

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

September 18, 2012

Council Chamber, 8th Floor

CONVENE: 1:35 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 (Out 2:38 p.m.)
Councilmember Danny A. Mateo, Member
Councilmember Michael P. Victorino, Member
Councilmember Mike White, Member

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

Lois Whitney, Executive Assistant to Councilmember Mike White

ADMIN.: Sananda K. Baz, Budget Director, Office of the Mayor
Danilo F. Agsalog, Director, Department of Finance
Edward S. Kushi Jr., First Deputy Corporation Counsel, Department of the
Corporation Counsel (substituting for Jeffrey T. Ueoka)

Seated in the gallery:

Mark Escudero, Administrative Assistant, Department of Finance
Jacob Verkerke, Chief Technology Officer, Management Information Systems,
Department of Management

OTHERS: **Item BF-77:** Mitch Skaggerberg, Director, Vietnam Veterans of Maui County
Janna Hoehn
Michael Covich
Paul Laub, President, Maui County Veterans Council
Six (6) additional unidentified attendees

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

CHAIR PONTANILLA: . . .*(gavel)*. . . The Budget and Finance Committee meeting for September the 18th is now in session. The Chair would like to recognize the Members that are here this afternoon. We have Member Carroll, Member Baisa, Member Cochran, Member Couch, Member Hokama, Member Victorino, Member White, as well as our

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Chairman...Chairman Mateo. The Chair would like to recognize the Administration personnel. We do have the First Deputy Corporation Counsel Ed Kushi, Budget Director Sandy Baz.

MR. BAZ: Aloha.

CHAIR PONTANILLA: Aloha. Finance Director Danny Agsalog.

MR. AGSALOG: Aloha, sir.

CHAIR PONTANILLA: Aloha. And supporting the Committee we do have Scott Kaneshina, Michele Yoshimura, who are Legislative Analysts, and also Camille Sakamoto, who is the Committee Secretary. Members, we do have public testimony this afternoon. So, at this time, the Chair will take the public testimony. For those of you that are providing public testimony this afternoon, you have three minutes to provide your testimony, one minute to conclude, and if you could just hang around the podium for a few seconds, Members may have questions for you. Before we take the first testifier, Members, if we could...and people in the Chambers, if you could turn your cell phone off or put it on the silent mode. The Chair would appreciate that. The first testifier this afternoon is Mitch Skaggerberg.

...BEGIN PUBLIC TESTIMONY...

MR. SKAGGERBERG: Aloha, Chairman. Aloha, to our dedicated and hardworking Council members. It's a pleasure to be here again. I'm really representing the Vietnam Vets of Maui County. We have 5,000 Vietnam Veterans of the 11,000, you know, throughout Maui County. So it's a substantial block and many of them have been calling us with some input. I have written testimony. I don't know if you've had a chance to go get it. And also, I'd like to thank the work of Councilmember Mike White, and Scotty, who's one of his Staff members, in putting the draft together...this proposed bill, BF-77, which would fix the real property tax at 150 as long as the veteran or surviving spouse own the property. I'd also like to thank our fellow veterans on the Council for some of the input you've given us over the last year we've been working on this, so thank you. And, I know, we've talked to almost all the Council on this subject. I'm asking you to vote "yes" on this bill--there's several reasons why. The first and foremost and, I think, is why we're doing it is to truly recognize the extreme sacrifices of our totally disabled veterans and realize the suffering and the adjustments they've had to make as they came back into civilian life. They did this because they loved their country and they were dedicated to it. And, I know, for sure 'cause I'm one of them and I know most of the disabled veterans on the island and they have had real challenges. So that's why, I think, we're really doing this. Secondly, 65 percent of our 11,000 veterans are now 62 or older and they're starting to die at alarming rates, which I'm going to talk about their surviving spouses in a bit. Many are dealing with serious health issues and dwindling finances to cover some of their health issues that the VA may not cover. So by fixing this part of their house costs they will have an extreme peace of mind, both the veterans but especially their spouses, so that...because as you know there's the minimum tax from \$60 to \$250 over the last three-and-a-half to four years. And, of course, they're thinking well, you

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know, there might be a reason for that but what's going to happen if it doubles again. When a totally disabled veteran passes on, their spouses lose 50 to 70 percent of their income. One from the compensation, and two, many of these wives, and we're talking now about World War II, Korean, and Vietnam primarily, they were housewives. They weren't working wives. They have no or little pension and they get really little Social Security. We have estimated they are living at about 60 to 70 percent of the HUD measurement for income and that's nationally. So when you equate it to Maui, these are severely challenged. We have 232 exemptions here and we know many of them. They have little savings and this makes a huge difference financially for their surviving spouse and their children, and their grandchildren. The 232 people, you know, we did some calculation on how much that would be in terms of income that we're looking at the difference--\$23,000. And I know our budget is about \$545 million. So it's something we think that it's not going to make a financial impact on their ability to use the tax money.

MR. KANESHINA: Three minutes.

MR. SKAGGERBERG: The other thing I would like to say is most of these surviving spouses, they're elderly as well. Many of our totally disabled veterans have been divorced...in their second marriage. This is their second chance. So, these spouses are really taking an a keen interest on this. They've called us and they're perplexed and they're a little fearful. And, I know, this would really bolster them and the veteran community unanimously supports this bill. Many of the totally disabled veterans who can take this exemption have not, 'cause I know there was some concern . . . *(inaudible)*. . . and that's how veterans are unless they direly need it they're not going to go. So we have many totally disabled veterans who feel a little more comfortable and they haven't taken this exemption. Thank you for listening to me and continue to have a good day.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier this afternoon? Seeing none, thank you again, Mitch. Next testifier is Janna Hoehn.

MS. HOEHN: Good afternoon. Thank you for the opportunity to speak. My name is Janna Hoehn. Nearly two years ago I took on a project that changed my life. I was asked if I could find photos of the following soldiers of Vietnam War--the Call for Photos Campaign in Washington, DC. The goal was to find a photo of every hero whose name appears on the Vietnam Veterans Memorial Wall. Maui had 42 of those heroes. Upon taking this project on, I felt in my heart maybe I could right a wrong to how the Vietnam veterans were treated when they came home. My first stop to obtain in finding these photos was the Maui County Veterans Council. I told them about my project and I was invited to a meeting. This meeting was a beginning of an amazing journey for me. I've never spoken publicly before and during my little speech I got very emotional. In turn, so did the veterans. After six months of searching, I had a photo of every single one of Maui's fallen. These photos will be displayed in the newest museum on the National Mall...the Education Center in Washington, DC. Once I found all 42 photos, I decided to make a display to take all of them over Maui and try to educate people about the Vietnam War and to give honor to our Vietnam veterans. During the period of my collecting photos, I was

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quite overwhelmed at the emotions I felt speaking with the families and other veterans. The stories from these families and the gratitude they have bestowed upon me is overwhelming. It has meant a great deal to them that someone wants to remember their loved ones. I held a fundraiser in June for the Education Center in honor of our Maui boys. Many of the Vietnam veterans that attended my event never in 40 years been told thank you or welcome home. I probably don't have to tell you there were a lot of tears besides mine when I thanked them. I've attended most of the monthly meetings of the Maui County Veterans Council since that first meeting. I've attended town hall meetings trying to support and understand their frustrations of what they endure. I have said in one of my speeches, our veterans go to war and fight one kind of battle. When they return home only to fight another kind. I see so much frustration for our veterans trying to receive their benefits that they so very much deserve. Two years ago I knew very little about veterans. I get the sense that most veterans do not feel the government appreciates their sacrifices. In my experience with the veterans, they don't ask for much. However, they are always the first to step up to help. These past two years, I've come away with a whole new respect for our veterans. Speaking in behalf of my newfound brothers and sisters, I am 100 percent in support of this bill for our veterans and their spouses. It's not only the veterans that sacrifice. Their spouses and families do as well. It's the least we can do for our disabled veterans who put their lives on the line for us. Now you have a chance to try to right a wrong as well. Thank you very much.

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

MS. HOEHN: Thank you.

CHAIR PONTANILLA: Michael Covich.

MR. COVICH: Good morning, Council members. First thing, I want to give you guys all kudos for this morning's meeting. I found it very interesting and very hopeful. I support this measure in what Mr. Skaggerberg said in totality. I can give you an example of somebody that won't be using this and that's me in particular, because I'm not a property owner although I'm 100 percent service ____ veteran. The property is in my wife's name. She's the sole owner. I'm not sure if this is going to help or not, but what I do know is that I had a conversation today with Bill Staton. I'm sure almost all of you know Mr. Staton. He clarified that when one of us dies, they...the family basically loses 75 percent of their income. It's over. It's gone. And that's only if they've taken certain steps to protect the last thousand. Now, service ____ veterans make good...decent money. But if you have let's say this dream of a million dollar house and your debt on your house is \$800,000, you're in tax trouble. There's not many houses on this island that aren't worth 350...\$400,000, so I don't find that a very good argument. Mostly, I really want to thank you for taking care of this bill and I want to thank you in advance for passing it. I would particularly like to thank the two people that I've talked to about it-- Mr. White and Mr. Victorino. I don't remember talking this explicitly about this bill to any of the rest of you, but if I neglected that please let me know so I can thank you now. Thank you.

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CHAIR PONTANILLA: Thank you, Mr. Covich. Members, questions for the testifier? Seeing none, thank you. The last person to sign up for public testimony this afternoon is Paul Laub, and if anyone in the gallery would like to provide public testimony if you could sign up with the Secretary in the lobby, the Chair would appreciate that.

MR. LAUB: Aloha, everybody. I'm Paul Laub and I'm President of the Maui County Veterans Council. And as you know, we have really basically three layers of government--the Feds, the State, and the County. And I have to tell you the most responsive is the County. To get things done through the Fed is pretty sad. It really is and a lot of promises have been made and to veterans and to past veterans and a lot of promises have not been kept. And it's a perpetual, from my position it's a perpetual endeavor to try to get those things that were promised done for our people. And these gentlemen here, specifically Covich and Skaggerberg, spend a tremendous amount of time helping individuals, and I really want to say that they've put forth a tremendous amount of time. And a lot of guys just don't know how to go about getting things done and they need big brothers like these guys. And I want to thank you very much for considering this bill because this bill goes to the heart of those people who are in their greatest difficulties, frankly, those who have been physically damaged to 100 percent putting forth their life for our behalf, and to the wives of those gentlemen. And especially in their older age when it's pretty tough to go out and get a job in your late 60s and especially if you're 100 percent disabled. So I want to thank you very, very much for your kind attention and if there's anything I can answer I'm here for you.

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

MR. LAUB: Thank you very much.

CHAIR PONTANILLA: Is there anyone out in the gallery that would like to provide public testimony at this time? Seeing none, Members, if there's no objections, the Chair, would like to close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

...END OF PUBLIC TESTIMONY...

CHAIR PONTANILLA: Members, we do have two items this afternoon, B-77, as well as BF-85. Thank you for being present this afternoon.

ITEM BF-77: REAL PROPERTY TAX OF UNMARRIED SURVIVING SPOUSES OF VETERANS WHO DIED WHILE ON DUTY AND TOTALLY DISABLED VETERANS (CC 12-156)

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CHAIR PONTANILLA: The first item is BF-77, Real Property Tax of Unmarried Surviving Spouses of Veterans Who Died While on Duty and Totally Disabled Veterans, and the purpose of the proposed bill is to fix the real property tax paid by the unmarried surviving spouse of a veteran who died while on duty, or a veteran who has become totally disabled as a result of a service-connected injury while on duty, at \$150. And I'd like to thank Member White for bringing this measure forward. And Members, the Chair's intention this afternoon in regards to this proposed bill is to defer the action. We have...Chair and Staff will need to review the budget ordinance with Budget Director Baz in regards to doing a budget amendment in regards to this particular bill here. So once we clear that then, you know, I see no problem in this bill going forward. And, I think, Member White is aware of that. Okay. Members, I open up the...oh, before I do that, Mr. Baz, questions or comments from you.

MR. BAZ: Mr. Chair, thank you. Thank you very much. And Member White, thank you for bringing this to the attention of the Council and our discussion. We have reviewed this and other than the timing of implementation of it, which we can discuss with the Staff and Chair, this is something that is...we support and look forward to it. We don't see that it would have a major impact on our revenue or operations. So we look forward to that.

CHAIR PONTANILLA: Okay, thank you. Mr. Agsalog, comments, if you have?

MR. AGSALOG: Good morning...good afternoon, Mr. Chair, and Members of the Committee. Similar to what the Budget Director had already has mentioned, yes this particular measure, I think, will benefit our veterans and their spouses. I think the timing though is something that we can work together because we already have certified the revenue for this current year. So with that consideration, Mr. Chair, I think, we are in the Administration in support of this particular measure.

CHAIR PONTANILLA: Thank you. Mr. White, comments?

COUNCILMEMBER WHITE: Thank you, Chair. You know, this is something that I feel is a fulfillment of a promise that we made to the veterans during the budget process. And, of course, the hope is that this bill can get passed in time for the second property tax payment for the fiscal year to be adjusted since the veterans have all already paid the 125, which is half of the 250. Hopefully, with the passage of this bill the Administration would be able to adjust the second billing to just \$25, but that's...that remains to be seen. Hopefully, we'll be able to do that as opposed to refunding an amount. But, you know, this is one of those things that I feel is the least we can do for people that made significant sacrifices for all of us, not just Maui County, but for the State and for the United States as a whole. And as we were going through the discussion about taking care of our disabled vets, I give Scotty Kaneshina a lot of credit because he looked at me and he said, we're taking care of the guys that came home. What are we doing for the guys that didn't? And that's how we've come to add the second part of the bill, which is passing on the same benefit to the unmarried surviving spouses of veterans who didn't come home. And so, thank you, Scotty, for your, you know, for bringing that up because, I think, it's obviously just as important that we do that. So I appreciate you bringing this forward, Chair, and I look

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forward to getting the budget amendment from the Mayor's Office. And I didn't hear a commitment yet, but I'm sure it's coming. Thank you.

CHAIR PONTANILLA: I'm sure it's coming. And thank you, Member White, for that comments...do appreciate your recognizing Mr. Kaneshina on this particular bill. And, Members, you know, several years ago we also passed an ordinance in regards to our active duty people that are serving in conflict areas. So we gave them the same benefits that hopefully, you know, I'm sure we're gonna pass this here as the veterans bill that we have with us. So, you know, we've taken care of the guys that are active duty in war-torn countries and this is about time we take care the veterans. Okay, Members, questions? I'll go right down the line. Member Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. I was hoping that this could pass today. However, I will to defer to the Chair and his recommendation, but I would hope that we could hear this quickly so that it can be implemented for the next...when the taxes are due so we don't have a delay inside there. Thank you.

CHAIR PONTANILLA: Thank you. The Chair's intention is to bring it up again forward at the next Committee meeting and, you know, we do have two readings on this and I'm sure we're going to be done before December 31st. So, thank you. Ms. Baisa.

COUNCILMEMBER BAISA: Mr. Chair, no question, but certainly I'm very honored to be a part of what's being done here today. And I want to thank Member White for bringing it forward and you for scheduling on the agenda. This is the smallest thing that we can do for these people to whom we owe so much. Thank you.

CHAIR PONTANILLA: Thank you. Member Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And, yeah, I too am very honored to be a part of this decision that we'll be doing shortly it sounds. And thanks to Member White and thanks to Member White for bringing up Mr. Kaneshina's involvement too 'cause we rarely hear about analysts. So it's nice to see that acknowledgment. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And first thing I want to do is thank all the vets who are here who have served. We really appreciate your service and thank you for coming to testify. And I too thank the Staff, Scott, and Mr. White for bringing this up and you for hearing it. I do have question, however, Mr., I believe, it was Mr. Covich asked the question if this will also go with the surviving spouse of a disabled vet. Is that being addressed in here? It's kind of hard determine from that.

CHAIR PONTANILLA: Mr. White, if you can, please? I don't think it does but go ahead.

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COUNCILMEMBER WHITE: I believe it does cover. It passes on to the unmarried spouse of the disabled vet as well.

COUNCILMEMBER COUCH: Okay, but I just wanted to see if they were included in that as well. Thank you.

CHAIR PONTANILLA: Okay. Mr. Hokama.

VICE-CHAIR HOKAMA: Chair, and, I think, this is a wonderful way of the County being able to use within its jurisdiction as a form appreciation and gratitude to those that have given service. And I'd like to appreciate the lady that worked on that fallen heroes photographs, but also I know that Mr. Mateo and I, we lost our fellow County people of Molokai and Lanai too in that conflict. So I appreciate the efforts that those veterans on Lanai will also be able to achieve and receive these types of benefits. But prior to the next meeting, Chairman, just so we understand if we can have someone from Finance verify what we heard in testimony that it is a very minuscule amount of the impact to the Property Tax Program. And, I believe, it would be but let's get it verified. And also if there's any requirements and cost factors to modify the real property tax system to implement this at this at its earliest time so that we can, you know, have this afforded at the next tax cycle. Thank you.

CHAIR PONTANILLA: Thank you. And, Mr. Hokama, we've already started the conversation with Budget Director as well as the Finance Director in our meeting yesterday. So we'll take care of that.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Not much else to be said. My colleagues have covered most of the items. And, yes, we are grateful and this is small way of saying our thank you to these heroes from our community who went off and protected the life, liberty, and joy of our lives here and making sure that America stays free. So whenever someone as I've seen recently burning flags and all that, I've become very distraught at that fact that, you know, you lucky you can do that here because of these people. Honor them and don't be, you know, doing what you do. So, that's another side comment and I will support whatever you bring forward, Mr. Chair. I will support and wholeheartedly work for it. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Any more comments, Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I'll just verify that in our discussions with the Real Property Tax Division the number was 23,000.

CHAIR PONTANILLA: Yeah, small.

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COUNCILMEMBER WHITE: In the...in the neighborhood of 23,000.

CHAIR PONTANILLA: Chairman Mateo.

COUNCILMEMBER MATEO: Thank you, Mr. Chair. You know, it's not very often that bills come before this body that, you know, gives you chicken skin. And this just happens to be one of them because it just goes so far beyond a simple purpose and a simple intent. It hits on the right thing to do. So I'm rather excited about this opportunity and like the rest of my colleagues grateful for this bill moving forward, Mr. White and yourself, Chair. So, I'm looking forward to the opportunity of casting my "yes" vote when it comes before the full Council. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Members, any more comments? Chair just like make a short comment. I understand that Josiah Nishita also helped on creating this particular ordinance...proposal. So questions, Members? Any more questions? Seeing none, again, the Chair, will bring up this ordinance at the next meeting whereby, you know, can get some information from the Budget Director in regards to what the questions that Mr. Hokama had asked. So without any objections, Chair would like to defer this item.

COUNCIL MEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: Thank you. And thank you, veterans, for being here to support this ordinance. Really appreciate that.

ITEM BF-85: PROPOSED CREATION OF A TREASURY PROGRAM AND PROPOSED TRANSFER OF REAL PROPERTY TAX COLLECTIONS FROM REAL PROPERTY TAX DIVISION TO TREASURY PROGRAM (MISC)

CHAIR PONTANILLA: Okay, our next item is BF-85, Proposed Creation of a Treasury Program and Proposed Transfer of Real Property Tax Collections from Real Property Tax Division to Treasury Program. This matter was introduced in the proposal for the Fiscal Year 2013 Budget. And at that time, the Committee determined that the creation of a Treasury Program and the corresponding transfer of responsibilities warranted a more thorough discussion than could be accommodated during the Budget session. Therefore, the Committee rejected the Mayor's proposal and recommended that the matter be referred to this Committee. And, Members, if you scan back in the Budget and Finance Committee minutes *[sic]*, on Page 10 as well as Page 14 and Page 19, and on Page 19, these are items that had been requested by Members for referral. So at this time, the Chair, would like to call on Mr. Baz for comments.

MR. BAZ: Thank you, Mr. Chair. And thank you for reviewing this item. As discussed, this was proposed by the Administration during the proposal of the Fiscal Year 2013 Budget and it was

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something that you determined needed further review. So we are here to answer any questions or go over any items that you may have.

CHAIR PONTANILLA: Thank you. Mr. Agsalog, comments?

MR. AGSALOG: Thank you, Mr. Chair, and I really appreciate the time that's given today to further discuss this particular proposal. This proposal that we have as the budget proposed of the Administration is in line with the effort that our Finance Department has been trying to do. As we have proposed also in the '13 Budget, Department of Finance requested a creation of a Internal Control Officer, EM-5, which I really appreciate you have given us that. And we are moving forward in trying to get the Internal Control Officer in place. Along with that, Mr. Chair, the background of putting this thing together is that we are in a very fast-paced, changing time now and the task of doing assessment for our real property tax has been getting a little bit more faster in a way...a lot of our taxpayers, they ask a lot of questions to deal with. So we realized that the assessment should focus on assessment. That is one reason why we decided to see if we can take away some responsibility as far as the collection is concerned so that the Assessment Section can focus on assessment, help our taxpayers understand the assessment process. That was one of them. And the second one, Mr. Chair, as I have mentioned during the budget hearing is the internal control part of it. As we look at best practices providing a controlled environment is the basic of internal control and it's not the only way to do so. But it's the very basic and having the segregation of duties to provide a controlled environment especially with our collection of real property tax, it's the biggest revenue source that we have. And I wanted to put this as a structure in place, and I was very happy because the Budget Director and Administration kind of see it that it will fit in the vision that we are trying to do for the internal control. I can answer more questions, Mr. Chair, if you have with regards to this particular request. And the other part of that, Mr. Chair, is we were making it as a division, a program by itself, because currently Treasury is under my Admin Office, and I don't want all those 13 people be attached to the Admin Office. That's the reason that we trying to ask for a program by itself, Mr. Chair. And I can answer any more questions if you have.

CHAIR PONTANILLA: Thank you. Members, questions? Mr. Carroll, you have any questions?

COUNCILMEMBER CARROLL: Not at this time.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Member Cochran.

COUNCILMEMBER COCHRAN: No, Chair.

CHAIR PONTANILLA: Member Couch.

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COUNCILMEMBER COUCH: Not at this time.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Thank you, Chairman. So, Director, who is currently overseeing the collections of real property taxes?

MR. AGSALOG: Mr. Chair, the collection of the property tax defers collection. In February I have asked _____ collection with the Treasury and the RPT. This August collection has been solely the Treasurer overseeing the collection, Mr. Chair. There was a transition period and in February I wanted to see how that will work out and, I think, the Treasury working with the assessment at that time were able to have a better transition so that they can implement the August collection. So right now, the August collection was overseen by the Treasurer, Mr. Chair.

VICE-CHAIR HOKAMA: Okay, so that's the Treasurer. Okay, so thank you for that response, Director. And, of course, you know, we get our bills twice a year, and so, I think, the last one was July 2012?

MR. AGSALOG: Yes.

VICE-CHAIR HOKAMA: And so what was interesting my tax bill was...it came from the Division of Treasury. So when did we create a Division of Treasury?

MR. AGSALOG: Mr. Chair?

CHAIR PONTANILLA: Mr. Agsalog.

MR. AGSALOG: It's...it is not created by the Council yet, but, however, in my discussion with the Administration and the willingness to support my request, I have put the Division of Treasury there so that we know that we are now responsible for the collection in the Treasury Department. Again, it's still my responsibility as the Director of Finance to do all the collection, and either the Assessment were doing the collection or the Treasury. is still be under my purview.

VICE-CHAIR HOKAMA: Okay. So have you adjusted the job descriptions of the Real Property Tax Administrator and the Treasurer to make it under the appropriate positions? Is that currently underway?

MR. AGSALOG: Mr. Chair, I was hoping that after our discussions and whatever tone that we will set with you, with the Council, and if the Council will approve the request I will work on the job descriptions. But currently it's temporarily transfer by the Mayor and the salary for the Treasurer is still coming under my Admin Office. We are not paying the Treasurer from the RPT Program. So it's just a reporting and overseeing the collection at the moment and the operation at the collection and tax relief side in the RPT.

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VICE-CHAIR HOKAMA: Okay, Director. Thank you for that response. Chairman, you know, I believe, during our budget deliberations that part of it was this referral. It supposed to be referred to the Committee. I had to the best of my recollection, I believe, that Corp. Counsel advised the Committee at that time that if we did not approve the transfer that everything would remain status quo, but the Director has just informed us that they've made their temporary adjustments and it has already shifted. So are we in...are we okay legally?

CHAIR PONTANILLA: Corporation Counsel.

MR. KUSHI: Yes, Mr. Chair. I think Member Hokama is referring to a memo dated April 11, 2012 to yourself, Mr. Chair, from our Deputy Scott Hanano. And the question was does the Charter allow for functions of the grants, excuse me, a related issue...does the Charter allow for the functions of the Grants Management Program to be assigned to a County Department other than the Department of Housing and Human Concerns? So in that case it was a transfer of positions from one department to another. However, in that memo it does state that the transfers would become permanent upon appropriation by the Council of the County and revert in the event that an appropriation is not made. So basically, it references Charter Section 7-5(4), which states...hold on, Mr. Chair.

CHAIR PONTANILLA: Okay.

MR. KUSHI: Seven dash five of the Charter (4) states "the Mayor shall be the Chief Executive Office of the County. The Mayor shall for make temporary transfers of positions between departments or between subdivisions of departments." So in essence that memo clarified that Charter provision. Here, I guess, from my understanding, not being personally involved, the issue was brought up in your budget deliberations. The appropriation was not made. However, the matter was referred to this Committee and here we stand today. If the issue, I guess, as a practical matter is...is it still in the temporary stage? So, again, I don't think it's a legal call per se but, I guess, since you're here, I guess, it's in the hands of the Committee. Moving on, if in fact after your discussions, if this Committee says no way, José, then, you know, it's clear and these positions even though it's within the same department need to be separated back. And if this Committee says okay go ahead then you are in essence creating another division with the appropriate salary assignments, job descriptions, union consultation, et cetera. So that's where, I believe, you stand, we stand right now.

VICE-CHAIR HOKAMA: Thank you, Mr. Kushi, for that. You know, Chairman, I have a list of questions, but I would like to relinquish my opportunity at this time. I think there's other Members that also may have similar questions potentially. So, I will reserve my right to ask for the floor to continue questions later. Thank you.

CHAIR PONTANILLA: Thank you. Just a fast question from the Chair. Temporary can go on forever or is there a limitation of time?

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MR. KUSHI: You asking me that?

CHAIR PONTANILLA: Yes.

MR. KUSHI: It's not defined in the Charter. I guess you could look it up in Black's Dictionary Law but, you know, I guess, in the...I would say this, in our determination if asked, the character of...the nature of the word temporary in this context would have to be referred to the nature your budget process that you finance, you fund these positions on an annual basis. That's just an off the cut...cuff shot.

CHAIR PONTANILLA: So another question then, just a follow-up. So in the next budget cycle if the Committee at the time refuse to provide the necessary funding for that division, the temporary status goes...the temporary status would be gone, everybody go back to their old position?

MR. KUSHI: Well, Mr. Chair, as I understand that the scenario and the history of this issue and what has been going on, I believe, it's in the correct place at this time because your Budget Committee in its Committee Report referred it...referred this matter to this Committee and you're in mid-budget right now in the budget cycle. So I don't think you need to wait till the next budget session.

CHAIR PONTANILLA: Okay, thank you. Mr. Victorino.

COUNCILMEMBER VICTORINO: I relinquish my time to Mr. Hokama when he's ready.

CHAIR PONTANILLA: Mr. White.

COUNCILMEMBER WHITE: Between you and Mr. Hokama you asked all my questions, except for, I guess, the remaining question is for Mr. Kushi. When you say revert, does that mean that everything should go back regardless of a temporary transfer or whether a temporary transfer makes that reversion complete then incomplete? I'm not sure that's a terribly good question.

MR. KUSHI: Yeah, I guess, the definition of or the phrase "revert" is that once a temporary nature of the changes, which are authorized by Charter, ends, and the ending would be your Council appropriation up or down, then you go back to square one. In this instance, it's a little different because all these positions are within the same Department. Whereas, an example of a different situation is my office. We came to this body to ask that we take the Risk Management people from Finance to our office and you said okay. It's not temporary in that nature 'cause we haven't gotten yet. But this is, I guess, this is...in this situation it is a temporary because of the allocations have been...the assignments have been made. Again, if this body says no, you go back to square one, it reverts back to what they've done before. In terms of the monetary amount, in fact, I have no idea what's involved.

COUNCILMEMBER WHITE: Yeah, I know, I wasn't asking for the monetary. I was just asking whether the...the challenge I have is made a temporary transfer, requested us to establish the

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position or to verify the change in the way we're dealing with things. We say "no" then does that mean the temporary transfer is allowed to continue because it's in the same Department? Or is that when the reversion should happen?

MR. KUSHI: Well, Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. KUSHI: This is hypothetical so I can only give you one hypothetical answer. But, again, as I understand the situation, you did not appropriate or did not officially approve of the change. However, in your Committee Report you referred the matter to this Committee. So I'm not sure if it was a drop dead "no" or just let's study it further. And you could have in your Committee Report, although hindsight is the best sight, say "no" go back to, you know, put them back to Real Property but that wasn't the case.

COUNCILMEMBER WHITE: Yeah, well that's a good point. Okay, thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Mateo...Chairman Mateo.

COUNCILMEMBER MATEO: Chair, my questions were, was answered but, I think, this is exactly why the body actually rejected it in the beginning. There were too many questions, too many how comes, how to, what the processes really were, how the funding transfer would occur. I mean, there were just too many questions during the budget process, which resulted in the actual request that the item be referred to the Budget and Finance Committee for further review. So, it was that for further review that I thought we'd be able to get all of the particulars based on process and operation. And, I think, it's kind of like at this point a little late because process and initiation has already begun. So to me, we just now need to address the next phase, which is the upcoming budgetary process and look at whether or not we'll continue to fund it. So damage done.

CHAIR PONTANILLA: Thank you, Member Mateo. Yeah, you know, when you look at the minutes itself, you know, this Committee had rejected the Mayor's Treasury Program proposal. So, you know, at the time we made that decision and then also recommended to have further discussion at this meeting. So we rejected the proposal and then we now here reviewing this matter. Corporation Counsel, you have any comments to make?

MR. KUSHI: No, I believe, you state what happened.

CHAIR PONTANILLA: Okay. Mr. Hokama, if you got...oh, Member Baisa.

COUNCILMEMBER BAISA: Just a quick comment. It appears to me that the missing piece is when we decided not to fund it and referred it to Committee. We didn't at that point say we'll take it back to where it was. And so that is what has caused this issue. It continues until we act.

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CHAIR PONTANILLA: Yeah...yeah, the two words. We rejected the proposal, that's one action that we took, which is the first action. The second action was to refer it to this Committee as requested by Members.

COUNCILMEMBER BAISA: But we didn't say put it back. Thank you.

CHAIR PONTANILLA: Member Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. To the Department, should this go forward, is this going to be adding any new positions or you're just transferring positions from one to another?

MR. AGSALOG: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. AGSALOG: It's only transferring those positions that performing the same work that they're doing there. The only change, if you will, is now the Collections and Tax Relief Supervisor is no longer reporting to the Administrator of the Assessment Division. It's now reporting to the Treasury. All the positions that's funded in the Financial Program are still being paid by that program. It's just assigning who they report to right now, and I would ask you to support my request or proposal so that we can address the controlled environment for the internal control. I have done some leg work including consultation with the union, and the affected staff in the Collection...in the Collection, I should say, and Tax Relief had the opportunity to discuss this particular temporary transfer to Treasury. And, I believe, my office has addressed all their concern and in fact I have gotten a letter from HGEA approving the temporary transfer. So essentially, Mr. Chair, and to answer Mr. Couch's question, it's just a matter of where the supervisor of the Collection and Tax Relief Supervisor reports to.

COUNCILMEMBER COUCH: Thank you.

CHAIR PONTANILLA: Just a follow-up question. The HGEA approved the temporary transfer. Now, should this thing go forward and become permanent is there an opportunity again to talk to HGEA in regards to the contract?

MR. AGSALOG: Mr. Chair, I have a very good relationship with HGEA and I do not mind redoing a consultation with them should you give me the authorization to make it permanent, and then in fact if this thing will...if you tell me today to ask the Budget Director to submit budget amendments to reflect it as such on the E/P count, I would immediately contact HGEA for an initial consultation and I will ask for their support to do this.

CHAIR PONTANILLA: Okay, before I call on Member Hokama, I'll call on Member Baisa followed by Member Cochran. And, Mr. Hokama, you can take the bountiful questions.

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COUNCILMEMBER BAISA: Thank you very much, Chair. Just one more question. Mr. Agsalog, you mentioned the reasons for doing this and one of the reasons that you mentioned several times now is internal control. Can you explain to me and my colleagues the difference in internal control? How is it going to change and improve from the way it was to the way you are proposing or the way it is temporarily?

MR. AGSALOG: Mr. Chair, a basic internal control is...happens that we have a potential risk when one controlling individual are able to execute and keep the record and we only find it during monitoring. However, if you have an operation that is segregated, the risk is not as much as when one controlling individual when he execute, keeps the record, and pay the bills, and keep the records that way. In our case, like I mentioned earlier, in our discussions during the Budget Committee, it is a potential because the structure does not exist where segregation of duties is currently performed right now. Unfortunately, sometimes when we put internal control it does not always address efficiency. But it is a controlled environment that we're trying to do. Controlled environment is not only the answer for internal control but is the basic. When we do not have the basic structure in place, we have to be addressing it by strategy and other monitoring ways. But this one since the function it's easily...we can easily insert a structure by making the Collections Supervisor report to a different person versus the one that's assessing, approving all the assessment, approving all the waivers and penalties and interest, adjusting the rules, and keeping the record, I think, it is essential for us, as a policymaker, to insert something in place that does not cost us that much money. This is a very easy fix for a structural controlled environment. That's why I have proposed this as a measure for a potential things that happening in the future. That's all. It's not...it's not something that I just make it up. You know, it's a best practice that Council tells us that you should do the structure first. That's it. It's not a magic.

COUNCILMEMBER BAISA: Thank you very much. I thought it was important to explain what internal control means. This is a standard accounting practice that you separate duties, you have more eyes and ears looking at things. There is less opportunity for collusion and error. Thank you.

CHAIR PONTANILLA: Thank you. I was hoping that efficiency should have been, you know, should play a big part in this movement, not so much. But, yeah, you do need internal control but, you know, internal control also brings in efficiency and anyway that's my two cents on that one. Efficient...when you say not much efficiency, I have a problem. Member Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. So, Mr. Agsalog, this temporary transfer when did it occur?

MR. AGSALOG: Like I said, Mr. Chair, when we had the collection in February I had asked the Administrator and the Treasurer to work together for the transition. In August, it was the full responsibility of the Treasurer to collect the second...the first half of the current revenue.

COUNCILMEMBER COCHRAN: Thank you and a follow-up, Chair.

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CHAIR PONTANILLA: Sure.

COUNCILMEMBER COCHRAN: And since then...well it's only been like a month, I guess. Have you seen positive changes or kinks in this new movement that has occurred at all at this point?

MR. AGSALOG: Well the reporting of the collection was more frequent to me this time because I had monitored it. Again, Mr. Chair, collection of revenue is essentially my function. The Staff that we hired to perform this function do the work for me. So I am looking at ways to do my job in a more...well my...the Chairman said I didn't say efficient, but like I said it's more for us to have accountability and transparency of the things that we do. Again, it's also a function that when I asked that the assessment will focus in assessment that's another reason why I wanted them to just pay attention to that.

COUNCILMEMBER COCHRAN: Thank you. Thank you, Mr. Agsalog. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Hokama.

VICE-CHAIR HOKAMA: Chairman, thank you, Chairman. I appreciate the questions my colleagues asked and most of us who work in private sector understand internal controls and its purposes, Chairman. And normally if there was concerns 'cause we've been doing this in a manner for many decades, would have shown up in Management Letters from our Independent Auditors, and I cannot recall once having some comment regarding the concern. But, again, I'm happy to look at this in a different way but, I disagree with some of my other Members. The Committee made a decision in budget and that is why reverted the E/P counts and the funding back to the original Division and that, to me, was a decision. So we decided where we wanted this program to be and that was status quo. This is to consider whether or not we were going to be open to transferring this to another component of the Department. But at that point that we said "no". So, for me, this temporary transfer is going against the Council's policy decision. Now if we look back, you know and I've heard the Director, so will collections if he still wants the Treasurer to now be responsible, is Collections going to move to One Main Plaza where the Treasurer is situated? Or you guys going to keep it where it is currently today? 'Cause what control you have when you cannot even supervise the people you assign when you not even in the same place?

CHAIR PONTANILLA: Mr. Agsalog?

MR. AGSALOG: Mr. Chair, like I mentioned, the move or the temporary transfer was essentially just the reporting of the Supervisor to the Treasurer. And, yes, they'll still be staying at the Service Center where they are, but the supervision of that particular function our Treasurer does a frequent travel to the Service Center to see the staff over there. She's been very, very active in participating in doing the collection. So, I think, we can make it work. But, again, these are good questions to answer. But, again, I can make it work that they will stay where they are. That was part the question of my consultation with the union if we move them or not. And we

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said no, they will stay where they're at. In fact, during the consultation time they moved from the Assessment Section to the new area where they're at now where we have the nice windows-- a very secure collection area at the Service Center.

VICE-CHAIR HOKAMA: So on appeals regarding either an assessment or their total tax bill, the Treasurer would now will be making the decision on whether to grant the appeal or to make the adjustments internally within parameters, Director?

MR. AGSALOG: The appeals, Mr. Chair, are still...it's the function of the Board of Review. And in that process it's the Assessor that will make the stipulated agreement, but it will be recorded accordingly in our system. But our Collection and Relief Section will be able to look at the report. Again, it's just more transparent than it would be when all the Collection and Assessments report to one individual. But, again, it's the same process as it was that the stipulated agreement still be approved by the Administrator and all that because they are the expert on that particular one. But, again, when we do sign checks to refund, it will be coming out of our Treasury.

VICE-CHAIR HOKAMA: Okay, thank you for that response, Director. I appreciate that. Chairman, you know, one of the things why I'm looking at this seriously is that at one point we adding additional responsibilities to the Treasurer's position. That wasn't part of...what was existing and what we hope to move for the future. But yet, at the same time though, there's areas that the Treasurer is responsible for that now it makes, puts back into question my concern. Okay, and this is part of Monday's meeting because the Treasurer is also supposed to be working on two things--recommendations and how we do the bond float, and second how the Treasurer impacts the returns on our short-term investments, which I have shared with you my disappointment that it is totally inadequate and not doing the County a favor by the type of interest earning on their short-term portfolio. I don't care whose numbers they use...Libor numbers or what. Even .1 of 1 percent. They're not even close to that number. Okay, so I have issues. We're going to give the Treasurer something and then on the other hand we're going to hire third-party contractors to advise us that the Treasurer should be doing by job description. You know, I think, this Committee needs to make a policy decision on how we want this. Who gonna control the money? Who's gonna be giving the advice? And who's going to represent the Administration part before the Council for us to make the right decision on whether or not we're going to borrow, what terms, and who actually works for us. 'Cause the third-party is under contract but if that's the route we want to go then why does the Treasurer need to have those responsibilities? Maybe we should just call that a Financial Collector or something instead of a Treasurer. But in all my experience going through various multiple bond presentations, the Treasurer plays a critical role in how we present our request to the rating agencies. So, again, Chairman, you know, I know I'm bringing up some things for Monday's future meeting, but it comes back to the point of why do we add to the Treasury certain things from this component, but if we're going to relieve them of other responsibilities that they have traditionally and by job description and how we've positioned the funding for them to perform? I mean, do we need to pay twice for the same advice? And they may be rhetorical questions, Chairman, but, you know, I'm opposing this and I'm pretty sure the Directors have their responses and that I would be happy to just hear

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too. But, again, Chairman, I'm coming from a point of structure, efficiency, and costs. And why do we need to hire additional when we already have positions tasked with responsibilities and that has performed in the past to the County's benefit? So those are my questions at this time, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. And one of the questions that the Chair was going to present, Director Agsalog, was...and I understand some of the responsibilities from the Treasurer is now being done by, you know, like the third-party in regards to the things that you talked about, especially investments. Mr. Agsalog, what is the job description for the Treasurer?

MR. AGSALOG: Mr. Chair, I do not have the job descriptions at the moment but I can provide that for you if you need it. However, Mr. Chair, the statutory mandate it's me that will function as the Treasury, as the Tax Collector, and any other function in the Department of Finance. And I appreciate Mr. Hokama's enumeration of those particular concerns, and I would be more than happy to share with him my function as the Director of Finance. And, I think, he would have a better appreciation when he knows the requirements I ask from my Administrator because I push them, okay. To answer some of the concern that Mr. Hokama just mentioned briefly. Even when the Treasurer in the former Administration was not functioning as the Manager or Supervisor of Collections, we have also retained a financial advisor to float the bond. The only difference is that I have retained a financial advisor when I didn't have an investment officer and that is very transparent. It's clean. It's...the contract is there so everybody can see it. But I retained that because I needed it. I did not have the expertise at that time because the position was vacant. And, in fact, I hired the same expert financial advisor that they used in 2010 floating of the bond. I just because he had knowledge of our accounting so I retained him as such. And he has helped me, okay. So with this particular addition to the Treasury, he's allowed me to look at what my people can do to serve you...to serve the people. I know that the Treasury can do some more including supervising the collection as well as doing the investment for our investment money that we have. As I have already said...told the Investment Committee, I know that we have to make some yield in our investment but for me when you need the cash, the cash will be there. Okay. Its safety and liquidity is the number two things that we'll go. And, I think, we can all agree because we have projects that comes and we need to pay our contractors. So if I can provide that although we would like to have more yield in our investment if I can just provide that now, I think, we are in good shape. We don't have to worry about not paying our contractors when they needed the paycheck for our people that worked so hard. So I am comfortable with the function that they doing now at Treasury managing our cash and still giving them extra work to do and without taking any money from the allocated to the Collection. It's still the same source of funds. So if the Committee is thinking that I in the temporary transfer that I have is I have spent any money from other allocation to perform this function, that's not the case. It's still the same as you appropriated, wherever those people are getting paid from, it's the same program that you allowed me to. The only thing is supervision. That's all I have right now that's difference from what the budget is mandated me to do. And, Mr. Chair, in the action that I have done is no disrespect for this Committee. It's just for me so that I can sleep at night at least the little time that I have at home, because that's what I want to create here is a structure

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internal control not watching everybody all the time. It's a structural and once we have this in place, I think, all of us can say accountability and transparency exist in the County of Maui.

CHAIR PONTANILLA: Thank you, Mr. Agsalog. Yeah, we too, you know, like to sleep at nights knowing that, you know, the County's finances are in good condition. Chair would ask you though...the Chair has intentions of deferring this item and bringing it back. And if you can provide us with some overview for further discussion in regards to the movement that is...this temporary movement and what it would it create for the County in regards to efficiency, internal controls, manpower requirements, you know, should we move forward. For me, you know, coming from a private industry, every time we do something, you know, you present an overview of what you're going to do. What is the savings? What is the efficiency? You know, who's going to do what? Those are important things that well we still need to be discussed. So, Members, any more questions? Mr. White.

COUNCILMEMBER WHITE: Thank you, Chair. And thank you for that because, I think, that's the piece that's kind of missing. And when we took the money out of one area of the budget along with E/P and put it back where it originally was, I feel we essentially said "no". What I was expecting to hear today was...was a little more details of why we're doing it and this is why it's important. And, you know, I can understand but there are...there are ways to create internal controls with two people...having two people check. And, I think, it would be more comfortable for the Members if there was a little more of a...little more detail as to why it's necessary and how they're going about it. And so I appreciate your asking for that additional detail. And, I think, in the end many of us will support it. But, I think, it's, you know, we have a responsibility to make sure that what we say if we don't agree with it that we get the proper explanations and so that we can comfortably approve of it. So I appreciate it that, Chair.

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

MR. AGSALOG: Mr. Chair?

CHAIR PONTANILLA: Mr. Agsalog.

MR. AGSALOG: Thank you. And I just say this and it may be it's up to you how to do it. If you allow me to ask the Budget Director to introduce an amendment and then we can discuss this and you guys can vote "yes" or "no" on it because right now we are in a discussion as far as you don't have any action things to do. You just discussing this issue. So, if you allow me, Mr. Chair, I would ask the Director of Finance to send something to you...Director...Budget Director to send something to you in a form of budget amendments moving those E/P as well as the associated number and let's see where the discussion will go.

CHAIR PONTANILLA: Mr. Agsalog, I'd love to do that but we already rejected one time and, for me, you know, if you can provide us the answers to some of the questions I asked and if we feel comfortable then you present us your budget amendment to do those moves. I know it's not agendized but we have done some things in the Real Property Tax Division to improve that area

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in regards to improving our revenue stream, and, you know, it kind...I'm pretty dismayed in regards to, you know, we haven't moved on certain things that we should be moving on. You know, we have set aside monies to purchase equipment so that it will help the Division in going after or making their job easier. And, you know, these are real time stuff. And then also the number of employees that we added on to the County government, the Real Property Tax. Those are all things that will help Maui County achieve better revenue source. In other words, going after the guys that, you know, cheating the County. And, I know, it's not agendized but I thought I'd provide you with that comment. Member Hokama.

VICE-CHAIR HOKAMA: Chairman, thank you. And I'd just like to ask the Budget Director if he could please, you know, remind the appropriate departments 'cause in this Committee Report you've attached to this item today, Chairman, we know that the Committee referred various items to multiple standing Committees of the Council for review through the budget process. And again, Director Baz, if you can remind the departments please that if they are looking at doing temporary transfers as Director Aagsalog has considered, there is Section 7 of the Ordinance that requires the departments to inform us if a temporary transfer is going to last more than 30 days. And so I just ask if you could please remind them that notification would make us understand what's happening instead of waiting for a formal Committee meeting to be informed. That would be appreciated, Director. Thank you.

MR. BAZ: Thank you, Mr. Chair. And I would like...one example of that is the Grants Management Division and we have been, you know, discussing where it is in your Committee. And as you're aware, you know, we're waiting to discuss that at the Committee level. We were hoping to do a temporary transfer in October 1st, but it looks like we'll delay that until the Committee can meet.

VICE-CHAIR HOKAMA: We're going to bring it back sooner than later.

MR. BAZ: Thank you.

VICE-CHAIR HOKAMA: Thank you.

MR. BAZ: Mr. Chair?

CHAIR PONTANILLA: Go ahead.

MR. BAZ: I recognize your discussion of the Real Property Tax items that were in budget and until the appropriation _____ me, I'll say that there has been items moving forward. We have had discussions about the new CAMA system. The Real Property Tax Administrator has requested travel to a CAMA software training and expo kind of an item, I think, I believe, it's next month. We have authorized the filling of the position that was created for the GIS in that Department...in that Section so that the person that has been temporarily assigned to that from the Planning Department can be permanently fill that position. So there has been movement in the Real Property Tax Division related to some of the items that you discussed.

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CHAIR PONTANILLA: Thank you. Members, any more questions for Budget Director or Finance Director at this time? If there is no more questions, Scott, you had something? No. Okay. Members, if there's no objections, the Chair, would like to defer this item.

COUNCIL MEMBERS VOICED NO OBJECTIONS. (excused: DGC)

ACTION: DEFER pending further discussion.

CHAIR PONTANILLA: The Chair is going to defer this item probably...hopefully we can review it in the next meeting, but we'll set an agenda for this one here. I just want to come to the bottom of this whole thing so that we don't ponder this thing. And if it does help the Finance Department then by all means something like this can be looked at. So, the Budget and Finance Meeting for September 18 is now adjourned. . . .(gavel). . .

ADJOURN: 2:55 p.m.

APPROVED:


JOSEPH PONTANILLA, Chair
Budget and Finance Committee

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Transcribed by: Delfey Fernandez

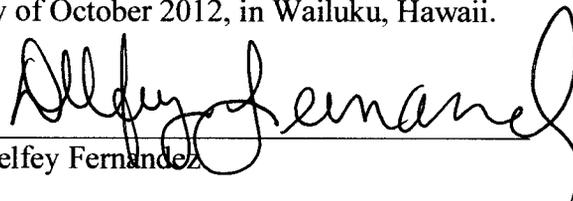
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CERTIFICATE

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

DATED this 9th day of October 2012, in Wailuku, Hawaii.



Delfey Fernandez