And these lands are to be left open always. So, you know, they...in these, they see the importance of it staying as it is. It's a resource for our people. He claims also the ancient fishponds, so these are places that fed our people, fed our kings. I just, you know, as a child, my memories of that area were from my grandfather. He was born up in Upper Waiehu. So our family has been in this area for over a hundred years. And my grandfather was a farmer, taro farmer and a fisherman. And I wanna see this continue on. I wanna take my children in the future and go fish or go hang out down the ocean. My grandfather used to take me down to Ka'ehu itself, and I remember, you know, horses and donkeys down there. And he would take me, throw his net and I would watch him go

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in the ocean with his tako box and, you know, catch tako. So we ate from this ocean. And I want my children to eat from this ocean, too. It's, this place is kapu. It's kapu for everyone. So, you know, it's a sacred place and it should never be developed. And it is the last area of Waiehu that's open. And it should stay that way. Thank you. Aloha.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier? Seeing none. Thank you again. Next testifier is Ki'i Kahooohanohano.

MS. KAHOOHANO: Aloha. I'm also here for Ka'ehu. I've been working first with Neighborhood Place of Wailuku from about four, five years back doing various programs, family strengthening programs, which I've seen in my own personal experience to be irreplaceable in these families' lives. I represent Na Wahine A Kauhi A Kama, which is also a women's group that has been meeting there for about four years off and on, helping to strengthen our cultural identity as wahine, as women. We also weave lauhala and dye materials, pray together, all kinds of various cultural activities we practice there at Ka'ehu. In past years, also Wahine Ho'opa'a, another family strengthening program focused on women and families. I was also a part of, a facilitator of that program, which was held at Ka'ehu. In that particular program also I've seen lives changed tremendously. We continue to go back to Ka'ehu to malama that place and really know that we were all called there to protect this place and to utilize it, you know, to the best of our ability to perpetuate cultural practices. And I really look forward to the future. I look at Ka'ehu and I see such potential. You know, we've been doing these small things through the years, but coming together now with various nonprofits and, you know, other groups that are really like minded and wanting to focus on restoration is really exciting. Really exciting for me to see that, you know, that the future of Ka'ehu could be really, really something special and as my husband said, it is kapu. It needs to be for our people, and I thank you for your time.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier? Seeing none, thank you again. Jennifer Noelani Ahia.

MS. AHIA: Aloha kakou. My name is Jennifer Noelani Ahia, and I am also with Na Wahine A Kauhi A Kama. Unlike some of the folks here, I don't have long-standing family ties to this land. My relationship is a little bit newer. I'm what you would call a diaspora Hawaiian. I was born and raised on the mainland, but was called home a few years ago to reconnect ancestrally and culturally to this place. So when I joined Na Wahine A Kauhi A Kama, our meeting place was at Ka'ehu. So at this place, as a grown woman, I dyed my first kihei so I could participate in Hawaiian ceremonies, which I had never before had the opportunity to do. I cleaned out my first ipu with the stones and the sand from the water down at the shore. I went to my first pa'ina at Ka'ehu, where we had a fundraiser so our families could come and learn what we were doing culturally and what we were doing as women to support one another and to support our practices. So for me Ka'ehu holds a very powerful place in my heart, because it, it's like a container for me of these experiences of reconnecting to who I am. E kala mai. So I just ask you to keep in mind all these statements that we've made today and remember, when you go to vote about purchasing this land, it's had a profound impact on so many people in so many ways. And for me it's, it's a place that I'll always cherish in my heart. Mahalo.

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CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Seeing none. Thank you again. Next testifier is Laura Kaakua.

MS. KAAKUA: Aloha, Committee Chair and Council members. I'm Laura Kaakua. I'm the Native Lands Project Manager for the Trust for Public Lands. And my testimony today I think you've heard from the Trust for Public Land in the past about how special this property is and the rare opportunity that the County now has to help the people of Maui to preserve it. And you've also heard from the community as to its importance. And what I wanted to focus on today was TPL, the Trust for Public Lands, involvement in the property. And so I've just prepared a simple timeline from the time that we got involved. But, as you heard, from our community, partners and neighbors and friends, this property has been, its protection has been a long time coming. I was struck by Pohaku Kahooohanohano's testimony about the alii's declaration that the land is kapu, and that was at the time of the Great Mahele. Kauahea has tried to protect the property from 20 years back. Duke Sevilla, the neighbors, Neighborhood Place of Wailuku, different groups from 10 years back. And now we're finally coming full circle and again looking to our leadership to ask that you declare that the land is kapu and is worthy of protection. And I will say that my, my timeline of TPL's involvement from two thousand and, late 2007, when we were asked to get involved, until present, can be rather lengthy. And I believe I may go over my testimony. But I'm sure that there will be questions on it. I don't know if you want me to get started now and--

CHAIR PONTANILLA: Laura, what we can do is probably yourself and probably Ms. Holt can be resource people, along with maybe Duke Sevilla. Members, if there is no objection.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. So you, you can keep your timeline to yourself for now--

MS. KAAKUA: Okay.

CHAIR PONTANILLA: --and if you can finish up your testimony.

MS. KAAKUA: Okay. You know, I will just close with that. I have, appreciate the support that the Council has given to the protection of the land. In our previous discussions and votes, and what again look to the Council to support this rare opportunity to finally protect this special place.

CHAIR PONTANILLA: Thank you. Members, questions for Ms. Kaakua at this time? Seeing none, thank you. The next testifier is Greg Dela Cruz.

MR. DELA CRUZ: Aloha, Council, Chair, just privileged to be here. I'm speaking on behalf of Ka'ehu Bay. I am Greg Dela Cruz. I'm a pastor of Leading Way Church in Happy Valley, also a Family Success Coach for Neighborhood Place of Wailuku for the last seven years, and which we work with families on Maui to prevent child abuse and child neglect. For the last several

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years, we have used, and I have personally used, Ka`ehu Bay for a place of healing. And for our families, I have been witness to so many life changes, you know, that have occurred as a result of the work used and done on the property. I'm telling you it's a place of healing. I thank you, Council, for making the right decisions of keeping these great things going because it is happening. And, you know, one of the things is that, in the type of work we do... 'cause I'm just speaking to what I do. You know, there's so many great practitioners, there's so many great people that are involved in other aspects. But what I wanna speak to is child abuse and child neglect. We have seen so many families being, from the prior programs that have operated on the land and in the land, and for me just bringing families down and counseling on the land in a place, you know, separated from buildings and stuff. There's just so much happening. And one of the things is, I know we were just talking, Brandy and I were talking. Even this last year with all the budget cuts and we took a lot of hits at Neighborhood Place, and our staff, we went from like twelve to two, we've still touched almost 600 families. And one of the things I wanna bring your attention to is that when we, any kind of family strengthening, when it does this type of work and families don't go to CPS or we're able to, 'cause we have a contract with the State to divert cases from going to court and going to CPS, and if we can handle and take care of our local families on a local level, it saves the State thousands of dollars of families not going to CPS, not going to court and not having their families removed. And it just preserves our community, our family and just that spirit of aloha that we need to uphold. And I just thank you. Thank you for your support. I know what's happening. I know that you guys are making the right decisions and we're all coming together for a common cause, and that's our people and the spirit of aloha. So mahalo.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier? Seeing none. Thank you again. The last person to sign up for public testimony at this time is Henrietta Mollena.

MS. MOLLENA: Aloha. I'm not sure how I'm supposed to address everyone, but I'm just here to support my friends.

CHAIR PONTANILLA: Excuse me. If you could give us your name first.

MS. MOLLENA: Henrietta Kaluna Michiko Lindsey Mollena.

CHAIR PONTANILLA: Okay. Go ahead.

MS. MOLLENA: I just wanted to keep, keep that place how it is, and so we can go to someplace and try to get our thoughts together, and be clear. 'Cause town... actually, I'm from Oahu 20 years ago. And it's very built up and not the same anymore. And Maui, it feels like home how it used to be, and I just wanted to support to keep some places how it is. And we can feel the mana and power and heal ourselves. And that's all I wanted to say. Thank you.

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

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MS. MOLLENA: Thank you.

CHAIR PONTANILLA: Ms. Mollena was the last person to sign up for public testimony. Is there anyone out in the audience that wanna provide public testimony at this time? Seeing none, Members, if there is no objections, the Chair would like to close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

...END OF PUBLIC TESTIMONY...

CHAIR PONTANILLA: Chair would like to recognize the presence of our Council Chair, Mr. Mateo.

COUNCILMEMBER MATEO: Good afternoon.

**ITEM BF-2(3): COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”) PROGRAM
(PROGRAM YEAR 2012; JULY 1, 2012 THROUGH JUNE 30, 2013)
(CC 12-40)**

CHAIR PONTANILLA: Good afternoon, Members, again. Our first item this afternoon is BF-2(23) *[sic]*: Community Development Block Grant, CDBG Program, Program Year 2012; July 1, 2012 through June 30, 2013. The purpose of the proposed resolution is to authorize the Mayor to execute and file an application with the United States Department of Housing and Urban Development for a grant of \$1,444,070 under the CDBG Program for the 2012 Program Year/Fiscal Year 2013. At this time, the Chair would like to recognize Mr. Arakaki for opening comments.

MR. ARAKAKI: Aloha. Good afternoon, Chairman Pontanilla and Members of the Budget and Finance Committee. Thank you very, thank you very much for your time and opportunity to discuss with you the CDBG program and proposed resolution today. I would like to begin today by providing the Committee with a background, with background information on the competitive application process utilized by CDBG to select projects for funding. The process was established nine years ago, in 2003, as a result of a program audit by a certified public accountant and a recommendation of the Maui County Council. The process is considered a best practice by HUD and is consistent with the County of Maui’s 2010 to 2014 Consolidated Plan. Included in the transmittals before the Committee today are the annual action plan submission schedule, which outlines the timeline for the application process and our submission of the annual action plan to HUD; the documents of significant interest which include a letter and questionnaire forms that address 24 of the Code of Federal Regulations 570.611, which pertains to the conflict of interest; the executive summaries and budgets for the funded, partially funded and alternate projects. This year’s competitive application process began last fall, with public hearings held in September, October and November in Hana, Lanai, Molokai, Wailuku, in conjunction with the Mayor’s Budget hearings. With five grant workshops for the public were

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held in September and October, one in each of the low- to moderate-income communities of Hana, Lanai, Molokai and also in Wailuku. Individual project technical assistance appointments were held with organizations and agencies as requested. The open application period was announced through a Request for Proposals published in *The Maui News* on September 9th and September 25th. The open application period was a 30-day period from October 25th to November 23rd. Twelve proposals totaling approximately \$4.2 million were initially received by CDBG for consideration. The proposals were screened for eligibility and threshold factors by the CDBG staff. Three of the twelve proposals did not pass the initial screening. One application was for an ineligible activity, as a project must meet an eligible activity category in the County of Maui CDBG application. One application did not have two years of audited financial statements. One application was incomplete, where they did not have six bound copies and were missing the required attachments. Nine eligible proposals were forwarded to the evaluation and selection panel for their review. The panel was comprised of five members and one alternate, and included, which included various disciplines and experiences. Based on the recommendation of the Mayor, the panel members were as follows: Tina Crow, Housing Specialist with the County of Maui, Department of Housing and Human Concerns; Jim St. James, Board Member of Keiki Kokua, a Hawaii non-profit; Jeremiah Savage, Deputy Director of Finance with the County of Maui; Kenneth Yamamura, Agricultural Specialist with the Office of Economic Development and a former CDBG panel member; and myself making up the fifth member of the panel, with Jan Shishido, the Deputy Director of the County of Maui Department of Housing and Human Concerns serving as the alternate. The panel, the panel used the following predetermined rating criteria, which included consolidated plan priority with a 25 percent weight, project readiness with a 25 percent weight, project impact and delivery with a 20 percent weight, financial considerations with a 15 percent weight, applicant attributes with a 15 percent weight. The rating criteria were outlined in the application packet. The panel met two times to deliberate and review the proposals on December 19th and January 10th. The panel's funding recommendations was approved in its entirety by Mayor Alan Arakawa on January 25th. At this time, I would like to thank the evaluation and selection panel and the CDBG staff for their contributions in this year's application selection process. The resolution before you today reflects the final HUD allocation amount of \$1,444,070, which is, which reflects a reduced amount from the current program year of \$1,594,572, which reflects an approximate 10.5 percent reduction. As all of you are well aware of, the CDBG will possibly experience further cuts by Congress in the near future or possible elimination of the CDBG program altogether. I wish to thank Councilmember Joseph Pontanilla and the Maui County Council in advance for your continued support of CDBG. Members of the County, Maui County Council, the resolution respectfully presented to you today, which is a result of thorough review as well as careful and thoughtful deliberations, recommends a provision for a CDBG Program Administration, as well as two projects. If any of these two projects prove not feasible for funding or not in a position for funding as represented in the CDBG application, or if funds for the prior years become available for reprogramming, alternate projects are also included in this resolution. The projects proposed for funding, partial funding and alternates are as follows: one, Lanai Community Health Center's land acquisition for the construction of a health care facility to benefit predominantly low- and moderate-income persons on the island of Lanai; two, Easter Seals Hawaii, Maui Campus, Rehabilitation Phase Two, which is the rehabilitation of an existing

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structure for their Medicaid Waiver Home and Community Based Services program, which exclusively benefits those who are of low to moderate income. The project is partially funded and the balance of the requested funds is considered as the first alternate. Three, the Hana Health for the construction of a Hana Business and Training Center, which is a multi-functional facility that would be utilized for telemedicine, microenterprise business training for Hana residents, senior congregate meals and wellness programs. Four, Ka Hale A Ke Ola Homeless Resource Centers, Phase Two, Rehabilitation of the Ka Hale A Ke Ola Homeless Shelter in Wailuku. The rehabilitation will include the replacement of damaged doors, lanai and railing components, exterior door replacement, installation of energy efficient tankless water heaters and cabinet, counter and appliance replacements, installation of a backflow preventer and modifications to the fire protection system as required for compliance. Five, County of Maui Department of Fire and Public Safety's procurement and acquisition of a brush truck to support the main fire apparatus on Lanai, which may be utilized as a stand-alone apparatus. The brush truck will allow access to areas where the main fire apparatus will not be able to effectively reach. Six, County of Maui Department of Environmental Management Solid Waste Division procurement and acquisition of a water truck for the Hana Landfill to minimize dusty conditions, provide litter control, provide soil moisture conditioning, compaction, fire control and cleanup. Number seven, County of Maui Department of Environmental Management Solid Waste Division procurement and acquisition of a bulldozer for the Molokai Landfill to ensure uninterrupted refuse service for the Molokai community. Eight, Aloha House Incorporated acquisition and installation of a solar-photovoltaic system and five solar water heating systems for the Aloha House residential treatment facility in Makawao. Last is the Boys and Girls Club of Maui, the architectural planning and design and project management of the rehabilitation of the Boys and Girls Club of Maui's Paukukalo gymnasium in Waihee. These projects: One, each address a medium to high priority need as identified in our consolidated plan. Two, are geographically dispersed throughout the County of Maui and directly support the low and moderate income concentration communities of Hana, Lanai and Molokai. Three, provide a number of services, including public safety, regulatory compliance, energy efficiency, affordable rental housing, health and wellness. Four, extend services to over 21,000 residents who represent a wide cross selection, cross-section of underserved beneficiaries including elderly, individuals with special needs, as well as those with low- to moderate-income citizens of this County. Therefore, I respectfully ask the members of the Budget and Finance Committee for your favorable consideration of our funding recommendation in its entirety, and with your approval of the CDBG resolution for authorizing the filing of an application with the Department of Housing and Urban Development, United States of America, for a grant under the Community Development Block Grant Program. Thank you very much for your consideration. I, as well as representatives of the various projects would be happy to answer any questions concerning the resolution and the proposed projects. Thank you.

CHAIR PONTANILLA: Thank you, Anthony. Sandy, you got any comments? No comments. Thank you. Members, you've heard Mr. Arakaki in regards to the recommendation being made by the CDBG program. I'd just like to add that on one of the alternates, Ka Hale A Ke Ola Rehabilitation, we had provided \$300,000 to that organization several weeks ago for some of

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their repair maintenance program. Thought I'd let you know. Members, questions for Mr. Arakaki? Mr. Hokama.

VICE-CHAIR HOKAMA: Chairman, just on your last comment to the Committee. So with that statement of a financial consideration a few weeks ago that you just shared with us, would that have in any way an adjustment on the number that is before us at this time? I mean if you or Mr. Arakaki could maybe give us some comment please.

CHAIR PONTANILLA: What was told of the Committee at the time was not what you see on what was requested by this application. What was requested I think was for repair of floors at the homeless shelter.

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

CHAIR PONTANILLA: Okay. Members, any more questions for Administration at this time? Mr. White.

COUNCILMEMBER WHITE: Thank you, Chair. The question I have regarding the Lanai facility. I notice that the, the project is requiring, or the largest part of the funding is Federal funds. And I'm just wondering how quickly those Federal funds will become available and if we have any assurances from the Federal government that there, that they will be forthcoming based on this land acquisition.

CHAIR PONTANILLA: Mr. Arakaki?

MR. ARAKAKI: With the Lanai Community Health Center's land acquisition, at this time they're not really eligible for Federal funding, further Federal funding until they actually acquire the land. So by them acquiring the land, it triggers a whole set of other funding.

COUNCILMEMBER WHITE: But once they have the, the land in hand, what is the likelihood of them being able to access this \$5 million in Federal funding?

MR. ARAKAKI: Right. They would be able to get a Federal, Notice of Federal Intent, which will allow them to be eligible for additional Federal funding.

COUNCILMEMBER WHITE: Okay. Chair, if we can call the Executive Director of the Lanai facility.

CHAIR PONTANILLA: Sure.

COUNCILMEMBER WHITE: I'd just like to get a little better sense of timing and whether there have been any kinds of assurances, because this is, you know, we like doing these projects that keep things going. And this sounds like that's what's going on here, but I would just like some assurances.

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CHAIR PONTANILLA: Okay. Ms. Shaw.

MS. SHAW: Yes. The, we should hear in April as far as the status of the \$5 million funding. So that we don't have in hand, but should hear shortly. As far as the purchase of the land and the importance to our being able to carry out, not only with Federal funding but other funds, a year ago because we did not own the land, we lost 100 percent funding coming from grants and from personal donors. And it's because of some of the clauses that were in the lease from Castle and Cooke. Castle and Cooke, as you know, owns the island. There's not a lot that we can negotiate for. And as a consequence, we're cut off from Weinberg funding. We're cut off from McNerny funding, we're cut off from funding, a number of the foundations who have given us small program grants. They have indicated they're willing to give us more for our construction, but not until that condition is taken care of.

COUNCILMEMBER WHITE: Good. Thank you, Chair. Thank you very much.

MS. SHAW: Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions for Mr. Arakaki? I'd just like to add something. I know some of us will be going to Washington, D.C. next week. And one of the things that we always talk about in NACo is CDBG funding or any funding that involves human services. And, you know, previous meetings that we've had with our Federal delegation, you know, we always went there with a specific project for the County. But last year, we went there to support programs that benefit all of the communities within the United States. And one of 'em that we really pushed was CDBG, you know, maintaining the funding or increasing the funding. So I encourage all of us that are going, when we do meet with Congresswoman Mazie Hirono, Congresswoman Colleen Hanabusa, as well as Senator Inouye, that we convey our message in regards to maintaining and/or adding more funding for human services projects here in the State of Hawaii. Member Baisa?

COUNCILMEMBER BAISA: Yes, thank you very much, Chair. I am in support of the recommendation, but I did wanna point something out that I pointed out before. And I do not know if it's still available because we're beginning to hear rumblings about too much solar or too much energy, the grid can't take it. Or, you know, we're hearing all kinds of concerns about maybe too much of a quick move into solar. But on project number 9, where we talking about one of the backup projects possibly being a solar installation, worth \$341,000 and some change. I'm wondering if this is a candidate for a PPA instead. 'Cause, you know, if we can expend the money in another way, it really would help 'cause there's so little CSPG [*sic*] money. And I'm sure Mr. Arakaki is aware of it, but I just wanted to point it out.

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