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M I N U T E S
BUDGET AND FINANCE COMMITTEE
COUNCIL OF THE COUNTY OF MAUI
WAILUKU, MAUI, HAWAII
APRIL 25, 2014

APPROVED:

Committee Chair

Transcribed by:
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ORIGINAL

1 **CONVENE:** 10:08 a.m

2 **PRESENT:** Councilmember Mike White, Chair
3 Councilmember G. Riki Hokama, Vice-Chair
4 Councilmember Gladys C. Baisa, Member
5 Councilmember Elle Cochran, Member
6 Councilmember Donald G. Couch, Jr., Member
7 Councilmember Stacy Crivello, Member (out 10:25
8 a.m.)
9 Councilmember Don S. Guzman, Member (out 11:05
10 a.m., in 12:12 p.m.)

11 **EXCUSED:** VOTING MEMBERS
12 Councilmember Robert Carroll, Member
13 Councilmember Michael P. Victorino, Member

14 **STAFF:** Michele Yoshimura, Legislative Analyst
15 Chancy Hopper, Legislative Analyst
16 Jordan Molina, Legislative Analyst
17 Yvette Bouthillier, Committee Secretary

18 Ella Alcon, Council Aide, Molokai Council
19 Office (via telephone conference bridge)
20 Denise Fernandez, Council Aide, Lanai Council
21 Office (via telephone conference bridge)
22 Dawn Lono, Council Aide, Hana Council Office
23 (via telephone conference bridge)

24 **ADMIN:** Sananda Baz, Budget Director, Office of the Mayor
25 Lance Hiromoto, Director, Department of Personnel
26 Services
27 David Underwood, Deputy Director, Department of
28 Personnel Services
29 Jeffrey T. Ueoka, Deputy Corporation Counsel,
30 Department of the Corporation Counsel

31 **OTHERS:** Luana Mahi, Board President, Maui Food Technology
32 Center
33 Judy Aikawa, Board of Directors Chairperson, Maui
34 Humane Society
35 Sandy Freeman, Executive Director, Maui Adult Day
36 Care Centers

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1 Kyle Sakamoto, Board Member and Treasurer, Maui
Adult Day Care Center
2 Dennis Burns, Co-Founder, Valley Isle Animal
Rescue
3 Desmond Manaba, Molokai Council Office (via
telephone conference bridge)
4 Jim Schelinski, Molokai Council Office (via
telephone conference bridge)
5 Steve Perkins, Manager, Maui Research and
Technology Park
6 Tadahiro Togami, Manager, Hitachi, Ltd.
Pat Borge
7 Mitch Skaggerberg, Member, Maui County Veterans
Council
8 Others (7)

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

10 CHAIR WHITE: ...*(gavel)*... The Budget and Finance
11 Committee will please come to order. I'd like to start by
12 welcoming Committee Vice-Chair, Riki Hokama.

13 VICE-CHAIR HOKAMA: Chairman.

14 CHAIR WHITE: And Council Chair Gladys Baisa.

15 COUNCILMEMBER BAISA: Good morning, Chair.

16 CHAIR WHITE: Good morning. And Member Stacy
17 Crivello.

18 COUNCILMEMBER CRIVELLO: Good morning, Chair.

19 CHAIR WHITE: Elle Cochran.

20 COUNCILMEMBER COCHRAN: Aloha. Good morning,
21 Chair.

22 CHAIR WHITE: Aloha. Don Couch.

23 COUNCILMEMBER COUCH: Aloha and good morning,
24 Chair.

25 CHAIR WHITE: Good morning. And Don Guzman.

1 COUNCILMEMBER GUZMAN: Good morning, Chair.

2 CHAIR WHITE: Good morning. And excused for today
3 are Robert Carroll and Michael Victorino. Mr. Victorino is
4 in Honolulu, working on the removal of the TAT cap. So
5 we're wishing him all the best of luck.

6 Members, this morning we will be finishing up our
7 review of departments. And, today, we have the Department
8 of Personnel Services. And we're joined by Lance Hiromoto
9 and David Underwood, along with our Director of Budget,
10 Sandy Baz, and Deputy Corp. Counsel, Jeff Ueoka. And our
11 Staff is all over the place, but Yvette is here with
12 documents. Yvette Bouthillier is our Committee Secretary.
13 Jordan Molina is passing out documents. And Michele
14 Yoshimura and Chancy Hopper are the other Committee
15 analysts. And if I mispronounce or misstep today, it's
16 because we didn't leave here until early this morning, so --
17 but I'm actually feeling pretty good, so, without delay,
18 we'll move into testimony. And we'll take five here prior
19 to going to our District Offices. And I don't have my
20 glasses on. Our first testifier here this morning is Luana
21 Mahi, followed by Judy Aikawa.

22 **...BEGIN PUBLIC TESTIMONY...**

23 MS. MAHI: Good morning. I represent Maui Food
24 Technology Center. I am the current Board President. And
25 we are a local nonprofit 501(c)(3) organization that

1 provides food science and sales and marketing services to
2 our local food producers to take their product to market.

3 We recently had a supply and service expo in
4 February. And we received grant monies from the Office of
5 Economic Development from their Economic Development
6 Initiative Fund. And I was here to just thank you all for
7 allowing us to have the grant money that we -- that we did
8 for this event. It was a very successful event.

9 I've shared programs with you as well as our
10 recyclable shopping bag that we had printed for the event.
11 We had over 45 vendors that attended. We had over 400
12 attendees that attended, and it was held at the Hannibal
13 Tavares Community Center in Pukalani. Mr. Guzman also
14 attended, which we were grateful for. Thank you.

15 Some of the feedback that we received from the
16 event was the vendors that attended were very pleased with
17 the type of attendees that we had because there was very
18 true network marketing, not only with the customers or
19 clients that attended, but within the vendors themselves.

20 And so, also, our Board Members consist of Mike
21 Abrams, who's our founder and owner of Flavor Waves, Warren
22 Watanabe from the Maui County Farm Bureau, Jeanne Skog from
23 the Maui Economic Development Board, Dean Louie from Maui
24 Culinary Academy, Susan Campbell who is a chef and
25 instructor. And so we're just very grateful for you all and

1 for everything that you've done with the Office of Economic
2 Development, especially who supports a lot of our special
3 projects.

4 We also just recently did a recipe contest at the
5 Maui Agricultural Festival that we do every year. And we'd
6 like to continue to do it. We have a list of companies
7 that's looking forward to participating, again, with us next
8 year as well as many clients that we currently service that
9 are looking forward to it. Thank you.

10 CHAIR WHITE: Thank you, Luana. Members,
11 questions for the testifier? Seeing none, thank you very
12 much. And Judy Aikawa will be followed by Sandy Freeman.

13 MS. AIKAWA: My name is Dr. Judy Aikawa. I'm the
14 Chairperson of the Maui Humane Society Board of Directors.
15 And I'm testifying on behalf of MHS. Thank you very much,
16 Council Members and Chairman White, for allowing me to
17 testify again. I know you're at the end of a long journey
18 here, and I appreciate this opportunity.

19 This time, I am here not to ask you to fund County
20 animal contract or the Maui Humane Society. Rather, to
21 discuss with you the fact that, the last several years, the
22 Budget process involving MHS has become so contentious and
23 negative that we are left with the impression that asking
24 you to evaluate and fund our programs and services, even the
25 ones mandated by the County, is probably futile.

1 You appear to think we are, at best, incompetent
2 and, at worst, criminally negligent. You have also
3 demonstrated that you are willing and even eager to listen
4 to claims of other people without making a real effort to
5 find out the truth about the allegations.

6 Mr. White has said publicly that he has concerns
7 about our agency, but he has consistently refused to meet
8 with us on the 12 separate occasions when we tried to
9 schedule a meeting with him. We were told by his staff that
10 he unequivocally would not meet with CEO Bouchard. And then
11 Robert Kawahara, certainly a well-respected member of this
12 community, and myself tried to meet with Mr. White. Once
13 again, we could not get an appointment.

14 I don't understand why someone in his position
15 wouldn't take the time to discuss with us his concerns. We
16 certainly would have appreciated the opportunity to clarify
17 things from our standpoint.

18 More recently during these Budget hearings,
19 despite negative comments about MHS operations, our CEO has
20 not been allowed or asked to answer questions. Instead of
21 availing yourselves of her knowledge, you are relying on the
22 word of other people who do not have the facts. By this
23 mechanism, unsubstantiated charges are allowed to stand
24 unchallenged and misinformation reigns supreme.

25 As an ordinary citizen and a volunteer for a

1 nonprofit agency providing needed services to Maui
2 community, I find the situation to be outside of my comfort
3 zone, and reprehensible for governmental process which
4 claims fairness.

5 Because of these facts, the Maui Humane Society's
6 only request at this time is that you follow the suggestion
7 of Jo-Ann Ridao, Director of Housing and Human Resources, to
8 have an impartial agency do a thorough evaluation and audit
9 of the Maui Humane Society, determine if we are what we
10 claim. And we claim to be honest and effective. We have
11 nothing to hide. And we are confident that such a study
12 will end up reassuring the public and putting these
13 malicious rumors to rest once and for all. Hopefully, at
14 that point, the Council can, once again, interact with MHS
15 in a respectful manner.

16 One final point. MHS is the only agency on Maui
17 qualified and equipped at this point with the necessary
18 resources, facilities --

19 MS. YOSHIMURA: Three minutes.

20 MS. AIKAWA: -- and trained staff to fulfill the
21 County's animal management needs.

22 MHS has responded in good faith to the RFP for
23 animal welfare services, although no amount was specified
24 when the RFP bid was put out. We have indicated that we are
25 willing to contract with the County on these mandated County

1 services that can be fully funded, and we are willing to
2 negotiate and partner with the County to provide
3 non-mandated services so that Maui County can provide the
4 animal management services that they are required to do so
5 by law.

6 Just a personal note -- I know I'm out of time --
7 but I am not a person who enjoys this kind of negative
8 adversarial stuff. I mean, it's very nerve-racking for me
9 to even be up here. And I just hope that we can all find a
10 common ground so that we can work together and we can do
11 what is best for the animals. Because I have a wonderful --

12 MS. YOSHIMURA: Four minutes.

13 MS. AIKAWA: -- Board made up of passionate people
14 who are full-time and very, you know, engaged residents of
15 this community. And they donate their time and their
16 efforts. As does our staff, they're paid, obviously. But
17 we really are trying to do our best. And if I could make
18 everything better in an instant, I would do it. But that's
19 not possible.

20 Thank you. And I hope you'll consider the
21 comments that I've made today. Thank you.

22 CHAIR WHITE: Thank you, Dr. Aikawa. Members, any
23 questions for the testifier? Seeing none, thank you for
24 coming this morning. Our next testifier is Sandy Freeman.
25 She'll be followed by Kyle Sakamoto.

1 MS. FREEMAN: Good morning. I'm Sandy Freeman,
2 the Executive Director of Maui Adult Day Care Centers. And
3 I'm here to, number one, share with you our program changes
4 that have been made through the years, very briefly. I've
5 met with just about all of you previous to this morning as
6 well as at the Central Budget hearing. So most of you know
7 our programs, and you've been over there to see us and that
8 kind of thing. So I'm just going to kind of highlight the
9 changes that have been made through the years. And then
10 Kyle will follow me with the details of support and why
11 we're asking for the increase this year.

12 Basically -- well, this is our 40th anniversary.
13 So you folks are gonna be getting invitations to our events
14 throughout this -- this whole year. And we now have -- you
15 know, we've gone from one facility, and we now have five,
16 which includes Hana. We're open now not only on Saturdays
17 and weekdays, but on Sundays. So we have seven days a week.
18 We've increased our hours from 7:00 in the morning 'til 5:30
19 in the afternoon to 6:30 in the morning to 6:00 at night.
20 Friday night's our sundowning program, we go until 9:00.

21 And we find, also, that these extra programs
22 actually are financially beneficial because the families
23 take advantage of them. And so we do not operate in the red
24 with those at all.

25 Our clients are -- we're all living longer, and

1 they're still line dancing at 80 years old. And so by the
2 time we get them at our centers now, they come to us with
3 more medical and physical needs than what they have in the
4 past. And when that occurs, we need to increase staffing.
5 By the guidelines for our licensing purposes, we have to
6 have one staff for every six. But some of our clients,
7 actually, we have to staff it one to three for their safety
8 and to meet their needs. And that has been a big change
9 over the years.

10 Plus, they actually need to have additional
11 training. Our staff used to not come to us, they could be
12 high school graduates, that kind of thing. We now need to
13 have them certified nurse's aides, to come in and to work
14 with our clients.

15 And, also, our program goes beyond just caring for
16 the clients. We are -- we address the needs of the
17 families. Because I will tell you, when you deal with
18 someone with Alzheimer's disease and dementia --

19 MS. YOSHIMURA: Three minutes.

20 MS. FREEMAN: -- they are -- it's quite taxing.

21 So, anyway, with that, I thank you very much for
22 your consideration. And Kyle will be following me.

23 CHAIR WHITE: Thank you, Ms. Freeman. Any
24 questions for the testifier? Mr. Guzman.

25 COUNCILMEMBER GUZMAN: Thank you, Chair. Hi,

1 Ms. Freeman. Thank you for coming. And, also, thank you
2 for allowing me to take a tour of the -- the various
3 facilities. It was very -- it was a life experience for me
4 to see the different varying degrees of each -- each
5 facility.

6 I had a question. When you -- when you said that
7 you operate -- you don't operate in the red, is that for the
8 weekend programs? Is that what you -- what you said?

9 MS. FREEMAN: Yes, all the extras. Some time, I
10 think the impression, if you -- if you add something, then
11 it's -- you're gonna need more money for that. What I was
12 really saying is that it -- it pays for itself on those
13 extra programs.

14 COUNCILMEMBER GUZMAN: Okay. And so on the -- the
15 extra programs, what do you charge on a -- on the fee
16 itself? For --

17 MS. FREEMAN: The same --

18 COUNCILMEMBER GUZMAN: For the daily --

19 MS. FREEMAN: The same daily rate that we have
20 weekdays.

21 COUNCILMEMBER GUZMAN: Okay.

22 MS. FREEMAN: And then for our Friday night
23 program, we charge an additional \$30.

24 COUNCILMEMBER GUZMAN: \$30.

25 MS. FREEMAN: For the extra hours there. But on

1 Saturday and Sunday, it's exactly the same price --

2 OUTSIDE CALLER: What happened?

3 MS. FREEMAN: -- as the other.

4 COUNCILMEMBER GUZMAN: And -- and I -- I cannot
5 recall --

6 OUTSIDE CALLER: No. I'm talking to George.

7 COUNCILMEMBER GUZMAN: -- the price. The normal
8 daily --

9 OUTSIDE CALLER: Eh?

10 CHAIR WHITE: Could you hold on just a moment?

11 We're in recess.

12 **RECESS: 10:22 a.m.**

13 **RECONVENE: 10:24 a.m.**

14 CHAIR WHITE: ...*(gavel)*... Meeting of the Budget
15 and Finance Committee will come back to order. I don't know
16 how it happened.

17 MS. FREEMAN: I believe you were asking for our
18 daily rates.

19 COUNCILMEMBER GUZMAN: Yes. Yes. Yes, Sandy.

20 MS. FREEMAN: In the past, we've had a flat rate
21 of \$49 a day. And this past year, our current year, year
22 that we're in now, we realized that we need to make some
23 changes. So, now, we charge \$52 a day for our
24 high-functioning, the clients like that are at the Nisei
25 Veterans Program, and our high-functioning that are in our

1 -- some of our other programs. And then we charge \$53 a day
2 for that mid-group. They're -- they're not as high as they
3 used to be cognitively or physically, but they're also not,
4 you know, the lower, almost nursing home level. And then
5 when we get to that level of the ratio of one to three, then
6 we go to \$55 a day. So it -- it gives you an idea that we
7 are working on -- on trying to meet those needs and cover
8 for the -- the extra staffing that we do need. And it seems
9 to work out much better because, for our high-functioning,
10 we do one to six. For our middle group, it's one to five.
11 And our low functioning, it's one to three. And, also, like
12 if -- if any of our office staff --

13 CHAIR WHITE: I think you've answered the --

14 MS. FREEMAN: Okay.

15 CHAIR WHITE: -- question now. Thank you.

16 MS. FREEMAN: Thank you.

17 COUNCILMEMBER GUZMAN: Thank you, Chair.

18 CHAIR WHITE: Did you have another question,

19 Mr. Guzman?

20 COUNCILMEMBER GUZMAN: I'm good.

21 MS. FREEMAN: Okay.

22 COUNCILMEMBER GUZMAN: Thank you, Sandy.

23 MS. FREEMAN: And thank you for coming to our
24 facilities.

25 COUNCILMEMBER GUZMAN: Thank you for having me.

1 CHAIR WHITE: Thank you very much. The next
2 testifier is Kyle Sakamoto, followed by Dennis Burns.

3 MR. SAKAMOTO: Good morning. I'm Kyle Sakamoto.
4 I'm a Board Member and the Treasurer of the Maui Adult Day
5 Care Centers.

6 First of all, thank you, again, for giving us this
7 time. I did meet with a bunch of you, with Sandy. And
8 thank you for asking Sandy some of my questions, so -- makes
9 my job easier. But thank you, again, for all the support
10 over the years for the Maui Adult Day Care Centers.

11 Sandy did give you some of our background and
12 changes over the years. My goal as the Treasurer and Chair
13 of the Finance Committee has been to try and be more
14 efficient and get the organization as self-sufficient as
15 possible. It's been challenging. The -- the growth of our
16 population that we serve has grown significantly, and it
17 continues to grow, just based on general demographics. And
18 we do appreciate the line item that you've given us. And we
19 -- we -- we are looking for some more help this year.

20 We try to be more self-sufficient, but the
21 challenge has been that, over the past decade, our operating
22 budget has jumped over 120 percent. Our clients have
23 doubled. We have ventured out on our locations to where our
24 clients are. So we do have five centers. Our personnel
25 costs have doubled. And that's despite our staff foregoing

1 a couple holidays a year and not getting a raise. It's just
2 because of the demand for our services, that's why our
3 personnel costs have increased.

4 Sandy did mention about our ratio. You can see
5 the high-functioning, meaning, you know, the new people to
6 the program and who are more capable, personnel-wise, their
7 cost is half as much as our, you know, more advanced
8 clients. That -- that's a big cost.

9 And she did mention that -- the different tiers in
10 our costs. It's a start. It's not that big of a gap, you
11 know, 52, 55 and 56, but we're -- we're trying to ease our
12 clients in, because they can only support so much
13 personally.

14 Our utility costs have increased by a multiple of
15 eight in the past 10 years.

16 Your question on moving to seven days. Actually,
17 we've been looking for different ways. And -- and our staff
18 has found a way to support the -- the overall program while
19 still adding services. So the -- the weekend program
20 actually supports the daily program, adding to the budget a
21 net of about \$36,000 a year. So it's -- it's providing more
22 service to the clients while supporting the overall program
23 and not generating more costs.

24 MS. YOSHIMURA: Three minutes.

25 MR. SAKAMOTO: Again, I thank you for your

1 support. And I am available for any questions.

2 CHAIR WHITE: Thank you very much. Members,
3 questions for the testifier?

4 COUNCILMEMBER COCHRAN: Chair?

5 CHAIR WHITE: Ms. Cochran.

6 COUNCILMEMBER COCHRAN: Thank you. And thank you,
7 Kyle and Ms. Freeman, for the services you do for our
8 community. It's definitely well needed. And so I'm looking
9 at -- is this your -- part of your handout, the graphs
10 and --

11 MR. SAKAMOTO: Yes.

12 COUNCILMEMBER COCHRAN: -- (inaudible) --

13 MR. SAKAMOTO: Yes.

14 COUNCILMEMBER COCHRAN: -- and things. And it
15 looks like, I mean, overall, your -- your clients have
16 jumped up from 335 to 384, but your daily average attendance
17 has gone down, is what I'm looking here at this bar graph.
18 So -- and then operating costs, of course, are up and
19 everything else. So what does that mean exactly?

20 MR. SAKAMOTO: As -- as we've increased rates, it
21 does affect how much time our clients can attend our
22 facilities. We -- we are trying to get other grant funding
23 and other resources, but it's been a challenge, I think, for
24 our -- for our kupuna. If you look at the day -- day -- our
25 private fee rates, you'll see that they've -- you know,

1 they're the beneficiaries, but they've also come in with a
2 lot of the costs. 10 years ago, the total funding we got
3 from private fees was 354,000. Last year, it was nearly a
4 million dollars. So that's the funds that our clients pay
5 out-of-pocket. So that's -- that's been a challenge. Costs
6 have risen. We've tried to spread it out as much as
7 possible to everybody, but I think that's been a challenge.

8 COUNCILMEMBER COCHRAN: Yeah. Okay. Well, thank
9 you, Kyle, and for your services there. Thank you. Thank
10 you, Chair.

11 CHAIR WHITE: Any further questions, Members?
12 Seeing none, thank you very much.

13 MR. SAKAMOTO: Thank you.

14 CHAIR WHITE: And our next testifier is Dennis
15 Burns. And following Mr. Burns' testimony, we'll go to the
16 District Offices.

17 MR. BURNS: Good morning.

18 CHAIR WHITE: Good morning.

19 MR. BURNS: Thank you for your time. My name's
20 Dennis Burns. And I'm one of the animal --

21 CHAIR WHITE: Could you --

22 MR. BURNS: -- rescuers --

23 CHAIR WHITE: Could you --

24 MR. BURNS: -- at Valley Isle Animal Rescue.

25 CHAIR WHITE: Could you get a little closer to the

1 microphone, please?

2 MR. BURNS: Okay. My name is Dennis Burns. And
3 I'm one of the animal rescuers at Valley Isle Animal Rescue.
4 Valley Isle is an all-volunteer 501(c)(3) animal welfare
5 organization dedicated to providing emergency response to
6 injured animals, in support of Maui Police Department, when
7 they are called out to animal-related emergencies. Last
8 year, you awarded us \$25,000 to provide after-hour animal
9 emergency response for FY 2014.

10 We finally just received an approval from DHHC.
11 And if all goes well, we should receive some payment in
12 another 30 to 60 days. DHHC has decided to start our FY
13 2014 contract on April 1st, 2014, and run it for five
14 quarters, ending June 2015. Therefore, our funding for FY14
15 will be \$5,000, with the remaining \$20,000 running through
16 all of FY15.

17 We have been performing our services free of
18 charge since 2011, 'cause no animal should have to, you
19 know, suffer in the middle of night. And that's fine,
20 because we love what we are doing and we're dedicated to
21 helping the community deal with animal-related problems in
22 any way possible.

23 The good news is that we have completed an MOU
24 with the Maui Police Department, which further solidifies
25 our excellent working relationship with Maui Police

1 Department. Our average response time is 26 minutes,
2 depending on where it is. We take great pride in being
3 available 24/7.

4 Our vision for the future is to include increasing
5 our duties to provide additional animal-related services to
6 our community as well as animal control services in the
7 evening when there is none.

8 Thank you very much for your continued support for
9 Valley Isle Animal Rescue.

10 CHAIR WHITE: Thank you, Dennis. Questions for
11 the testifier? Mr. Couch.

12 COUNCILMEMBER COUCH: Thank you, Mr. Chair. And
13 thank you, Mr. Burns, for being here. You said that the
14 Department of Housing and Human Concerns only gave you 5,000
15 of the 20 that we budgeted for, for you guys?

16 MR. BURNS: I guess they're starting -- I guess
17 they're starting the 2014 as of the first of this month.
18 And I don't know how they're doing it, but they're splitting
19 the \$25,000 grant into five quarters. So, yeah. I don't
20 know how that goes, either.

21 COUNCILMEMBER COUCH: Okay. Thank you. And who
22 told you that?

23 MR. BURNS: I believe, Rudy.

24 COUNCILMEMBER COUCH: Okay. Thank you.

25 CHAIR WHITE: I haven't -- hadn't heard that,

1 either. Well, thank you for what --

2 MR. BURNS: I'm just --

3 CHAIR WHITE: -- you do.

4 MR. BURNS: -- the messenger.

5 CHAIR WHITE: Okay. Any further questions,
6 Members? Seeing none, thank you for coming this morning.

7 MR. BURNS: Thank you very much.

8 CHAIR WHITE: And we'll now go to our Hana Office.
9 Dawn, do you have any testifiers this morning?

10 MS. LONO: Good morning, Chair. This is Dawn Lono
11 at the Hana Office. And there is no one waiting to testify.

12 CHAIR WHITE: Thank you. We'll next go to the
13 Lanai Office. Denise, do you have any testifiers this
14 morning?

15 MS. FERNANDEZ: Good morning, Chair. This is
16 Denise Fernandez on Lanai. And there is no one waiting to
17 testify.

18 CHAIR WHITE: Thank you very much. And we'll now
19 go to Molokai. Ella, if you could please introduce your
20 first testifier. We seem to have a communication challenge
21 with Molokai. Ella, are you there? Okay. We'll continue
22 in the Chamber and reestablish our contact with Molokai.
23 Our next testifier is Steve Perkins.

24 MS. ALCON: Hello.

25 CHAIR WHITE: Is that -- is that Ella?

1 MS. ALCON: Yes.

2 CHAIR WHITE: Okay. Could you introduce your
3 first testifier, please?

4 MS. ALCON: Oh, I'm sorry. I had the mute button
5 on. My only testifier here is Desmond Manaba.

6 CHAIR WHITE: Thank you.

7 MR. MANABA: Aloha, Chair.

8 CHAIR WHITE: Good morning.

9 MR. MANABA: Good morning, Auntie Stacy and the
10 rest of the Council Members. I'm here to testify on behalf
11 of the April 17th meeting, to get some clarification and a
12 little more education about who we are as a management
13 company here on Molokai.

14 Rob Parsons has said that -- (inaudible) April 17
15 meeting that he don't think that what we do could actually
16 be translated over to Maui because we harvest deer in mostly
17 enclosure type pens. That is not true. We have a contract
18 with a rancher, but it's 26 miles away from the livestock.
19 And we are traveling 52 miles round trip, and we're
20 harvesting 20 to 25 deer from a fucking 1,000-acre ranch.
21 They are wild deer that we are taking down for help with
22 eradication for environmental problems here in Molokai.

23 We have been -- we have been servicing this
24 contract for almost a year now. And we harvest two to four
25 times a month on this ranch. So it is clear to say that we

1 are -- we are servicing our community and we are actually
2 building different models that can be -- can be commercially
3 used on other islands as well, especially on Maui. We have
4 the -- the exact model that -- that can be used. We just
5 need to have ranchers be accepting of it, and we can help
6 them because we have the USDA license.

7 Now, another point that I wanna make is that our
8 enclosure pens and the monies that we're asking for to
9 expand them is because the USDA -- we only -- we only can
10 harvest more -- we take on more services if we have more
11 deer in the enclosure. That's just part of their protocol.
12 So we wanna help more on the island, so we need to build up
13 more of a enclosure, breeding -- breeding facility.

14 And another part of the monies that we're asking
15 for was through the livestock, because they need another
16 winch.

17 And we need a freezer because wild exotic game
18 cannot be mixed with any kind of commercial amenable
19 animals. That means pig, sheep and cattle can -- cannot be
20 mixed with -- with venisons. So what we was -- have to do
21 is we have to scramble all the time. So after we harvest,
22 we gotta get our meat out of the -- the livestock. And it's
23 just been a pain, trying to do that with our brokers. So
24 it's been, you know, hectic planning on the marketing
25 standpoint. So if we could get a freezer up there and a --

1 and another winch, we could --

2 MS. YOSHIMURA: Three minutes.

3 MR. MANABA: -- really do a lot more deer
4 harvesting.

5 We know that the livestock has a line item as
6 well. And we would like to, you know, use that line item to
7 get the freezer and the -- the winch, but what's been told
8 to me by the FSIS manager is that because it's for our axis
9 deer that we would have to go in and -- and try to help out
10 in -- in getting that. And we don't mind doing it, you
11 know, if it benefits everyone.

12 We also do have another company coming online for
13 harvesting axis deer. So it will -- it will help them,
14 also.

15 So that's what I want to make sure, that why we
16 have -- why we need to have a deer fenced area is that we
17 need to hold our USDA license to create the zero waste
18 opportunity in eradicating and helping with environmental
19 problems. And that's --

20 Any questions you guys have?

21 CHAIR WHITE: Okay. Let me -- let me check with
22 the Members. Members, any questions? Mr. Hokama.

23 VICE-CHAIR HOKAMA: So have you applied for USDA
24 grants and loans to do what you are asking us?

25 CHAIR WHITE: Were you able to hear Mr. Hokama's

1 question?

2 MR. MANABA: No, I didn't. I can hear you,
3 though.

4 CHAIR WHITE: Yeah. If you could speak a little
5 more directly into your mic.

6 VICE-CHAIR HOKAMA: My question is, have you tried
7 to access USDA grants and loans for the -- what you're
8 asking the Council?

9 MR. MANABA: Yes. We -- we have -- we have tried
10 to do that.

11 VICE-CHAIR HOKAMA: And what was the -- your
12 response from them?

13 MR. MANABA: We -- our response to that is that we
14 didn't qualify. We would have to maybe, next time, go
15 through the -- well, we have to be two years in business.
16 And I think the other -- why do we -- oh, I -- the other one
17 was that we would have to go through using somebody from the
18 University of Hawaii when we were trying to use a -- a
19 doctor in deer ranching from Cornell University.

20 VICE-CHAIR HOKAMA: I don't get it, Chairman.

21 MR. MANABA: So that was -- that was the downfall
22 on the USDA one.

23 CHAIR WHITE: Okay. Thank you, Mr. --

24 MR. MANABA: Also, we tried another USDA grant.
25 And they said that we gotta collateral, put up our house.

1 CHAIR WHITE: Okay. Any further questions,
2 Members? Ms. --

3 COUNCILMEMBER COCHRAN: Chair?

4 CHAIR WHITE: -- Cochran. And please --

5 COUNCILMEMBER COCHRAN: Thank you.

6 CHAIR WHITE: -- speak -- speak a little closer.

7 COUNCILMEMBER COCHRAN: Desmond, can you hear me?
8 It's Elle Cochran.

9 MR. MANABA: Hi, Elle. Yeah, I can hear you.

10 COUNCILMEMBER COCHRAN: Good morning. Hi.

11 MR. MANABA: Good morning.

12 COUNCILMEMBER COCHRAN: Thank you for testifying.
13 You mentioned there's another company coming online. Can
14 you elaborate? Is that there on Molokai, or are you working
15 in collaboration with? Who -- who is that?

16 MR. MANABA: Oh, the other company I mentioned is
17 the Axis Deer Institute. They're the -- they're the guys
18 that was hired by DLNR, I guess contracted to take down the
19 deer population in the Big Island.

20 COUNCILMEMBER COCHRAN: Okay. But they're coming
21 to Molokai?

22 MR. MANABA: Yeah, their Molokai boys. And then
23 they're coming to Molokai. We had a meeting last week. And
24 they're gonna be starting to put up a scientific study along
25 with we working with them for our community so that our

1 community can know exactly how much axis deer is actually
2 taken out by subsistence hunters and by ranchers, and to
3 just get a overall picture on -- on -- evaluation on the
4 numbers here. This guy is the number one certified guy, I
5 think, in the North American hemisphere. I just think that
6 he's -- he does all of the -- the population assessments,
7 and from Australia, New Zealand and India. And he's, I
8 guess, the -- to me, the only guy I know that's certified to
9 do this with the right equipment.

10 COUNCILMEMBER COCHRAN: And have they been asked
11 to maybe help with funding of equipment that you're asking
12 for? Is that possible?

13 MR. MANABA: No. He hasn't asked for -- I think
14 he's -- I think he's -- I'm not sure how he gets his
15 funding. I never asked him how he got his funding. He is
16 working with some of the guys that -- from Ulupalakua where
17 they are actually going to take out the deer away from the
18 windmill projects. So he got -- he got hired for that. And
19 he --

20 CHAIR WHITE: Okay.

21 MR. MANABA: -- does --

22 CHAIR WHITE: Mr. Manaba, I think she was asking
23 if that gentleman was possibly a source of funding for you
24 all. Isn't that --

25 MR. MANABA: Oh. No, no, no.

1 COUNCILMEMBER COCHRAN: Right.

2 MR. MANABA: He's a separate company and he -- he
3 works alone.

4 CHAIR WHITE: Okay.

5 COUNCILMEMBER COCHRAN: Okay.

6 CHAIR WHITE: Do you have another question?

7 COUNCILMEMBER COCHRAN: Thank you. Thank you,
8 Mr. Manaba.

9 CHAIR WHITE: Mr. Couch has a question, followed
10 by Ms. Baisa.

11 MR. MANABA: Okay.

12 COUNCILMEMBER COUCH: Aloha, Desmond. Nice to
13 hear from you again.

14 MR. MANABA: Yeah. Nice to hear from you, Don.
15 Can hear you guys that well, so --

16 COUNCILMEMBER COUCH: Okay. I'll talk a little --
17 how's that?

18 MR. MANABA: Okay. That's good.

19 COUNCILMEMBER COUCH: Sorry, Akaku, for blasting
20 your ears out there. The question I have for you is, have
21 you talked with the State about some funding, especially
22 DLNR, since they -- you know, they're the ones that stand to
23 benefit the most from the -- the removal of the --

24 MR. MANABA: Yeah. We -- we went through -- we
25 went through, for the last two years, a lot of different

1 areas for funding. And it seems like when you go to the
2 State, they refer you back to the County. When you go to
3 the County, they refer you back to the State. So that's
4 what we've been getting.

5 COUNCILMEMBER COUCH: Okay. And, also, have you
6 checked with the Office of Economic Development as well?
7 Have you spoken with them?

8 MR. MANABA: Yes. We are talking to the Office of
9 Economic Development. That's Kenneth Yamamura. And we've
10 been working with Kenneth for a while. Kenneth calls us up
11 periodically to get information about how we doing our
12 harvesting. So I'm kinda like in tack with them. And I've
13 been asking Kenneth. Kenneth said that they don't have too
14 much funds. I've asked Bob (Inaudible) a few times. I've
15 calling him up and telling him. And he said that their
16 money was always spoken for. So this is what I've been
17 getting back from my calls.

18 COUNCILMEMBER COUCH: Okay. Thank you very much.
19 Thank you, Chair.

20 CHAIR WHITE: Ms. Baisa.

21 COUNCILMEMBER BAISA: Yes. Thank you very much,
22 Chair. And thank you, Desmond. Good to hear you again.

23 MR. MANABA: Hi, Gladys.

24 COUNCILMEMBER BAISA: All righty, dear. I have a
25 question. You know, I thought I heard you say that you were

1 gonna work with somebody that's coming to Molokai to do a
2 study of how many deer are being taken.

3 MR. MANABA: Gladys, I can't hear you.

4 COUNCILMEMBER BAISA: Let me try again. I thought
5 I heard you say that someone was coming to Molokai to do a
6 study to find out how many deer are taken.

7 MR. MANABA: Yeah. Yeah. Somebody's coming over
8 here to do a study because -- I guess for the -- for
9 Molokai.

10 COUNCILMEMBER BAISA: Okay. Let me -- let me --
11 let me tell you why I -- I wanted to ask you that. I have
12 an idea. And it's not my idea; it was given to me. But has
13 anybody ever talked about maybe a bounty program where you
14 would give them so many bucks for a tail, so we would be
15 able to count and it would be an incentive for people to go
16 get 'em?

17 MR. MANABA: I'm so sorry. I -- I -- I didn't
18 hear you.

19 COUNCILMEMBER BAISA: I don't know how much closer
20 I can get. I'm practically on this microphone.

21 MR. MANABA: Can Mike White repeat that for you?

22 COUNCILMEMBER BAISA: Mike, please.

23 CHAIR WHITE: Yeah. She was asking if anyone has
24 discussed having a bounty program where you would -- you
25 would be reimbursed for every tail of a deer that you

1 brought in, if I --

2 MR. MANABA: You know --

3 CHAIR WHITE: That's more of a --

4 MR. MANABA: No. I never -- nobody does that over
5 here, anyway, but we do sell all our hides.

6 COUNCILMEMBER BAISA: Well, the reason for it --
7 and I don't know if you can hear me -- is that, that way,
8 we'd have an incentive, if you got some kind of, you know,
9 some reimbursement for getting one. And, secondly, it would
10 eradicate them.

11 MR. MANABA: Right. I understand. The ranch that
12 we're doing extensive work on, they have a population of
13 7,000 deer. They have hunting, daytime hunting going on
14 with big groups. And they're pulling out 36, 32, 24, 21,
15 16. And we're taking care of the numbers during the day.
16 But it's still not enough for them. So we -- we go out at
17 night to help with the rancher. And then so they can get
18 some cost back to minimize the damages and to help with
19 their -- their profit loss. So, yeah, it's -- it's the same
20 thing as hunting. Hunting is hunting, and you're gone take
21 the numbers down either by commercial -- any way possible.
22 And so this ranch is open to -- you know, they had open
23 hunting on this ranch for the last four years, and they took
24 2,000 deer out, and in the last -- in the last couple a
25 years and it --

1 CHAIR WHITE: Okay.

2 MR. MANABA: -- still hasn't made a difference.

3 So instead of, you know --

4 CHAIR WHITE: Okay. I think we -- I think we have
5 the idea.

6 MR. MANABA: Yeah.

7 CHAIR WHITE: Any further questions, Members?

8 Okay. Thank you very much, Desmond.

9 MS. ALCON: Chair, I have one more testifier with
10 Desmond.

11 CHAIR WHITE: Okay. Why don't you go ahead? And
12 then we'll come back to the Chambers. Please introduce your
13 next testifier.

14 MS. ALCON: The next testifier is Jim Schelinski.

15 CHAIR WHITE: Thank you.

16 MR. SCHELINSKI: Hi. My name is Jim Schelinski.

17 I'm the Business Manager for Molokai Wildlife Management.

18 Desmond and I started this business in January 2013. We had

19 our first successful hunt in August. And every hunt

20 thereafter has been successful. We have a management

21 program, a vision and a mission. And -- and our goal is to

22 not only eradicate these animals down to a manageable size,

23 but to make them a resource and turn them into an industry

24 on the islands. We think that rather than killing 'em all

25 and letting 'em lay -- we can sell everything we have.

1 Everything we -- we harvest -- every time we get through
2 sending 20 deer to somebody, they call us up in three days
3 and say, "Can you send more? Can you send more?"

4 There's a real business here. It's employment.
5 It's -- it's an opportunity. And if you people could see a
6 way to help us through the Invasive Species Fund, we could
7 be ready within 90 days to come to the other islands and
8 start showing everyone how we do it and how we are
9 successful.

10 We're gonna be successful, if we have to do it
11 ourselves, because we have no bills, and -- and all of our
12 hunts have a profit. We're probably two years out from
13 being able to do that with the other islands. So we're just
14 saying that if you help us, we can do it a lot sooner, and
15 help the other islands.

16 Yeah. And we're also asking for just one time.
17 We're not asking for you to come back and give us money
18 again. It's just one shot, that's it. That's all we need.

19 CHAIR WHITE: Okay. Thank you.

20 MR. SCHELINSKI: Any questions? I mean, that's
21 what I wanted to say.

22 CHAIR WHITE: Okay. Thank you very much.
23 Members, questions for Mr. Schelinski? Mr. Hokama.

24 VICE-CHAIR HOKAMA: Are you a private for-profit
25 company?

1 MR. SCHELINSKI: Yes, sir.

2 VICE-CHAIR HOKAMA: Okay. Thank you. And just to
3 let you know, Lanai chooses to take care of their own
4 kuleana themselves. So thank you very much.

5 MR. SCHELINSKI: May Mr. White repeat your
6 question, sir? It's breaking up.

7 CHAIR WHITE: If you could -- he was just making a
8 comment. Not a question. So --

9 MR. SCHELINSKI: All right. Thank you.

10 CHAIR WHITE: Okay. Any questions, Members?

11 COUNCILMEMBER COCHRAN: Chair?

12 CHAIR WHITE: Ms. Cochran.

13 COUNCILMEMBER COCHRAN: Good morning, Jim. This
14 is Elle. Can you hear me? Hi. What is the amount that
15 you're asking for?

16 MR. SCHELINSKI: We're asking for \$150,094.

17 COUNCILMEMBER COCHRAN: And that's a onetime ask,
18 you said, right?

19 MR. SCHELINSKI: Yes, ma'am.

20 COUNCILMEMBER COCHRAN: And is it for --

21 MR. SCHELINSKI: It'll allow us to -- to expand
22 the animal farm, to have the freezer units and the camera
23 system. We have a lot of poaching over here. Everybody
24 sees that we have the animals, so they come and get 'em.

25 COUNCILMEMBER COCHRAN: Okay, freezer and camera

1 system. Okay. Thank you.

2 CHAIR WHITE: Any further questions, Members?

3 Seeing none, thank you very much, Mr. Schelinski.

4 MR. SCHELINSKI: Thank you, sir.

5 CHAIR WHITE: Thank you, Ella.

6 MS. ALCON: You're welcome.

7 CHAIR WHITE: And if the District Offices could
8 please send Staff an email if they -- they have another
9 testifier arrive. Otherwise, we'll come back to you only
10 after we've gone through the remainder in the Chambers. And
11 our next testifier -- thank you for being Mr. -- being very
12 patient -- Mr. Perkins, please proceed. And he will be
13 followed by Tadahiro Togami.

14 MR. PERKINS: Good morning, Mr. Chair, Members of
15 the Committee. My name is Steve Perkins, and I'm the
16 Manager of the Maui R&T Park in Kihei. I'd like to thank
17 you for this opportunity to provide brief testimony in
18 support of the Budget line item for the Maui Economic
19 Development Board.

20 MEDB was one of the founding partners of the R&T
21 Park many years ago. And while they're no longer a partner
22 in the formal legal sense, they're still partners in every
23 other sense of the word. We count on MEDB's efforts in
24 building awareness of local opportunities for diversified
25 industry. They're intimately familiar with Maui's strengths

1 and assets, including the R&T Park. And they're able to
2 quickly connect the dots for prospective businesses. Having
3 an independent third-party economic development entity fill
4 the role of facilitator is very important to business
5 attraction, retention and expansion. When I look at almost
6 all the companies in the R&T Park today, I can say that MEDB
7 was involved at some level in bringing them to the Park, and
8 in staying involved once they're established to keep them
9 here and help them grow and prosper.

10 Thank you for your time.

11 CHAIR WHITE: Thank you, Mr. Perkins. Questions
12 for the testifier? Seeing none, thank you for coming this
13 morning. Our next testifier is Tadahiro Togami, and he'll
14 be followed by Pat Borge.

15 MR. TOGAMI: Good morning. I'm Tadahiro Togami of
16 Hitachi, a Japanese electronics company and (inaudible)
17 Japan U.S. collaborative smart grid project called
18 JUMP/Smart Maui. The project is funded by \$30 million award
19 from the Japanese Government, (inaudible). And Maui
20 Economic Development Board has provided a very valuable
21 assistant to our company and to our project, in many ways,
22 as we established our work on Maui. We launched this
23 project from 2011, with a lot of local partners, County of
24 Maui, Hawaii Electric Company, Maui Electric Company, and
25 MEDB, and so on. The goal of our demonstration project is

1 to integrate our energy into the electric grid using our
2 smart grid technology and electric vehicle.

3 This project is very special from other smart grid
4 project (inaudible) has done or is doing, because we need it
5 to recruit volunteers from Maui resident. MEDB's our very
6 important partner for volunteer recruitment and engagement
7 because MEDB has helped us create many customer relationship
8 with Maui residents. MEDB has recruited more than 250
9 electric vehicle volunteers. That's incredible result, and
10 much more than we expected. Because our initial target was
11 200 volunteers and (inaudible) not so many (inaudible)
12 volunteer user on Maui when we begun. It means initial
13 target was so challenging, but MEDB (inaudible) worked
14 extremely well. This smart grid demonstration project on
15 Maui are gaining a lot of publicity in Japan and
16 internationally. We have already hosted and given briefings
17 to several groups from Japan and the U.S. mainland.

18 We'll keep going forward this project with
19 additional investment from Japanese Government, we are
20 adding (inaudible) to this project. MEDB's continuous
21 support and strong relationship with resident is very
22 important for us. Thank you for your attention.

23 CHAIR WHITE: Thank you, Mr. Togami. Members,
24 questions for Mr. Togami? Seeing none, thank you so much
25 for being here today. And thank you for all that you're

1 doing through your company to help the County of Maui. Next
2 testifier is Pat Borge, followed by Mitch Skaggerberg.

3 MR. BORGE: Good morning, everybody, Mr. Chair.

4 CHAIR WHITE: Good morning.

5 MR. BORGE: I was going come and speak about the
6 water meters, but maybe I can ask you guys for 200 grand for
7 go hunt some deer, you know. I mean, it's -- I mean, gee,
8 give me a break, you know.

9 But, anyway, I was -- I wanted to come to the last
10 water -- I agree with the rate increase that the Water
11 Department is -- is -- is putting forward here. I think
12 Mr. Taylor did his job. And he's letting the Council know
13 that, eh, this is the way it's gotta be. I mean, either we
14 gonna pay for it now or we gonna pay for it later. I mean,
15 we been dealing with this water situation for years. And
16 everybody's gotta face the fact.

17 I'm on the water list. I mean, when they say that
18 it was gonna take so much -- only so much water meters.
19 But, you know, it's like, you know, the saying, kicking the
20 can down the road. I mean, sooner or later, we gotta come
21 up with it. And I think Mr. Taylor's being honest with it.
22 And I listened to his testimony. And seems like he got the
23 all the information that he needed. I don't think he's
24 pulling any fast ones. And he's going back. At least he's
25 grandfathering in some of the people that were on the list,

1 to go back to the old rate as far as their water meters go.
2 And -- and, you know, I just think -- I think it's fair, you
3 know.

4 And according to the County Charter, the Water
5 Department has to be funded by its own, you know, generate
6 its own revenues. So I don't know how you guys gonna be
7 dipping into -- I hate to see the -- the County dipping into
8 the General Fund to take care of another matter because
9 that's -- that's what we're gonna do all the time, then we
10 can't -- then we're not gonna solve nothing, you know. And
11 so that's my main concern.

12 I mean, you know, I'm all for it. I think the
13 Water Department has done a great job. And it's trying to
14 get off -- I mean, Upcountry needs water, but, also, I like
15 to see the Water Department be a little bit more -- how you
16 would say -- like when I go to the work in the morning, I
17 see all this people with sprinklers on, it's raining, the
18 sprinklers still going 24/7, water going down the road. You
19 know, to -- to be more active on telling these people to
20 conserve water. I mean, I see it all the time. I mean, you
21 know, storming, lightning, and -- and sprinklers are going.
22 Especially in the Makena area, when I'm driving down through
23 there, I see water all the time. Not Wailea, because they
24 got their own water system, but some of the big gentleman
25 estates that I see water in the middle of the day and stuff

1 like that. I think the Water Department should get on to
2 these people and quit wasting our water.

3 Thank you very much.

4 CHAIR WHITE: Thank you. Members, questions for
5 Mr. Borge? Mr. Couch.

6 COUNCILMEMBER COUCH: Thank you, Mr. Chair. And
7 thank you, Mr. Borge, for being here. And, yeah, that's
8 interesting. If you want, just put your name on the list
9 for the --

10 MR. BORGE: For the deer hunt?

11 COUNCILMEMBER COUCH: Yeah.

12 MR. BORGE: Yeah, I will. I will. I got some --
13 I got some theories about hunting these deer, man.

14 COUNCILMEMBER COUCH: Well, that's -- as
15 persuasive as you are, you know, when you do your speaking,
16 have you been able to chat with some of your fellow farmers
17 and ranchers Upcountry to get them to -- to --

18 MR. BORGE: What, in the -- the deer -- the deer
19 situation?

20 COUNCILMEMBER COUCH: No, no. For the water
21 situation. Sorry.

22 MR. BORGE: What was the question again?

23 COUNCILMEMBER COUCH: Have you been able to talk
24 with some of your fellow ranchers Upcountry to -- because
25 they're all coming in, saying that that's not the right way

1 to go.

2 MR. BORGE: Well, you know, I -- I mean, that's
3 just my opinion, that's their opinion.

4 COUNCILMEMBER COUCH: Uh-huh.

5 MR. BORGE: You know, they -- they might feel --
6 some of them, I know they been -- you know, some of my
7 friends, you know -- but that's the way I feel. I feel, eh,
8 it's time to pay up. I mean, you know, some of those guys,
9 they're not hurting, either, you know what I mean. If --
10 the thing is, if we don't take care of it, what then? What
11 then? You gonna take money from the Parks? Parks need --
12 you know, I mean, somebody's gotta come up with it, I mean,
13 sooner or later. What are we gonna leave the next
14 generation 20 years from now? They gonna be right before
15 here, you know. I mean, I'm for the, you know, family
16 subdivisions, but it says that they're gonna give them the
17 -- most of them have been on the list for a long, long time.
18 So the Water Department has grandfathered in those people to
19 a lower rate.

20 COUNCILMEMBER COUCH: Right.

21 MR. BORGE: You know. But -- and then, you know,
22 they were talking about leases and stuff, but there's no
23 guarantee on that. You know, it's a family -- yeah, it's a
24 family, but, you know, sometimes -- you know, family is
25 family, but sometimes, you know, eh, one guy gonna say, eh,

1 you know what, I'm moving outta here, I go mainland. So
2 what, we gonna finance that whole --

3 COUNCILMEMBER COUCH: Right.

4 MR. BORGE: That whole thing?

5 COUNCILMEMBER COUCH: Okay. Thank you. Thank you
6 very much.

7 MR. BORGE: You know -- you know, that's just my
8 opinion. I mean, some of the guys, that's the -- that's the
9 way I feel. They know how I feel.

10 COUNCILMEMBER COUCH: Okay. Thank you.

11 MR. BORGE: Thank you.

12 CHAIR WHITE: Any further questions, Members?
13 Thank you, Mr. Borge.

14 MR. BORGE: Thank you, guys. Have a good day.

15 CHAIR WHITE: Thank you. And Mr. Skaggerberg is
16 the last person who is signed up to testify this morning.
17 If there's anyone else who would like to provide testimony
18 today, please let us know.

19 MR. SKAGGERBERG: Good morning, Chairman White --

20 CHAIR WHITE: Good morning.

21 MR. SKAGGERBERG: -- and Council Members. It's
22 good to be here again. I'm testifying on behalf of the Maui
23 County Veterans Council. And there is a \$16,000 request in
24 the Budget under the Managing Director's office under
25 miscellaneous and other costs.

1 I wanna thank you, first of all, for supporting
2 the veterans over the years. We always look -- well, we
3 always look forward to seeing you at Memorial Day, 4th of
4 July, Veterans Day ceremonies. And these are very
5 important. The funding that is in the Budget is very
6 important for these matters.

7 We also, of course, continue to upgrade the
8 Veterans Memorial Cemetery. We wanna put in World War II
9 and Vietnam veteran plaques up there that have been asked by
10 the World War II veterans, but, obviously, they don't have
11 the funds anymore.

12 We also are expanding the Vietnam Wall in
13 Washington, D.C. And Maui has been one of the leaders in
14 the country. (Inaudible) is really going to speak there on
15 Memorial Day to represent the County of Maui. She's the
16 poster girl. We're donating funds there.

17 And a lot of these funds up 'til now has been out
18 of our pockets. So we would encourage you to support that
19 line item. And we thank you for all the other support
20 you've given us over the years. Any questions?

21 CHAIR WHITE: Thank you, Mr. Skaggerberg. Any
22 questions, Members? Mr. Guzman.

23 COUNCILMEMBER GUZMAN: Thank you, Chair. Mitch, I
24 think it's 18,000 instead of 16.

25 MR. SKAGGERBERG: Oh. Oh, yes. That's right.

1 Thank you for correcting me.

2 COUNCILMEMBER GUZMAN: Thank you.

3 CHAIR WHITE: Actually, you wrote 18 on here, so

4 --

5 MR. SKAGGERBERG: Did I write 18?

6 CHAIR WHITE: Yes.

7 MR. SKAGGERBERG: Oh, okay. Yeah. I'm not
8 getting any younger, am I, guys?

9 CHAIR WHITE: Members, other questions? Thank you
10 very much for coming, Mr. Skaggerberg.

11 MR. SKAGGERBERG: Mahalo and thank you for all
12 your good work in the Budget.

13 CHAIR WHITE: You're welcome. Is there anyone
14 else who would like to provide testimony this morning?
15 Seeing none, we'll go back to our District Offices. Hana,
16 do you have any testifiers?

17 MS. LONO: The Hana Office has no one waiting to
18 testify, Chair.

19 CHAIR WHITE: Thank you. Lanai Office, do you
20 have any testifiers?

21 MS. FERNANDEZ: The Lanai Office has no one
22 waiting to testify.

23 CHAIR WHITE: Thank you. And, Molokai, do you
24 have any testifiers?

25 MS. ALCON: There's no one here on Molokai waiting

1 to testify.

2 CHAIR WHITE: Thank you very much, Ladies.
3 Members, without objection, the Chair would like to close
4 public testimony.

5 COUNCIL MEMBERS: No objections.

6 **...END OF PUBLIC TESTIMONY...**

7 CHAIR WHITE: Okay. Public testimony is closed.
8 Thank you, Ladies. Okay. With that, let's take a
9 five-minute break and then we'll get moving along. In
10 recess. ...*(gavel)*...

11 **RECESS: 11:05 a.m.**

12 **RECONVENE: 11:18 a.m.**

13 **ITEM BF-1: PROPOSED FISCAL YEAR 2015 BUDGET FOR THE COUNTY**
14 **OF MAUI (CC 14-31)**

15 CHAIR WHITE: ...*(gavel)*... Budget and Finance
16 Committee will reconvene. And we look forward to going
17 through the Personnel Services Department review. So I'll
18 turn -- turn the microphone over to Mr. Hiromoto. Welcome.

19 **DEPARTMENT OF PERSONNEL SERVICES**

20 MR. HIROMOTO: Good morning, Chair. Good morning,
21 Members. Lance Hiromoto, Director of Personnel Services.
22 Normally, I don't say very much at these Budget hearings,
23 but, today, I think we're requesting two additional
24 positions for the Fiscal Year 2015 Budget, so I thought I
25 better -- be good to give you folks a little bit more

1 information about our Department.

2 As you know, that we're the central personnel
3 agency for the County of Maui. We have 18 equivalent
4 personnel. We have one program in our Department. Primary
5 functional areas are in classification and compensation
6 administration, recruitment and examination, employee
7 training and development, labor relations, which includes
8 grievance handling and Collective Bargaining, equal
9 employment opportunity and human resource strategic support.

10 You have before you, again, our Fiscal Year 2015
11 Budget Request. It represents a 8.3 percent increase over
12 Fiscal Year 2014. Dollar-wise, the increase is \$126,383.
13 And approximately 84,000 of that increase is in the salaries
14 and wages, and that's primarily due to Collective Bargaining
15 pay increases and, what I had mentioned earlier, two
16 expansion trainee positions. The remaining \$34,000 increase
17 is in operations.

18 Now, position classification and compensation
19 administration, I just wanna give you some statistics on
20 what's been happening in our Department in the last few
21 years. The number of classification audits completed over
22 the last several years reflect this upward trend. In Fiscal
23 Year 2011, there were 154 audits that we completed. In
24 Fiscal Year 2012, there were 230 audits, representing a 49
25 percent increase in -- in these audits. In Fiscal Year

1 2013, there were 283 audits that we completed, representing
2 an increase of 23 percent. And so far in Fiscal Year 2014,
3 we've completed 111 classification audits.

4 For recruitment and examinations, again, the
5 number of recruitments conducted over the last several years
6 reflect an upward trend. In Fiscal Year 2012, we had 92
7 recruitments. In Fiscal Year 2013, there were 128
8 recruitments. And in Fiscal Year 2014, to date, we've had
9 111 recruitments.

10 The number of applications that were submitted for
11 these recruitments are for jobs with the County also
12 continue to climb. In Fiscal Year 2012, we had 5,505
13 applications that we filed and -- and screened. In Fiscal
14 Year 2013, we took in 6,924 applications, representing a 26
15 percent increase in applications. And in Fiscal Year 2014,
16 to date, we've taken and screened 4,829 applications. And
17 this high number of applications continued to task our
18 resources, oftentimes requiring us to do multiple test
19 seatings and multiple test sites for a single recruitment.
20 And, also, in order to accommodate applicants who are
21 already in the workforce, we have continued to administer
22 written examinations during the early evenings.

23 For employee training and development, we've had a
24 total of 158 training classes sponsored by Department in
25 2013. And year-to-date in two thousand -- Fiscal Year 2014,

1 we have sponsored 141 training classes with little over
2 2,000 employee participants. And while the majority of
3 these involve computer training, we also launched, as you
4 know, in 2012, our supervisor/manager trainee academy.
5 We've had 23 supervisors successfully complete the academy
6 in the first round and were recognized in a graduation
7 ceremony last year. Additional training courses are planned
8 for those supervisors who want to continue into the manager
9 curriculum at the academy. The second round of the
10 supervisor/manager training academy began last year with
11 approximately 20 supervisors, and will soon complete their
12 curriculum. Last year, we also started a third round of the
13 supervisor/manager training academy with 20 supervisors.

14 With regard to Collective Bargaining and labor
15 relations, Collective Bargaining Agreements were finalized
16 this past year with all unions. We were -- we are, however,
17 starting up negotiations again with HGEA Units, Bargaining
18 Unit 2, 3 and 4. And these were the bargaining units that
19 negotiated two-year contracts which will expire next June
20 2015. We will also begin negotiations with a new bargaining
21 unit, Unit 14, represented by the HGEA and consisting of
22 State Law Enforcement and County Ocean Safety Officers. So
23 we will now have eight Collective Bargaining Agreements
24 instead of seven. We've received and processed 28
25 grievances in Fiscal Year 2013. And year-to-date, in 2014,

1 we've responded to 24 grievances filed by -- filed at the
2 Step 3, which is the Mayor's level.

3 Human resource strategic support. The number of
4 personnel transactions had remained somewhat level the past
5 several years at around 3,700 personnel transactions
6 processed through our office. However, in fiscal year to
7 date, 2014, we've processed 7,483 personnel transactions.
8 And that's almost double increases attributed to the mass
9 pay change increase every -- excuse me -- every six months,
10 negotiated for several of our bargaining units. And since
11 these Collective Bargaining Agreements expire in 2017, we
12 anticipate processing this high number of personnel
13 transactions for at least the next three years.

14 That's all I have. And thank you, Chair. Happy
15 to answer any questions that Members may have.

16 CHAIR WHITE: Thank you. Members, questions?
17 Mr. Hokama.

18 VICE-CHAIR HOKAMA: Thank you for all those
19 comments. You -- you touched a lot of different subject
20 areas within your Department. And I'm sure we've got
21 questions for every single component. But let me just go --
22 before I deal with your expansion, who is gonna represent
23 the County as -- as an employer, as the employer in these
24 contract negotiations?

25 MR. HIROMOTO: Represent the County of Maui?

1 VICE-CHAIR HOKAMA: Yes.

2 MR. HIROMOTO: I would probably be representing
3 County of Maui.

4 VICE-CHAIR HOKAMA: Are you considered one of five
5 lead negotiators, since there's every county in the State --
6 is the State involved in this?

7 MR. HIROMOTO: That's correct. The State has an
8 Office of Collective Bargaining by statute. And the head of
9 the Office of Collective Bargaining is normally the chief
10 negotiator.

11 VICE-CHAIR HOKAMA: Well, to me, he's
12 unacceptable. You know, what I gotta try and budget this
13 year, that guy should be terminated, in my opinion. So I
14 got no confidence in the State negotiator looking out for
15 the County of Maui's interest. So I gonna be up front with
16 you, Mr. Hiromoto. I expect a better proposal than what we
17 have to deal with now, you know, if the arbitrator can make
18 such a decision because we had such a bad proposal, that's
19 irresponsible on the employer's part. And as appropriator,
20 I get very hard difficult time. You know, I expect a lot
21 more from us. And I expect us to put things on the table,
22 also, that we might wanna ask them for consideration instead
23 of just listening to their demands and their desires. What
24 is the public employer's demands and desires? You don't
25 come and check with us. And we're told we cannot even see

1 some of the -- the draft material, and, yet, we have to
2 approve the contract and fund the contract. You know, this
3 process gotta change because, you know, the taxpayers have
4 to have more input in what they willing to pay before a
5 final decision is made.

6 I'll leave it and change the subject for other
7 Members, Chair.

8 CHAIR WHITE: Well, it is a very important subject
9 because I think -- I think many of us feel that what's
10 happening in the public -- in the private sector doesn't --
11 isn't similar to what's happening with our increases here.
12 And -- and you've mentioned, on a number of occasions, that
13 the -- the increases that we have been funding are not
14 sustainable. And I think that that is the concern because
15 the -- the public that is being asked to increase their tax
16 load in order to cover the cost of the increases is not
17 enjoying the same kind of economic benefit that we're
18 providing to County employees. And it's not to say that
19 many of the employees here in the County aren't deserving.
20 We've got a lot of great employees, and they work very hard.
21 It's just that, in the Chair's view, I think the -- these
22 increases are a little premature based on what I see going
23 on in the private sector and the -- the somewhat tentative
24 situation that we're in, you know, recovering from the
25 recession. And we're not -- you know, we're just now

1 getting back to where we were in 2007, in -- in revenues and
2 other things, but we're still way behind in the construction
3 industries, we're way behind in a lot of other areas.

4 And so -- I've said it before and I'll say it
5 again, the increases that we're -- we're having to fund, by
6 year four, the total amount of the -- the total cost to the
7 County is equal to all the taxes from all the residents and
8 all the businesses in all of Wailuku, all of Kahului, and
9 most of my district. And that's a huge sum of money. And
10 that tells me there's no way that we're gonna -- we're not
11 gonna add to our tax base a whole nother Wailuku, a whole
12 nother Kahului. So the taxes are gonna have to come out of
13 everybody -- everybody's pockets who are paying taxes now.

14 So it is a concern because I think there's a lack
15 of connection between the economic realities and what we see
16 ending up as the product of the negotiations. The -- the
17 Chair's concern -- and I've heard the same concern from
18 others -- is that the Unions seem to hire very effective
19 negotiators. And -- and I think we need to --

20 UNIDENTIFIED SPEAKER: Improve our --

21 CHAIR WHITE: We need to -- well, we need to
22 provide Mr. Hiromoto, maybe, some resources to -- to get
23 some -- some extra economic perspective to share with
24 arbitrators and -- and negotiators. So --

25 VICE-CHAIR HOKAMA: And I think we need to help --

1 I would agree with you, Chairman, but we also need to help
2 him know that -- some of the specifics we would like at
3 least the County of Maui to throw on the table for, at
4 least, discussion and consideration.

5 CHAIR WHITE: Right.

6 VICE-CHAIR HOKAMA: You know, 'cause I have an
7 issue generally, in general, of how the Department and the
8 County of Maui is gonna deal with medical marijuana. And
9 look to your classifications. I mean, if they equipment
10 operators, they're in first responders, they're in -- I
11 mean, whether you driving one, you know, 100,000-ton heavy
12 duty vehicle or you're a fire fighter or police officer or
13 what, I mean, this County doesn't need more exposure for
14 lawsuits and liability issues. And so those are the kind of
15 things I think we can help you by giving you some ideas.

16 And, for me, I would like you to really try and
17 deal and talk to the Unions about how we gonna deal with
18 comp time. So we can make sure, upon retirement, we can pay
19 the benefits. And I've heard Mr. Machida say that I think
20 they have their people take it in the year it's earned, so
21 it doesn't become a value issue 10 years down the road, 20
22 years down the road, when they finally take the comp time,
23 you know.

24 So sorry to get off the track, but, to me, it
25 eventually becomes one budgetary item, Chairman.

1 CHAIR WHITE: Well, it's -- you know, I think
2 everyone would agree that this is an issue that we've been
3 dealing with as we struggle with how we're gonna fund all
4 the -- you know, all the -- the needs of the County. So,
5 you know, we're not -- I mean, you're the recipient of some
6 of the frustration, Mr. Hiromoto, but you're certainly not
7 the -- the cause of it.

8 The Chair's feeling is we need to have -- we need
9 to have the ability to provide you with -- with the -- with
10 supporting staff to assist in the negotiations and -- and --
11 and provide the economic arguments so that we may not be
12 providing to the degree we need to at this point. If you'd
13 like to respond, that's fine, but if -- if not, we'll --
14 we'll move on to other questions. Okay. Other questions,
15 Members, on -- on the Goals and Measures?

16 COUNCILMEMBER COCHRAN: Chair?

17 CHAIR WHITE: Ms. Cochran.

18 COUNCILMEMBER COCHRAN: Actually, I am kinda
19 curious as to if that is taken into consideration during
20 these deliberations and negotiations, you know, based on
21 economy and everything, as you're stating and Mr. Hokama.
22 It's -- it's kind of not a good feeling when we get
23 testifiers come up here and sorta look at us to blame for
24 these increases because of these, you know, bargaining
25 negotiations. I don't think the public generally

1 understands that we are personally not at these tables, and
2 we are not in -- and, you know, we have Mr. Hiromoto there
3 in representation of us. And then -- and then the
4 negotiation goes through, the dollar amounts come down, and
5 now we gotta find the funding for it. It's \$18 million this
6 year. And as you're stating, no one else got nice increases
7 like that. And we didn't give ourselves these -- these, you
8 know, increases, either. So it's given, we fund it, and
9 it's up to us, but it's -- generally, I think the public
10 doesn't understand this process. I mean, I didn't know 'til
11 I got here. And it's kinda not 100 percent fair, in a
12 sense. So I just think it's -- yeah, it's difficult,
13 basically. It's a challenge, yet we have to figure it out
14 and do it. But, unfortunately, some people are gonna -- you
15 know, other things will have to be juggled and shifted and
16 whatever to accommodate the amounts that we're mandated to
17 fund. So it's -- yeah, it's frustrating at this time. So
18 -- but I just wanted to comment on that. And I think when
19 we had Mr. Machida and Mr. Young here, that was kinda my
20 line of questioning, like who's at that table. Because we
21 never -- when we ask questions, it's like, well, we're in
22 deliberations, can't talk about it. We're always left in
23 the dark. And so we don't -- I never saw a way for us to
24 give recommendations or suggestions because we never know
25 what to recommend on.

1 CHAIR WHITE: Well, actually -- and Mr. Hiromoto
2 is unable to share information with us because we're not
3 part of the management group. So it's even -- we're even
4 more distant than -- than, I think, we all thought we were.
5 But we are the ones that are responsible for finding the
6 funding. I think the Chair's frustration is that, in all
7 the negotiations that take place in the private sector, if
8 you want more on the wage line during an economic -- you
9 know, economic challenge, if you want more on the wage line,
10 you're gonna have to take something off of retirement or
11 something off of -- you're gonna have to pay more of your
12 health care on your own, you -- everything is on the table
13 at the same time. It doesn't seem to be that way with --
14 with these -- these negotiations. Over time, in
15 negotiations with the ILWU, if you want more money, you lose
16 -- you lose holidays, you lose other things, if we don't
17 have increasing revenues. So it is a bit frustrating to see
18 that we just simply have these increases even though we all
19 know that the -- the access to revenues is not easy. So
20 it's -- it's a -- it's a frustrating situation to be in.
21 Ms. Baisa.

22 COUNCILMEMBER BAISA: Thank you very much. I
23 wanna weigh in, too. You know, I totally understand where
24 Member Hokama is coming from. And it's frustrating for us.
25 You know, we sat here through a public hearing last night,

1 and there were some people that were really upset and said,
2 you know, how can you guys keep raising these taxes and
3 raising these taxes, and you gotta cut the cost of
4 government. And, yet, you know, when we're hit with
5 something like \$18 million in raises at one time, somebody's
6 gonna have to give, somewhere it gives. And if you take
7 services, they don't like that, either, because they don't
8 want you to cut services. They want more services. But --
9 so the logical place is we go to tax -- we go to taxes.
10 Where else does the County go? So a lot of this is, you
11 know -- and -- and we can vent our frustration forever, but,
12 for me, you know, I'm getting real tired of dealing with
13 people saying, "Well, that's the law." I'm getting more to
14 the point of saying, "We gotta change the law."

15 CHAIR WHITE: Yeah.

16 COUNCILMEMBER BAISA: And how we do that is where
17 I wanna put my energy, because it's not working. And as
18 things get tighter and tighter, and, in my opinion, out of
19 control, we gotta look at the laws that -- that establish
20 this situation, we gotta change 'em. You know, I'd like to
21 go to the Capitol and -- and rattle their cage. And, you
22 know, when we get together, we can do it.

23 CHAIR WHITE: Well, I think this is -- this, to
24 me, is something that the Hawaii State Association of
25 Counties should have at the -- the top of its priority list

1 because the economic impact, because it makes the County
2 look insensitive to what's going on in the rest of the
3 community. And when you see the level of some of the
4 increases that I've shared with you, we have people in
5 certain departments that are going to see increases of
6 between 18,000 and \$23,000 each this year. I don't know how
7 to explain that to somebody who's not gotten an increase in,
8 you know, three or four years. So, you know, I understand
9 that we need to continue to -- to move the needle, but we've
10 got to do it with a -- an eye on what's going on in the rest
11 of the community.

12 COUNCILMEMBER BAISA: Yeah. So, anyway, that --
13 that's -- that's -- you were asking about the Goals. Did
14 you want to -- us to talk about the Goals?

15 CHAIR WHITE: If you have questions --

16 COUNCILMEMBER BAISA: Yeah, I do.

17 CHAIR WHITE: -- for Mr. Hironoto.

18 COUNCILMEMBER BAISA: I do. I think it's
19 something we should talk about. I'm looking at the Goals on
20 Page 504. And like Goal Number 1, which is increase the
21 annual percent of positions allocated to proper existing
22 classes within 60 days from this -- date of Request for
23 Positive Action Form is received. And we're anticipating 80
24 percent, which looks really good. But every year, when we
25 meet with the departments, we hear the same thing, about how

1 long it takes to get an employee aboard. And I don't know
2 how do we deal with it except that I'm happy to see that
3 you're talking about expanded positions. And I'm wondering
4 if this might have any -- can we tie those together?

5 MR. HIROMOTO: Chair. Yeah, I think it would be a
6 direct impact. I don't think the first couple years are
7 gonna be really big differences because what we have
8 requested is trainee positions. However, I think, you know,
9 in a couple years, it should have a lot of impact on that.
10 What we've noticed in the past several years is that we've
11 never changed our -- our goal percentage-wise and -- you
12 know. And that's because we -- we've been able to maintain
13 that goal with our current staffing. Yeah, hopefully, with
14 additional staffing, we can bring that number up, bring that
15 goal up.

16 But one thing about class -- things like
17 classification, we have lot of work that have either
18 statutory or Collective Bargaining type deadlines. And,
19 again, we have to allocate resources, personnel to those
20 issues that have statutory and Collective Bargaining type
21 deadlines. So things that get pushed on the side because we
22 cannot allocate resources would be something like this,
23 would be classifications. But, yeah, to answer your
24 question, additional personnel should help that.

25 COUNCILMEMBER BAISA: Well, I think it's very

1 important because so much hinges on people being able to,
2 you know, provide the services that they want to and spend
3 the money that we allocate. 'Cause then they come and we
4 ask them, "Well, why didn't you spend your money? Oh.
5 Well, we couldn't get all of the paperwork together to get
6 the person in the position." And so, you know, it piles up.
7 And it's just a -- it's like a cycle that we get caught up
8 in. And I've been hearing this now, this is my fifth Budget
9 round, and still hear it, you know, same thing. So -- I
10 remember the first year I was here asking your predecessor,
11 "Do you need help? Do you want positions?" And she told me
12 no. And I never quite got over it because, you know, if you
13 have a problem, lotta times it's you need more people to
14 help. And you gotta train them and get them in there, and
15 then it makes a big difference. So I'm happy to see you
16 asking for the manpower. We don't like adding positions,
17 but, you know, if we have to do it, we have to do it. Thank
18 you, Chair.

19 CHAIR WHITE: Any other questions, Members?
20 Mr. Couch.

21 COUNCILMEMBER COUCH: Thank you, Mr. Chair. And,
22 yeah, what -- what they all said. And, also, to reiterate
23 what Chair Baisa said, is that it's good that you're asking
24 for those positions, but let's hope that works because I'm
25 -- I'm super frustrated at the -- the -- the process it's

1 taking to get the Enforcement Officers for Planning
2 Department for the short-term rentals. It's -- it's crazy.
3 And they're saying that, you know, they -- they got the
4 list, they hire -- they offered one, they got the one
5 position, then the other person that they offered, they
6 turned it down, and the other three or four that were left
7 on the list were not acceptable via interviews, and they
8 have to wait so long before the list expires before they can
9 do it again. Now, I don't know if that's their
10 understanding of the process or if that is the process, but
11 it's frustrating. It's been two -- almost two years, Chair
12 Baisa, that we passed that bill? And part of it was to hire
13 two new enforcement officers. And here yet, two years
14 later, we just -- just got one. So you might feel that I'm
15 a little frustrated with the process. I am. Hopefully,
16 these positions will help. So I don't know.

17 You know, I know some of it is the process and
18 maybe we need to have the process changed, too. Because to
19 hire -- you know, to put out an ad for somebody, and
20 somebody responds to the ad, and -- and, six months later,
21 you offer 'em a job, if they're any good, they're already at
22 another company. So what does that leave, you know? I
23 don't know. Frustrated.

24 CHAIR WHITE: Mr. Hiromoto.

25 MR. HIROMOTO: I know we've -- asking for

1 expansion positions. We've also done internal looks at our
2 processes. We've implemented several processes, I think,
3 utilizing technology for -- for example, for online --
4 online applications that -- that just go right into our
5 recruitment process. And then if you're selected, it goes
6 right into our employee database, and we don't need to, you
7 know, re -- reenter data, things like that. We've also
8 done, just recently -- I think before, when I came before
9 you folks, I -- I mentioned that a lot of our things,
10 especially in recruitment, it's a balancing act. We can cut
11 the -- cut the time down, but we did not wanna do that
12 because of the investment and the -- for example, the
13 advertisement that we put in the newspaper, and our efforts
14 to advertise the position. For example, we'd advertise it
15 for 17 days, we could cut that down a little bit. That,
16 again, may affect the number of applicants we receive.
17 We've also implemented some changes in our screening process
18 for the -- for applications. Before, we were a lot more
19 accommodating. Now, if you don't turn in your driver's
20 license and the -- and the recruitment requires a driver's
21 license, your application is gonna be automatically denied.
22 Before, we'd send the applicant reminder -- at least two
23 more reminders, giving them at least three weeks to turn in
24 their -- their documents, but we're not gonna do that
25 anymore. I've informed the Civil Service Commission that

1 they may -- that may result in more appeals for them, but
2 they were agree -- in agreement with doing things like that,
3 that would streamline the process. So we are working on it
4 internally, also. And we're all constantly looking at our
5 operations and processes and seeing whether we can
6 streamline it and, you know, the -- the effects of what we
7 wanna implement. Thank you.

8 COUNCILMEMBER COUCH: Thank you, Chair.

9 CHAIR WHITE: Mr. Hokama.

10 VICE-CHAIR HOKAMA: Thank -- thank you, Chairman.
11 And thank you for explaining your internal attempts to
12 improve it, 'cause I -- I -- I can agree and support what
13 you put forth to the Commission.

14 MR. HIROMOTO: Thank you.

15 VICE-CHAIR HOKAMA: I mean, if that's the way they
16 are as an applicant, I can tell you, we don't want 'em as an
17 employee.

18 MR. HIROMOTO: That's the first test.

19 VICE-CHAIR HOKAMA: Well, on the -- if I -- if I
20 may speak on the two expansions, please, Chairman.

21 CHAIR WHITE: Sure.

22 VICE-CHAIR HOKAMA: You used the term trainee. So
23 what kind of level are they actually coming? Like they have
24 no experience in human resources or employee management at
25 all, they're just book smart and good on paper from a school

1 or university?

2 MR. HIROMOTO: That's correct. We've attempted to
3 recruit at higher levels, and it's not very successful. So
4 the trainee level is an SR-16 level, entry level for the
5 professional series. It just requires a college degree.
6 And I -- I don't have the --

7 VICE-CHAIR HOKAMA: Any certain field?

8 MR. HIROMOTO: Yes, it does. I don't know --

9 VICE-CHAIR HOKAMA: (Inaudible).

10 MR. HIROMOTO: -- what it is offhand.

11 VICE-CHAIR HOKAMA: A minor in business
12 administration or something?

13 MR. HIROMOTO: Correct.

14 VICE-CHAIR HOKAMA: Uh-huh.

15 MR. HIROMOTO: It'll probably have management,
16 public administration, maybe even political science, that
17 type of thing.

18 VICE-CHAIR HOKAMA: And then, eventually -- I
19 don't know how long the trainee, your -- your program is,
20 but, eventually, the person becomes a Human Resource
21 Specialist, what, II, or something?

22 MR. HIROMOTO: It'll -- the Human Resource
23 Specialist is a career ladder series, so I think we -- we --
24 it goes up to a IV.

25 VICE-CHAIR HOKAMA: Would go to I -- from a

1 trainee, they would move into a I?

2 MR. HIROMOTO: Correct.

3 VICE-CHAIR HOKAMA: Specialist I?

4 MR. HIROMOTO: That is correct. We don't
5 anticipate keeping people at the trainee level for --

6 VICE-CHAIR HOKAMA: So how long is this trainee --

7 MR. HIROMOTO: Trainee is, most likely, six
8 months.

9 VICE-CHAIR HOKAMA: Six months. And is that gonna
10 be considered the probationary period?

11 MR. HIROMOTO: That's correct.

12 VICE-CHAIR HOKAMA: So with that, though, you're
13 asking us for overtime for a Equipment Operator -- I guess
14 for Equipment Operator Trainee. Can you give us some
15 comment about this and how it relates to the Training
16 Program?

17 MR. HIROMOTO: It does not relate to the expansion
18 positions. The request for additional funds or transfer of
19 funds to the -- to the professional -- Professional Services
20 Account, I believe, is for the Equipment Operator III
21 Training Program that is carried out through our Department;
22 however, Department of Public Works is the Department that
23 provides the trainers for that program.

24 VICE-CHAIR HOKAMA: So this would be eventually
25 just one book transfer.

1 MR. HIROMOTO: That's correct.

2 VICE-CHAIR HOKAMA: That Mr. Baz and Finance gotta
3 take care.

4 MR. HIROMOTO: That's correct. The Department of
5 Public Works Highways Division sends a demand to us after
6 the Training Program. I understand that it has historically
7 been in our Department because the participants of that
8 Training Program are from all -- all departments, not just
9 Public Works.

10 VICE-CHAIR HOKAMA: Okay. Okay. Thank you for
11 making that clearer, 'cause I thought part of that overtime
12 was to help your Training Program. So that's why I asked
13 you that question, Director. So thank you for the
14 clarification. And then -- I guess, yeah, we did move. So
15 how does Risk Management now work and communicate with you
16 guys to -- to make sure that some of the concerns from
17 Employee Risk Management is pretty uniform and done
18 accordingly for all departments? Does it just come direct
19 from Corporation Counsel Risk Management, or is this a
20 cooperative thing with Personnel Services?

21 MR. HIROMOTO: I'm not familiar with any, I guess,
22 long-term relationship with Risk Management.

23 VICE-CHAIR HOKAMA: So like safety measures and
24 all that -- I'm sorry, Chairman.

25 CHAIR WHITE: No. No problem. We just have to

1 take a five-minute recess. ...*(gavel)*...

2 **RECESS: 11:51 a.m.**

3 **RECONVENE: 11:55 a.m.**

4 CHAIR WHITE: ...*(gavel)*... The Budget and Finance
5 Committee will come to order once again. Members, before we
6 move on, the Staff would like to know if any of you wish to
7 have any of the departments recalled this afternoon for
8 clarification before you finalize your budgets?

9 COUNCILMEMBER BAISA: No, Chair.

10 COUNCILMEMBER COCHRAN: No.

11 CHAIR WHITE: Okay. Okay, we're good. So let's
12 move on. I'm sorry. I -- I had -- I interrupted you at
13 mid-thought.

14 VICE-CHAIR HOKAMA: No, no, no, Chairman. I -- I
15 appreciate the -- the Chair taking care of the Committee's
16 requirements. So thank you for that, Chairman. Back to my
17 -- my subject that I was just concerned about is, you know,
18 we deal with a lot of issues that stem -- that could be -- I
19 would feel could be just through good risk management
20 policies and procedures, Director. And, you know,
21 unfortunately, risk management is just like one of those, in
22 the past, like a stepchild. It's been rotated through
23 different departments, Finance, Personnel, now it's in Corp.
24 Counsel. And we had different philosophies and approach to
25 risk management, but I would like us to see -- and it's been

1 working. I think Ms. Baisa was with me when we had so many
2 claims, and then, through the years, you know, the
3 departments have done a good job and we've whittled down the
4 amount of claims. But part of risk management, for me, is
5 why would we keep putting back the same County employee in
6 the same job to get one other same work comp issue? And
7 sometime it's less than 12 months and we get the same claim,
8 you know. So, for me, it's -- we gotta change something
9 we're doing. So either put 'em in a different position that
10 takes away that comp -- work comp issue or give 'em the
11 appropriate safety -- I mean, whatever it is. You know, for
12 me, it's money we gotta spend that takes away from services
13 that we would rather see those financial resources go to,
14 Director. So I'm just asking if there's some need from us
15 to assist your Department through -- with Corporation
16 Counsel's cooperation of how we can improve the risk
17 management component and continue to reduce claims and
18 filings regarding work comp.

19 MR. HIROMOTO: Councilmember Hokama, I think we
20 can -- we'll work with Corp. Counsel and Risk Management on
21 that. I think one of the important things that we need to,
22 I guess, refine is the -- maybe the Return to Duty Program.
23 I know that's been languishing for a while, but that's
24 something that we can take a look at. And -- but that's
25 always -- but that's in Risk Management, but --

1 VICE-CHAIR HOKAMA: Right.

2 MR. HIROMOTO: I understand that it does deal with
3 employee, employee relations, union relations. So we'll
4 work with them on that.

5 VICE-CHAIR HOKAMA: Yeah. And then, unless -- and
6 I'll be happy to relinquish the floor, Chairman. One area
7 that I'm concerned about is the categories of the medium to
8 heavy physical and weight components in the job. So it's --
9 whether it be pipe fitters, what not, that's dealing with
10 heavy things or big things. 'Cause I have looked at the
11 response from Water Department regarding the values of
12 claims, work comp. And part of the analysis, as I
13 understand, is the type of classified work they're doing.
14 And I understand that, you know, hey, they dealing with big
15 equipment, big tools, big -- I mean, you know, I can
16 understand some of -- I think if we improve our Personnel
17 Policies and the Risk Management Policies, hopefully, we can
18 -- I would like to see us reduce that because a lot of that
19 is continuing term claims. You know, we might have to pay a
20 permanent disability through his -- the whole retirement and
21 wants to be the County's -- you know, those things concern
22 me 'cause that's long-term payouts for us that, you know,
23 they deserve through agreement. So I'm just trying to find
24 ways of how we can bring efficiency to various components so
25 what money we do have, we put it where we really need it.

1 Thank you --

2 MR. HIROMOTO: Okay. We'll --

3 VICE-CHAIR HOKAMA: -- Chair.

4 MR. HIROMOTO: We'll work with Corp. Counsel on
5 that.

6 VICE-CHAIR HOKAMA: But, currently, you don't know
7 of any departmental-wide type policy that addresses all of
8 this yet? Or are you aware -- 'cause it would disturb me if
9 every Department has their own thing 'cause then we don't
10 have consistency, and then people like Mr. Ueoka and his
11 boss is gonna have to deal with, what, 10 departmental
12 policies and 10 interpretations. I -- I prefer not to go
13 down that road. Thank you, Chairman.

14 CHAIR WHITE: Other questions, Members?

15 COUNCILMEMBER COCHRAN: Chair?

16 CHAIR WHITE: Ms. Cochran.

17 COUNCILMEMBER COCHRAN: On Page 505, Goal 3,
18 Number 2, "Maintain the rate of employees leaving County
19 employment within five years from date of hire." Is that in
20 reference to the pension, you know, the pension date they
21 can collect after serving so many years, X amount of years,
22 but that's recently changed for new hires to 10? Is that
23 what that number is in reference to?

24 MR. HIROMOTO: No, that has nothing to do with
25 that. It's not --

1 COUNCILMEMBER COCHRAN: Oh, okay.

2 MR. HIROMOTO: -- related.

3 COUNCILMEMBER COCHRAN: What -- so, basically,
4 what is this saying, then?

5 MR. HIROMOTO: We're just saying that -- that's
6 just a marker, a number of employees that leave County
7 employment within five years of being hired. That's a
8 reflection of job satisfaction, for example. And we can
9 address that through career ladder opportunities, training
10 programs, things like that, to keep employees here with the
11 County, good employees.

12 COUNCILMEMBER COCHRAN: Okay. Okay. Thank you.

13 CHAIR WHITE: Okay. Mr. Couch, did you have your
14 hand up? Okay. You -- I -- I think you were cleaning your
15 glasses or something. I couldn't tell whether your hand was
16 up.

17 Mr. Hiramoto, one of the questions I had was, when
18 you go into negotiations -- you mentioned that you've got
19 deadlines that are provided by Collective Bargaining and
20 statutorial [sic] deadlines -- have you either submitted a
21 request to Legislature or to your negotiating group to
22 change those deadlines? Or have you -- have you, during
23 negotiations, requested of the Unions to ease up on some of
24 the deadlines to provide a little more flexibility in your
25 operations?

1 MR. HIROMOTO: Chair, the deadlines that I -- that
2 I had mentioned were in relation to how fast we can get
3 classifications done. And I mentioned that there are other
4 types of work that we are assigned that have deadlines. And
5 I had -- in my mind, I was specifically thinking of
6 grievances. So, yes, if it was with regard to grievances,
7 we have a timeline when we have to respond to the Union for
8 information -- with information and filing with a decision.
9 And, yes, we have approached the Union many times to extend
10 the deadline. The Union's on -- on their side, have been
11 flexible, have been giving us extensions. So -- but we
12 still need to ask. And they still can deny. But that's the
13 type of deadlines that I was speaking of.

14 CHAIR WHITE: Right. But what my question was, in
15 negotiations, have you asked for a relaxation of those
16 deadlines so you don't have to ask for extensions, you just
17 have a little more time to deal with it? My concern is
18 that, as you can probably tell, I'm not terribly excited
19 about adding personnel, if we can change processes to
20 accommodate the needs of the -- of the various departments.

21 MR. HIROMOTO: Yes, we have requested, put on the
22 table. And, frankly, when -- at the end of the day, the --
23 the most important thing that comes out is wages. So a lot
24 of these things that are processed or operational type of
25 issues get eliminated early on in negotiations.

1 CHAIR WHITE: Yeah, but they also add cost.

2 MR. HIROMOTO: That's correct.

3 CHAIR WHITE: Yeah. So the other question I had
4 for you was, I see that -- you know, you had mentioned that
5 you were having trouble fulfilling reclassification requests
6 and so forth on a timely basis. At least that's what we've
7 been hearing. And so my question is, at what point do you
8 start responding by utilizing overtime as opposed to
9 bringing on new positions?

10 MR. HIROMOTO: We have utilized overtime. And
11 I've encouraged our specialists to take overtime, come in on
12 the weekends and do things, recruitment screening
13 applications and doing classifications. So we have utilized
14 that. I don't have a specific timeline of when I would ask
15 the specialists to come in and on overtime to do it. I
16 guess it's a case-by-case basis.

17 CHAIR WHITE: Okay. Because I note that you've
18 only spent about twenty -- \$2,700 in overtime on a staffing
19 budget last year of over a million -- almost a million-one.
20 So it's a very, very small percentage. So the Chair's
21 feeling is that it would be -- it would be more suggestive
22 that we needed additional staffing had there been more of a
23 use of overtime in order to keep up with the demands of the
24 -- of the -- of the departments.

25 MR. HIROMOTO: Okay. I think a lot of our -- we

1 -- well, some of our work needs to be done during the week,
2 especially our classification. The classification process
3 is akin to an audit. We do oftentimes have to speak to the
4 supervisor, an incumbent, maybe, of the position, if there
5 is an incumbent. Our specialists also go to the work site
6 and observe the -- the work that needs to be done. So,
7 yeah, we could use -- we could utilize more of overtime, but
8 it does sometimes require it be done during the week.

9 CHAIR WHITE: No. I understand that, but I'm --
10 I'm sure there's -- there's paperwork that can be done on
11 the -- you know, either after -- after hours or on the
12 weekends. So I -- I just think if -- if we're getting
13 complaints from various departments that things are not
14 getting done on a timely basis, I would like to think that
15 you would respond by putting some deadlines on getting the
16 classifications done even if it requires using overtime, so
17 that we keep the departments moving along with their --
18 their requirements as well. Just -- it's just a thought.

19 Members, are you ready to go through the Details?

20 COUNCIL MEMBERS: Yes.

21 CHAIR WHITE: Please, let's start on -- well, they
22 start on Page 13-3. And I think we've already discussed in
23 detail the two added positions. Do you have any questions
24 on other items on the two employment pages? Okay. And
25 we've already discussed the -- the premium pay. Their

1 expense year-to-date is \$2,700, and they're requesting
2 \$15,566 for next year. And the Chair's perspective is that
3 we may want to increase that instead of adding the two
4 positions at this time, and -- and revisit that later. But
5 -- any questions on -- on premium pay or the following
6 pages? Mr. Hokama.

7 VICE-CHAIR HOKAMA: Just -- just to go back. I
8 think your response to an earlier question, Director, was
9 that the overtime request is to help pay for the Public
10 Works employee that does the training? Was that correct?
11 Was that a misunderstanding on my part?

12 MR. HIROMOTO: I think that was a
13 misunderstanding. Are we --

14 VICE-CHAIR HOKAMA: I'm looking on Page 13-6,
15 Director, in the middle, under Professional Services, 21,000
16 to cover trainers overtime.

17 MR. HIROMOTO: Okay. That -- that is the
18 Equipment Operator III Training Program that we did speak
19 about that Public Works --

20 VICE-CHAIR HOKAMA: Right.

21 MR. HIROMOTO: -- conducts for us.

22 VICE-CHAIR HOKAMA: Okay.

23 MR. HIROMOTO: It is overtime for the Department
24 of Public Works because the Equipment Operator III Training
25 Program is held on Saturdays for, I believe, 12 weeks. And

1 the rater -- the trainers, which I believe number maybe five
2 to six trainers, are performing that work on overtime. The
3 people that participate in it, however, are -- are
4 volunteers. So the overtime --

5 VICE-CHAIR HOKAMA: So when you say volunteers,
6 they're not getting paid?

7 MR. HIROMOTO: Correct.

8 VICE-CHAIR HOKAMA: For a County -- wait. They're
9 already employees?

10 MR. HIROMOTO: Correct.

11 VICE-CHAIR HOKAMA: Okay. So this is part of what
12 the contract has already agreed to with us as the employer?

13 MR. HIROMOTO: We've entered into agreements with
14 the UPW to allow these employees that participate in the
15 Equipment Operator III Training Program, as participants, do
16 it on voluntary basis.

17 VICE-CHAIR HOKAMA: Okay. Okay. So I notice
18 we've also reduced like, you know, your personnel
19 administration overtime. So none of your people are
20 involved in this overtime training activity with Public
21 Works? Or you -- you're still using your personnel, also?

22 MR. HIROMOTO: No, we don't have our personnel
23 doing this.

24 VICE-CHAIR HOKAMA: Okay. Okay. So the reduction
25 is not an issue for you, then, under -- for your premium pay

1 or your overtime pay needs?

2 MR. HIROMOTO: No.

3 VICE-CHAIR HOKAMA: Okay. Thank you.

4 CHAIR WHITE: Just for clarification, are the
5 trainers County employees?

6 MR. HIROMOTO: The trainers are County employees,
7 and that's why --

8 CHAIR WHITE: From various departments or from --

9 MR. HIROMOTO: No. The -- the trainers are from
10 the Department of Public Works. And so they -- that's why
11 the overtime, necessity for -- for overtime.

12 CHAIR WHITE: Of course, there may be demands on
13 their time that we're not aware of, but they could certainly
14 be scheduled to do work on whatever the training day is,
15 correct?

16 MR. HIROMOTO: They -- they possibly could. I
17 don't -- I don't know what the Public Works schedule is, but
18 we may not have them standing up to do the training on the
19 weekends.

20 CHAIR WHITE: How is that handled now, since it
21 doesn't appear that they're being paid? The request is to
22 cover the overtime, correct?

23 MR. HIROMOTO: The request is -- the increase is
24 because we've held it at 15,000 for many years. I cannot
25 even remember when it was less than that. However, the past

1 several years, the Department of Public Works has forwarded
2 a demand to us for the transfer of funds well exceeding
3 15,000. So we've adjusted accordingly. And that's all
4 because of overtime. They've also included, I think, some
5 machine time, equipment time. But the majority of that is
6 the overtime for their personnel.

7 CHAIR WHITE: Have you evaluated having trainers
8 from outside instead of using Public Works trainers?

9 MR. HIROMOTO: I believe at one time we did, but
10 that was a long time ago. So we did not -- not recently.

11 CHAIR WHITE: What is -- well --

12 MR. HIROMOTO: I would, also, Chair, suspect that
13 Public Works would not want its equipment being used by a
14 private contractor. So we would then be faced with the
15 private contractor putting up his -- you know, the company's
16 equipment to conduct the training.

17 CHAIR WHITE: So what is the total cost? You're
18 asking for just the overtime. Is -- the \$206,000 that was
19 utilized or budgeted for this year, was that all for
20 training, or what -- what else is in that category?

21 MR. HIROMOTO: The 6132 Professional Services
22 includes our other training programs such as the -- the
23 Supervisor/Manager Training Program, the Computer Training
24 Program. It also includes our Employee Assistance Program
25 through WorkLife Hawaii.

1 CHAIR WHITE: How much is that?

2 MR. HIROMOTO: Those are the big ones.

3 CHAIR WHITE: How much is the Employee Assistance
4 Program?

5 MR. HIROMOTO: I believe it's about 56,000.

6 CHAIR WHITE: Okay. What is the total of the
7 training cost? You mentioned that it was 15,000 for
8 overtime previously, and now we're adding 21. So does the
9 36,000 equate to the total cost of the training?

10 MR. HIROMOTO: I believe so.

11 CHAIR WHITE: And how many days of training does
12 that represent?

13 MR. HIROMOTO: I believe it's 12 Saturdays.

14 CHAIR WHITE: Okay. So once a month?

15 MR. HIROMOTO: Yes. No. It's four times every --
16 every Saturday for three or four months.

17 CHAIR WHITE: Okay. So it's 12 to 16 times?

18 MR. HIROMOTO: Correct.

19 CHAIR WHITE: Okay. Okay. And the -- you're
20 reducing the advertising by \$20,000. So far, you've used
21 about 20. So that 30 looks like it's appropriate.

22 MR. HIROMOTO: Correct, Chair. And, also, as I
23 mentioned earlier, in my introduction, we are getting a
24 significant number of applications, applicants for jobs.

25 CHAIR WHITE: Okay. Mr. Guzman, do you have any

1 questions for Department?

2 COUNCILMEMBER GUZMAN: Not at this time, Chair.

3 CHAIR WHITE: Okay. Members, other questions?

4 VICE-CHAIR HOKAMA: Oh, just -- just one -- one
5 quick one, if the Director knows, Chairman. From
6 (inaudible), we -- we got a access pension cost
7 communication where the County had to pay additional monies.
8 And my understanding is this is from the revised law
9 regarding HRS Chapter 88. So would you know if this
10 additional payout, the bill we got -- and this year it's
11 small, 28,000 -- is that from employers that just came to
12 the County and most of this concern is from previous
13 employers? Because the law states the last employer now
14 gotta pay the bill. And so I'm just curious. Is this just
15 within our own, you know, it came up through the ranks and
16 whatnot, or is this all other employees and people that we
17 hired and now we have to pay all this excess pension cost?

18 MR. HIROMOTO: I don't know. I don't know about
19 that. I'm not familiar with that.

20 VICE-CHAIR HOKAMA: Mr. Baz, would you be
21 knowledgeable about --

22 MR. BAZ: Yeah.

23 VICE-CHAIR HOKAMA: -- this?

24 MR. BAZ: Mr. Chair, Member Hokama, we did receive
25 the invoice. I did look at it yesterday. There was a name

1 attached to that one payment of 28,000. I have --

2 VICE-CHAIR HOKAMA: That's only for one employee?

3 MR. BAZ: That's correct, it was one employee. I
4 have not evaluated if that employee was a long-term employee
5 or not. I did, just this morning, kind of looking back. It
6 has been on the books for at least the last couple years
7 before retirement.

8 VICE-CHAIR HOKAMA: Okay. Chairman, maybe another
9 question.

10 CHAIR WHITE: Go ahead.

11 VICE-CHAIR HOKAMA: I just would like to know if,
12 since we got the key people here, Mr. Baz, Mr. -- has -- has
13 your Departments already viewed how we wanna address the
14 Federal Cadillac tax which is gonna impose, come December
15 31st, 2017, 40 percent excise tax on our fully-insured and
16 self-insured health plans, unless we get a differential and
17 some -- or -- or some type of exemption. So is there
18 something that you folks are already doing to minimize the
19 negative financial impact to this County if -- when this
20 Federal law goes into effect?

21 MR. HIROMOTO: Member Hokama, I -- I don't think
22 we've discussed that with -- with the Administration yet.

23 VICE-CHAIR HOKAMA: Okay. Mr. Baz, do you have
24 anything you could share with us at this time?

25 MR. BAZ: Chair, when Mr. Young was here

1 yesterday, I did ask him specifically about that question,
2 about the Cadillac tax, because it does impact the County
3 and the State in general. The plans that are a part of our
4 EUTF system are considered Cadillac plans, that they are
5 better than the typical whatever the Federal requirement is.
6 The impact that he has expressed would be --

7 VICE-CHAIR HOKAMA: (Inaudible) that we have a
8 better retirement plan than the Feds.

9 MR. BAZ: I think the Feds exempted themselves,
10 but I'm not sure about that.

11 VICE-CHAIR HOKAMA: I'm sure.

12 MR. BAZ: Anyway, so the -- the -- the penalty,
13 the fine that we would have to pay for those Cadillac plans
14 systemwide would be about \$8 million out of a little over
15 \$400 million worth of total annual payment. So it is 8
16 million, but it's not significant, you know, in that matter.
17 I mean, 8 million's 8 million. And, definitely, it's hard
18 to say 8 million is not significant. But out of
19 400-and-something million, it's a very, very small
20 percentage. But it still does impact us.

21 VICE-CHAIR HOKAMA: Yeah. So --

22 MR. BAZ: Have we done anything about it?

23 VICE-CHAIR HOKAMA: No. And -- well, if -- if
24 you're working on it, I am happy because we got time. I
25 would like to minimize it. Hopefully, we pay zero, you

1 know, if we can make the plan --

2 MR. BAZ: I suppose if we could negotiate with the
3 Unions to provide a lower benefit plan as part of the Union
4 negotiations, then -- or -- or -- and I don't know how that
5 works. Maybe Member Hokama --

6 VICE-CHAIR HOKAMA: Yeah. Well, I would just
7 appreciate that there's some discussion, yeah. And I'm sure
8 the Unions need to be involved. And I think consultation is
9 really good. But I think we have some time. And I would
10 hate for us to be whacked at 40 percent.

11 MR. BAZ: Right. Yeah. I'm not sure the 40
12 percent. It might be the 40 percent of the difference, I
13 think, of the -- the plan.

14 VICE-CHAIR HOKAMA: Yeah. Well, that stuck out
15 big in my brain.

16 MR. BAZ: Yeah.

17 VICE-CHAIR HOKAMA: A 40 percent excise tax on
18 those.

19 MR. BAZ: We can work with -- the EUTF Board, I
20 guess, would have control over that situation, because we
21 are a part of the State EUTF system. So --

22 VICE-CHAIR HOKAMA: Okay. Thank you, Directors.

23 CHAIR WHITE: That's a pretty scary --

24 VICE-CHAIR HOKAMA: Yes --

25 CHAIR WHITE: -- thought.

1 VICE-CHAIR HOKAMA: -- it is, Chairman.

2 CHAIR WHITE: Another question. On Professional
3 Services, you have \$25,000 of continuation request. My
4 concern is that, at this point, you still have a remaining
5 balance of 74,000 with three months left to go, and you're
6 asking for a total of another 50,000 on top of -- or 45,000
7 on top of the 206,000 for this year.

8 MR. HIROMOTO: Chair, a lot of our -- I know our
9 EAP and our Computer Training Program are billed -- I don't
10 know if it's monthly or quarterly. So those will reduce
11 that amount, the -- the actuals. But, yeah, I don't know
12 exactly what bills are coming up.

13 CHAIR WHITE: Okay.

14 MR. HIROMOTO: But I do know that the -- the --
15 the Employee Assistance Program and the Training -- Computer
16 Training Program are billed as we go.

17 CHAIR WHITE: Okay. But what is driving the
18 \$25,000 continuation request?

19 MR. BAZ: Yeah. Mr. Chair?

20 CHAIR WHITE: Uh-huh.

21 MR. BAZ: From a Budget perspective, the \$25,000
22 is part of their current budget. We just transferred items
23 from other Sub-Object Codes where they saw that they had
24 some availability of funds into the Professional Services.
25 And that's why it would be considered continuation versus

1 expansion.

2 CHAIR WHITE: No. I understand that. I'm -- I'm
3 asking what -- I don't see the -- the need doesn't jump out
4 at me with \$74,000 remaining expenditure. So I understand
5 that these two -- this amount is made up of two transfers
6 from other accounts where it wasn't spent, but I'm not sure
7 I have heard yet what the -- what the need is over and above
8 the -- the amount that was adopted last year -- or for this
9 fiscal year.

10 MR. HIROMOTO: Chair, I need to get back to you on
11 that. I'm not sure what -- what more we'd have to allocate
12 to that 6132 or spend in 6132.

13 CHAIR WHITE: Okay. The reason I'm asking is
14 that, as I mentioned earlier, I'm -- I'm likely to recommend
15 to the Committee that we increase your -- your premium pay
16 by moving some of that back to where it -- it came from. So
17 if you could get back to me, I would appreciate it. And
18 then if you could also identify the need for the additional
19 \$7,500 in registration and training fees that is shown as a
20 continuation request. Because two years -- or -- yeah, two
21 years ago, that was only \$1,500. And you're requesting
22 \$17,500 this year.

23 MR. HIROMOTO: Okay. That's with 6230?

24 CHAIR WHITE: Yeah, 6230.

25 MR. HIROMOTO: All right. We're -- we're

1 allocating more money into staff training. And that's -- I
2 feel we need to do that. We've got a very young staff
3 compared to a few years ago. And we're trying to -- trying
4 to up that investment.

5 CHAIR WHITE: Okay. Do you know how much you've
6 spent of the \$10,000 allocated for this year?

7 MR. HIROMOTO: No. I don't know.

8 MR. BAZ: Hold on, Mr. Chair. I have that.

9 CHAIR WHITE: Okay. Yeah, you have a balance of
10 roughly \$4,300. So you spent 56 out of the 10,000. So --
11 okay. Members, any other questions? Seeing none --

12 MR. BAZ: Mr. Chair?

13 CHAIR WHITE: Yeah.

14 MR. BAZ: I did -- because Member Hokama asked
15 about the (inaudible) issue, it was a long-term employee
16 that had been working for the County since 1994.

17 CHAIR WHITE: Members, we do have equipment
18 expenses on the last page, 13-8. And it -- basically, other
19 than the copier/printer lease of \$7,800, the other two are
20 for the two expansion positions. So anybody have questions
21 on either of those? Okay. Seeing none, I wanna thank you
22 very much for -- for being the wrap-up guys for our
23 departmental review. So without -- okay. Before we
24 adjourn, Members -- you're right. Thank you. Before we
25 recess, I'd like the Members' thoughts as to when you would

1 like to reconvene this afternoon to turn in your -- your
2 budgets. 3:00? Does -- does anybody need more time, I
3 guess, is the other question? Ms. Cochran?

4 COUNCILMEMBER COCHRAN: What time are you
5 choosing, 3:00?

6 CHAIR WHITE: No.

7 COUNCILMEMBER COCHRAN: Oh.

8 CHAIR WHITE: Well, some Members are ready now.

9 If --

10 COUNCILMEMBER COCHRAN: No. I'm not done --

11 CHAIR WHITE: Okay.

12 COUNCILMEMBER COCHRAN: -- right this second. I
13 need more time.

14 CHAIR WHITE: So -- Mr. Hokama.

15 VICE-CHAIR HOKAMA: If -- if I can ask Mr. Ueoka a
16 question. 'Cause the Feds and the State practices is they
17 leave the (inaudible) open for Members to submit after the
18 body leaves. So can this Committee do the same practice,
19 procedural practice that the State and the Feds do?
20 Congress does it, the State Legislature does it. The body
21 meets, but they keep the thing -- the Committee allows the
22 Members to submit by a deadline. It's a procedural -- well,
23 it's -- if it's a procedural question, Chairman, then it's
24 within the body's control.

25 CHAIR WHITE: My -- my recollection is that we're

1 supposed to receive it in an open meeting, so I don't think
2 we have a option. Okay. Let's take a quick recess and
3 we'll determine what time we come back. ...*(gavel)*...

4 **RECESS: 12:28 p.m.**

5 **RECONVENE: 12:48 p.m.**

6 CHAIR WHITE: ...*(gavel)*... Members, we will look
7 forward to receiving your proposals. We're gonna take a
8 lunch break until 1:30, then come back and accept proposals.
9 And for those of you who do not have your proposals ready,
10 please turn them into Staff when you can this afternoon.
11 We've got a lot of work to do. And when we -- when we
12 present the -- when each of you present your budget, we'll
13 do so at 1:30. And we've been reminded that there should be
14 no -- no suggestion of persuasion or anything of that sort.
15 We're just simply presenting what we're -- you know, what
16 we're providing for Staff to have guidance over the weekend.
17 And as noted earlier, when we distribute the budget that we
18 will be working off of on Monday, we will also distribute
19 copies of each Members' proposals. So with that, we'll --

20 COUNCILMEMBER BAISA: Chair?

21 CHAIR WHITE: Ms. -- Ms. Baisa.

22 COUNCILMEMBER BAISA: Note. Note.

23 CHAIR WHITE: Okay. Note from the Staff is by
24 4:30, so -- I know several of you have got your proposals
25 ready, so please bring them at 1:30. Mr. Couch.

1 COUNCILMEMBER COUCH: Okay. So just a quick
2 recess until 1:30, then --

3 CHAIR WHITE: Right.

4 COUNCILMEMBER COUCH: -- essentially?

5 CHAIR WHITE: Right. Okay. We're in recess.
6 ... (gavel) ...

7 **RECESS: 12:50 p.m.**

8 **RECONVENE: 1:36 p.m.**

9 CHAIR WHITE: ... (gavel) ... This meeting of the
10 Budget and Finance Committee will reconvene. Members, it is
11 time for us to make it available for you to turn in your
12 budget recommendations. Staff will come by and pick them
13 up. And if anyone would care to make comments? Mr. Couch.

14 COUNCILMEMBER COUCH: Thank you, Mr. Chair. And
15 here we go, we're starting. Everybody thinks this is the
16 end. This is just the beginning. I just wanna let you
17 know, I -- I put a lot of thought and consideration into my
18 proposal. And property valuations, as you've mentioned,
19 have increased resulting in over \$20 million revenue at
20 current tax rates. The Mayor's proposal increases the
21 current tax rates by 6.5 percent and adds another \$15
22 million to this Budget. In addition to eliminating the
23 Mayor's 6½ percent increase, I've also chosen to reduce the
24 taxpayer's rate and make cuts to the General Fund by over
25 \$18 million. I've also reduced CIP projects by \$9 million.

1 I think it's my obligation to the taxpayers of Maui County
2 to be fiscally responsible. I would like to thank the
3 Committee and the Staff for their guidance and hard work.
4 And also, my staff who's put in yeoman hours just getting us
5 things to balance. So I appreciate your consideration for
6 my proposal.

7 CHAIR WHITE: Thank you. Members, any other
8 comments? Seeing none, I wanna thank you all. And the
9 Staff will be accepting other proposals that are not yet in
10 until 4:30 today. So, with that, I wanna thank you all. We
11 will be here over the weekend and be ready to present the
12 consolidated budget on Monday morning at 9:00 a.m., correct?
13 So we will adjourn this meeting and we'll come back together
14 on Monday. We're adjourned. ...*(gavel)*...

15 **ACTION: DEFER pending further discussion.**

16 **ADJOURN: 1:38 p.m.**

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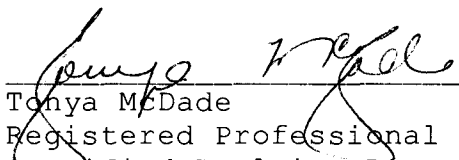
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CERTIFICATE

I, TONYA McDADE, Hawaii Certified Shorthand Reporter #447, do hereby certify that the electronically-recorded proceedings contained herein were, after the fact, taken by me in machine shorthand and thereafter was reduced to print by means of computer-aided transcription; and that the foregoing represents, to the best of my ability, a true and accurate transcript of the electronically-recorded proceedings provided to me in the foregoing matter.

I further certify that I am not an employee nor an attorney for any of the parties hereto, nor in any way concerned with the cause.

DATED this 16th day of May, 2014.



Tonya McDade
Registered Professional Reporter
Certified Realtime Reporter
Certified Broadcast Captioner
Hawaii Certified Shorthand Reporter #447