

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

November 18, 2014

Council Chamber

CONVENE: 9:01 a.m.

PRESENT: Councilmember Mike White, Chair
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member (in 9:03 a.m.)
Councilmember Donald G. Couch, Jr., Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (in 9:03 a.m.)
Councilmember Michael P. Victorino, Member (in 9:03 a.m.)

EXCUSED: VOTING MEMBER:
Councilmember G. Riki Hokama, Vice-Chair

STAFF: Michele Yoshimura, Legislative Analyst
Mark Pigao, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference
bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference
bridge)
Dawn Lono, Council Aide, Hana Council Office (via telephone conference
bridge)

ADMIN.: David Goode, Director, Department of Public Works
Sananda Baz, Budget Director, Office of the Mayor
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation
Counsel

PRESS: Akaku: Maui Community Television, Inc.

CHAIR WHITE: . . . (*gavel*) . . . Good morning. This Budget and Finance Committee meeting will please come to order. Members, we've got a short agenda this morning. It doesn't

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look like we have many people rushing in to testify. This morning, our Committee Vice-Chair Riki Hokama is excused. And I'd like to welcome Chair Gladys Baisa.

COUNCILMEMBER BAISA: Good morning.

CHAIR WHITE: And Vice-Chair Bob Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR WHITE: And Member Stacy Crivello.

COUNCILMEMBER CRIVELLO: Good morning, Chair.

CHAIR WHITE: Good morning. And Don Couch.

COUNCILMEMBER COUCH: Good morning, Chair.

CHAIR WHITE: And Ms. Cochran, Mr. Guzman, and Mr. Victorino will be joining us shortly. This morning, we have our Committee Secretary Yvette Bouthillier, and Legislative Analysts Michele Yoshimura and Mark Pigao. And we also have Jeffrey Ueoka from Corporation Counsel; Sandy Baz our Budget Director; and David Goode, Director of Public Works. So, with that, Members, I don't see anyone but us in the Chambers so I won't ask if there's anybody wanting to testify, but we'll go to our District offices and starting in Hana. Dawn, do you have any testifiers this morning?

MR. LONO: Good morning, Chair. This is Dawn Lono at the Hana office, and there is no one waiting to testify.

CHAIR WHITE: Thank you. And Denise, do we have testifiers on Lanai?

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

CHAIR WHITE: Thank you. And Ella, any testifiers on Molokai?

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai, and there is no one here waiting to testify.

CHAIR WHITE: Thank you very much. There is no one here in the Chambers. Without objections, the Chair will close public testimony.

COUNCIL MEMBERS: No objections.

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CHAIR WHITE: And I'd like to welcome Mr. Guzman and Mr. Victorino.

COUNCILMEMBER GUZMAN: Good morning.

COUNCILMEMBER VICTORINO: Good morning, Mr. Chair.

CHAIR WHITE: Good morning. Okay, Members, we have just two items, two Public Works' items.

**ITEM NO. 127: AMENDING FISCAL YEAR 2015 BUDGET: OLD
HALEAKALA HIGHWAY AND MAKANI ROAD
PAVEMENT REHABILITATION PROJECT (CC 14-273)**

CHAIR WHITE: The first, BF-127, is a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET OF THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; MAKAWAO-PUKALANI-KULA COMMUNITY PLAN AREA, ROAD IMPROVEMENTS, OLD HALEAKALA HIGHWAY AND MAKANI ROAD PAVEMENT REHABILITATION; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

And in addition to that is a bill, a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4130, BILL NO. 34 (2014), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (OLD HALEAKALA HIGHWAY AND MAKANI ROAD PAVEMENT REHABILITATION)".

And we have a third bill on this item as well – "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE – SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION/INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT (ISTEA) HIGHWAY AND OTHER TRANSPORTATION GRANTS)". So, with that, it should be noted that this project was funded in the amount of \$600,000 in County Bond funds and \$1.6 million of Federal funds but the project has been expanded so we'll let either Mr. Baz or Mr. Goode provide additional information.

MR. GOODE: Good morning, Chair. I'm Dave Goode, Public Works.

CHAIR WHITE: Before you proceed, I'd just like to recognize the presence of Elle Cochran.

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COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR WHITE: Good morning.

COUNCILMEMBER COCHRAN: Aloha. Good morning.

CHAIR WHITE: Please proceed.

MR. GOODE: Thank you. Good morning, Members. And thank you, Chair, for scheduling these two items today. Both of these projects are part of our Federal Aid projects, which as you, I'm sure, are keenly aware. You've seen a lot of this type of work ongoing throughout our community, and most of this work is what we call reconstruction work where we take out anywhere from 12 to 17 inches of roadway all the way down through whatever is underneath the road and build it back up with a structural integrity that can last hopefully 25 to 30 years. And both of these are, well, I'll start with Makani Road the one that's before us right now. Makani Road and Old Haleakala Highway are federal-aid roads. We did the one section of Makani Road from Kalama Intermediate down to the bypass a couple of years ago. The next section from the bypass Old Haleakala Highway we wanted to do as a project and we also wanted to do Old Haleakala Highway from the last road on the makai end of Pukalani, which I think is Aeloa up to Makawao Avenue. So we were able to combine the two. We got in our STIP and Federal funds were available. We proceeded with the funding that we received from the Council previously to initiate design. And when we got into design, we originally thought a lot of this . . . we actually thought the road bed was better especially on Old Haleakala Highway 'cause it was a State Highway previously and that we would need a minimal amount of reconstruction work. Well, it turns out after we went through design, did the soil samples, we really need to reconstruct that road. And so our original estimates for the project basically inadequate to do the full project. And so as we went through the design we needed to beef up this road and so the cost went up significantly because we're getting a lot better product. We went out to bid. We have a winning bid. It's about \$4.9 million, it's for construction. The Feds are through the State are ready to pay, continue to pay their 80 per cent share which is good news. So that's 4 million bucks, basically that they'll be paying. We pick up the remaining part of the construction. We'll also be doing the . . . we'll also be hiring out for the construction management for this project. As it relates to construction management, we have I think five Federal-aid projects all coming out nearly simultaneously. We'll be doing in-house construction management for three of them and the larger ones are the ones that are farther away from our home base and we'll be doing construction management by other firms. So, anyway the request before you today is to add additional funds to this project to meet our 20 per cent match and do the construction management. So I believe the total request, Sandy, is a million three . . . a million three eighty one in additional funds. There's one other thing I'd like

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to add, Chair, about the project. We do have, I just want to let you know, we are working out one wrinkle in the project. Where Makani Road meets Old Haleakala Highway we have the makai side property which is about an acre that property pin is actually like half way out in Aeloa Road. We weren't aware of it until we got pretty far along. Actually, the landowner came in and brought it to our attention. We made some offers to the landowner but then rejected. And so we're not getting possession of the property currently, not even for a right-of-entry to do simple surveying work to figure out what we got to do in order to cut it off. So we've estimated what we think because we can't get access, you know, how many square feet we might need. We've written letters to them but so far they're not willing to play ball so I had to tell them that, you know, if we don't get an adequate response, we'll use our condemnation powers which means I'll be coming back to this Council to get authority to do condemnation which could be just a couple thousand square feet of their property which is our road at the present. It doesn't do them any good at all so having a difficult time with this particular owner but I just wanted to let you know if we can't work that out with him, we may take out Makani Road section in its entirety and come back as a future project. So the appropriation again today is for the whole project. We're still going to continue down that path. If we have to take it out, we'll obviously be returning funds to I guess this is a general obligation bond. We'll have lapsed bond funds.

CHAIR WHITE: Okay. Thank you. Members, questions for the Department? Mr. Victorino?

COUNCILMEMBER VICTORINO: Yes, thank you. And thank you, Mr. Goode. Mr. Goode, you mentioned that the present owner has not, has not just responded or has responded negatively or has . . . what kind of response have you had from them to this point in the request you are making?

MR. GOODE: Well, their response actually they'd like to have the County take it. They have asked for things we cannot provide them. They've asked to subdivide their property into three lots. They've asked for two additional water meters. We cannot do that. As you know, we can basically pay them fair market value. Now the fair market value is whatever it is. It serves a way to say, well, we give you that value and some other goods or services. I don't know if we can do that. I think the best thing for us is just write 'em a check based on appraised value. We did research it. We met with Corp. Counsel. We also met with Water Supply to see if there's a possibility, and there's not. So we informed the owners of that. They also had some concerns related to drainage which coming off the road on the makai side there. We'd like to address but we cannot. We cannot get access to the property. So that's where we are and I'm hoping that they'll come to the table and realize that it's a fairly simple process. We appraise it, they get square foot value; they'll get a check. We will subdivide the property out for them. They don't have to do that, and we'll take care of that. We have the ordinance capabilities now just doing that. But that's where we are.

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COUNCILMEMBER VICTORINO: Well, thank you for that clarification so that the public understands what attempts you have made to rectify this problem and I think that’s important, Mr. Chair. You know we can only do so much and sometimes the public can, in some instances, be a little more demanding than we can accommodate them with, and I think you’ve clarified that especially the water meter issue. Anybody on the water meter list up there hears this they may be calling if they know who the person is. I don’t want to go there; I don’t want to go there. But anyhow thank you for that clarification and I fully support, you know, Makani Road is a very heavily traveled thoroughfare Upcountry and it connects Makawao Town really to Haleakala Highway and all the homes and the school, Kalama School all connects to that area. So I think it’s time. You know it’s one of those roads, that and Makawao Avenue really needs to be taken care of. I don’t want to get into that one but, you know I travel those roads enough to say, you know, it’s time. So thank you. Thank you, Mr. Chair.

CHAIR WHITE: Members, other questions for the Department? Seeing none. The Chair is ready to make his recommendation.

COUNCILMEMBER VICTORINO: Recommendation?

CHAIR WHITE: Chair will entertain a motion to recommend passage of the proposed bills on first reading and the filing of County Communication 14-273 in addition to allowing staff to make nonsubstantive revisions.

COUNCILMEMBER VICTORINO: So move, Mr. Chair.

COUNCILMEMBER COUCH: Second.

CHAIR WHITE: It’s been moved by Mr. Victorino, seconded by Mr. Couch. Any further discussion, Members? Seeing none. All those in favor please signify by saying “aye”?

COUNCIL MEMBERS: Aye.

CHAIR WHITE: Those opposed say “no”? Measure carries. Eight ayes, zero noes, one excused – Mr. Hokama.

**VOTE: AYES: Chair White, and Councilmembers Baisa,
Carroll, Cochran, Couch, Crivello, Guzman, and
Victorino.**

NOES: None.

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ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

**ACTION: FIRST READING of bills; and FILING of
 communication by C.R.**

**ITEM NO. 128: AMENDING FISCAL YEAR 2015 BUDGET: WAILEA
 ALANUI DRIVE AND WAILEA IKE DRIVE
 PAVEMENT REHABILITATION PROJECT (CC 14-274)**

CHAIR WHITE: Okay, Members, our next item is BF-128. And for this item, we have another three measures. The first is a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO ESTIMATED REVENUES; KIHEI-MAKENA COMMUNITY PLAN AREA, ROAD IMPROVEMENTS, WAILEA ALANUI DRIVE AND WAILEA IKE DRIVE PAVEMENT REHABILITATION; TOTAL CAPITAL IMPROVEMENT PROJECT APPROPRIATIONS; AND TOTAL APPROPRIATIONS (OPERATING AND CAPITAL IMPROVEMENT PROJECTS)".

And the second is a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 4130, BILL NO. 34 (2014), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI (WAILEA ALANUI DRIVE AND WAILEA IKE DRIVE PAVEMENT REHABILITATION)".

And the third is "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANT REVENUE – SCHEDULE OF GRANTS BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF PUBLIC WORKS (FEDERAL HIGHWAY ADMINISTRATION/INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT (ISTEA) HIGHWAY AND OTHER TRANSPORTATION GRANTS)".

So with that, Mr. Goode, would you like to provide a description of the increase or the need for the increased funding?

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MR. GOODE: Sure. The Wailea Alanui and Wailea Ike Drive project just to give you a sense of where we are – Wailea Ike Drive is the entire Drive, if you will, from Piilani Highway down to Wailea Alanui by the Shops of Wailea. And then if you make the right that portion of Wailea Alanui Drive so from the intersection of Wailea Ike back towards Okolani going towards Kihei. So it's four lanes, divided highway on both roads. Again, on this project we thought that when we initially put the project together that we're going to do spot reconstruction and it turns out full reconstruction is required on these roads bearing depths of 12-17 inches. The culverts under Wailea Alanui we found some deterioration in the culverts so part of this project will be to shore up those culverts through relining. And because basically these funds are called repair and replacement – recon repair, replacement, three hour program within Federal Highways type of work that would be covered as basically doing repairing things that are already there. So we will be doing some culvert work on Wailea Alanui in particular. So as a result of those changes, Chair, we've had to increase the scope of the project. The bids came in about \$8 million. Federal Highways again will pay their 80 per cent share so we want to make sure our match is there as well as construction funding. This project too has a small wrinkle. You can't do a big project without having something to deal with. This one we have a bid protest. So the number two bidder thought they should have gotten the job and so that bid protest has been dealt with by Finance and now they have appealed to the State DCCA. The difference in the two bids is about \$55,000 so we feel whatever happens with the bids I will be able to cover it with this appropriation. I just wanted you to know about that in case you hear about it through one form or another. I ran into Mr. King from the Purchasing Division yesterday, and he said that they're still dealing with . . . DCCA is still dealing with it. So a little smaller wrinkle but a wrinkle nevertheless but we're still planning on getting both these projects out if we get the funding today. We just got the bids in so hopefully by March or so we can start rolling with construction. And that's it, Chair.

MR. WHITE: Okay. Thank you. Members, any questions? Mr. Couch followed by Ms. Cochran?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you for that information, Mr. Goode. When did the County take over those roads? I thought that was Wailea Community Association's kuleana for a while.

MR. GOODE: We actually discussed this the other day. My staff couldn't remember when we took it over so that's got to be 20 years plus. Wailea Community Association we have a maintenance agreement with them so they maintain the vegetation so they pay for the water. You see them out there constantly working on the trees and the shrubs and grass, et cetera. It's by far our best maintenance agreement that we have. So that's their responsibility.

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COUNCILMEMBER COUCH: Okay. And I recall just about ten years ago a culvert went out by the Four Seasons and it was due to just wear and tear, and it looked like . . . it didn't look like normal wear and tear when we were out there but I'm not an expert at that. Have you looked at all the other culverts? I know you mentioned the culvert that might have an issue. Are we looking at that again because they took out the whole road there for an amount of time?

MR. GOODE: Right. I remember that. Yeah, since that we've looked at all the culverts on an every other year basis and um . . . so as part of this project they did an in-depth review of them during design and found that some of them needed attention now. And again, we can use the 80-20 Federal funding for the repair work so we're going to do that. I don't anticipate that there's going to be any closing of the road like there was on that case because it's essentially a relining, not a failure such that we have to close the whole road.

COUNCILMEMBER COUCH: Okay. All right. Thank you, Chair.

CHAIR WHITE: Other questions, Members?

COUNCILMEMBER COCHRAN: Chair?

CHAIR WHITE: Oh, I'm sorry. Elle?

COUNCILMEMBER COCHRAN: Thank you, Chair, and good morning, Director Goode. So just curious if there are any deferral agreement obligations with this and the previous item we just discussed. It slipped my mind to ask. But are you aware of any deferral agreement obligations along these frontages that might offset the cost for these improvements or rehabs or the work you're doing?

MR. GOODE: It's a good question, Chair. Ms. Cochran, I'm now aware of any. I'll double check but even if there were, those deferral agreements typically defer say curbs, gutters and sidewalks, and we're not installing curbs, gutters and sidewalks in these areas. We're basically reconstructing, repairing what's already there. So deferral agreement is basically saying, well, you don't have to put these improvements in so we put them in we're not putting them in. So even if file mine as . . . even if they were deferral agreements, they wouldn't be triggered by the type of work we're doing.

COUNCILMEMBER COCHRAN: Okay. I'll follow up, Chair, if you don't mind.

CHAIR WHITE: Sure.

COUNCILMEMBER COCHRAN: So in the future if and so we do improvements of that nature you just mentioned curbs, gutters, sidewalks, is that something that would be brought to

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our attention that this is in relation to these deferral agreements and this is their cost in relation to what our costs are? Will there be some type of report being done for us at all or do we need to ask them to just keep an eye on things?

MR. GOODE: Well, I can tell you that we're keeping an eye on. We've mapped them all out, we know where they are. I know we have a project on the west side where we're going to be triggering one of the agreements. The agreements are basically an agreement or contract, if you will, between us and the landowner so it doesn't need Council approval or notification. It does require us to tell the owner what we think the costs are based on bids so we're pretty far on the process. We'd have to get all the way to construction bids in and so we would be able to say, well, here's our cost. If the Council is interested in getting a report on that, we can figure out a way I suppose to do those kinds of things. If there's money coming into the County, it may need to be budgeted. So I don't know. I'm not sure.

COUNCILMEMBER COCHRAN: Right. I think that's where I would like clarification is monies coming in or out or whatever and it has something to do with the agreements that there's a detailed sort of report of some kind that shows that states where monies are . . . what's coming in or what's being paid out or whose percentages are paying for what and stuff like that. So, anyway, I guess that's future, down the road. Okay. Well, thank you. That takes care of my question. Thank you, Chair.

CHAIR WHITE: Okay, good. I have a question with respect to the ordinance with conditions of zoning for Honua'ula Partners, LLC there's a condition saying modify Piilani Highway, Wailea Ike Drive intersection to a signalized intersection and provide a free right turn lane from Piilani to Wailea Ike Drive and the second right turn lane from Wailea Ike Drive to northbound Piilani Highway prior to occupancy. There's a second one saying modify the . . . I'm just trying to, you can just listen to what the description is to see if there is any overlap with what you all are doing. And the second one is, modify the Wailea Alanui/Wailea Ike Drive intersection to add a signalized, double right turn movement from northbound to eastbound turning traffic and provide two left turn lanes for southbound traffic from Wailea Ike Drive prior to occupancy. The question is whether any of this overlaps with what we're planning on doing.

MR. GOODE: There might be some overlap. Sounds like they're going to have to cut into the roadway and add additional lanes to the existing roadway network. So where they cut in those have to replace it equivalent to what we have which actually might make it slightly more expensive for them because we're beefing up the roadway in those areas. But sounds like their trigger is prior to occupancy . . .

CHAIR WHITE: But . . .

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MR. GOODE: Might be a long time.

CHAIR WHITE: I think that's a pretty good guess. Okay, any other questions, Members?
Seeing none. The Chair would be happy to make his recommendation.

COUNCILMEMBER VICTORINO: Recommendation.

COUNCILMEMBER COCHRAN: Recommendation.

CHAIR WHITE: Chair would entertain a motion to recommend passage of the proposed bills on first reading and the filing of County Communication 14-270 in addition to allowing staff to make nonsubstantive revisions.

COUNCILMEMBER COUCH: So move.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR WHITE: It's been moved by Mr. Couch, seconded by Mr. Victorino to pass the bills as noted. Any further discussion, Members? Seeing none. All those in favor please signify by saying "aye"?

COUNCIL MEMBERS: Aye.

CHAIR WHITE: Those oppose say no. Measure passes eight ayes, zero noes and one excused - Mr. Hokama.

VOTE: **AYES:** **Chair White, and Councilmembers Baisa, Carroll, Cochran, Couch, Crivello, Guzman, and Victorino.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Vice-Chair Hokama.**

MOTION CARRIED.

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ACTION: FIRST READING of bills; and FILING of communication by C.R.

CHAIR WHITE: And with that, Members, we have concluded the agenda for today. Thank you all very much and I hope you enjoy having a little free time this morning. And with that we are adjourned. . . .(gavel). . .

ADJOURN: 9:26 a.m.

APPROVED:



MIKE WHITE, Chair
Budget and Finance Committee

bf:min:141118

Transcribed by: Jo-Ann Sato