

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

March 31, 2015

Council Chamber

CONVENE: 9:02 a.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Mike White, Vice-Chair (in 9:16 a.m.)
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member (9:03 a.m.)
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (1:32 p.m.)
Councilmember Michael P. Victorino, Member

STAFF: Michele Yoshimura, Legislative Analyst
Mark R. Pigao, Legislative Analyst
Jordan Molina, 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.: Mark R. Walker, Deputy Director, Department of Finance
Wayne Fujita, Accounts System Administrator, Accounts Division, Department of Finance
Scott Teruya, Administrator, Real Property Tax Division, Department of Finance
Carmelito Vila, Administrator, Motor Vehicle and Licensing Division, Department of Finance
Gregory King, Central Purchasing Agent, Purchasing Division, Department of Finance
Angelita De La Pena, Treasurer, Treasury Division, Department of Finance
John Kulp, Accountant III, Treasury Division, Department of Finance
Jeffrey Murray, Fire Chief, Department of Fire and Public Safety
Cindy Kagoshima, Business Administrator I, Department of Fire and Public Safety
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Alex Haller

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Michele Maalooa, Site Director (Lahaina), Ka Hale A Ke Ola
Shelley Blackburn, Chief Operating Officer, Ka Hale A Ke Ola
Roannamarie Kauhaa-Po, Ka Hale A Ke Ola
Patricia Sales, Ka Hale A Ke Ola
Jim Smith
Jen Azuma Chrupalyk
Candice Levy
Deanna Tamura, Ka Hale A Ke Ola
Richard Dowling, Ka Hale A Ke Ola
Antoinette Polancy, Ka Hale A Ke Ola
Debra Granados, Ka Hale A Ke Ola
James Worley, Board Member, Ka Hale A Ke Ola
Others (10)

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

**ITEM BF-1: PROPOSED FISCAL YEAR 2016 BUDGET FOR THE COUNTY
OF MAUI (CC 15-41)**

CHAIR HOKAMA: . . . *(gavel)* . . . The Council's Committee on Budget and Finance shall come to order. This is our first meeting on the review of the Fiscal Year 2016 Budget proposal. Today present for the Committee's meeting is Committee members Mr. Carroll, Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Mr. Chair.

CHAIR HOKAMA: Good morning. Mr. Couch.

COUNCILMEMBER COUCH: Good morning, Mr. Chair.

CHAIR HOKAMA: Good morning. Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good morning, Chair.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Aloha and good morning, Chair.

CHAIR HOKAMA: Good morning. Excused are Ms. Cochran, Mr. White, and Mr. Guzman. Before we start the review process, Members, we shall take public testimony at this time. First--even I need to do it--everyone turn off your equipment, your noise-making devices. We shall give everyone the courtesy of keeping our equipment on either vibration or off mode. As posted, you will have three minutes and three minutes only

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to give your testimony. Please be concise. If you have written testimony, please submit that. We shall also be happy to receive that as part of the Committee's record. State your name, if you represent an organization we would ask that you share that with us also. We shall start with the Chambers and then move to our District Offices to take comment for today's meeting. So at this time we'll call up Alex Haller or Haller for your three minutes. We shall assist you. When you start the green light will go on. The yellow light will tell you you have 30 seconds to complete, and the red light means you shall stop. Okay, when you're ready please begin.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. HALLER: Good morning, Chair, County Council, and members of the public. My name is Alex Haller and I'm a financial analyst. I believe that the best use of our taxpayer dollars is to allocate \$20,000 to hire Professor Larry Gorman who has a PhD in finance to teach our representatives a crash course intro to finance class. Our representatives need to understand theories of finance such as time value of money, discount rates, and risk. And this risk is not the risk you're thinking of, it's something called idiosyncratic risk and it could be eliminated and reduced with a diversified portfolio. If our representatives understood time value of money they would know which projects to undertake and which projects to eliminate. They would know how to put taxpayer dollars to best use. Let's invest in our representatives so they can reduce our risk and put our State back on track. Imua District 13. Mahalo.

CHAIR HOKAMA: Thank you for your testimony. Any questions for our gentleman on his testimony this morning? Having none, we appreciate your presence and your testimony. Michele Maaloa.

MS. MAALOA: Good morning. My name is --

CHAIR HOKAMA: Good morning.

MS. MAALOA: --Michele Maaloa. I'm the site director of Ka Hale A Ke Ola in Lahaina. Good morning, Chair and --

CHAIR HOKAMA: Good morning.

MS. MAALOA: --Committee members. I'm here, I don't have a speech written. My purpose here today is support Ka Hale A Ke Ola as an organization and a vital part of the community here on Maui. There's no secret about our homeless population and some of the struggles that they're going through, and I've spent quite a few years working with Ka Hale A Ke Ola from many different, you know, areas. And the purpose and the outcomes that this organization gives to Maui is vital. Any and all financial support that they get is well used. It goes to help the clients, the outreach, the people who work there to support these clients. This organization is always in need and always deserving of any assistance and help. Their purpose is proven. Thank you.

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CHAIR HOKAMA: Thank you for your testimony. Members, any questions to the gentlewoman on her testimony? Having none, thank you for being here.

MS. MAALOA: Thank you.

CHAIR HOKAMA: Shelley Blackburn.

MS. BLACKBURN: Good morning --

CHAIR HOKAMA: Good morning.

MS. BLACKBURN: --honorable Chair and Councilmembers. First of all, thank you for giving us this time to come in and share. I thank you all for the many years of serving, serving your years of services and serving the people of Maui. Thank you. My name is Shelley Blackburn. I am the chief operating officer for Ka Hale A Ke Ola Homeless Resource Center. I've been with Ka Hale A Ke Ola for ten years, four years as a COO, many years of serving the homeless people here on Maui. I've seen many changes and this last year has been the best year for KHAKO with our new director in place. We're moving in a positive direction with great changes and positive changes, and improving of the program to be for the best interest of the clients as well as the staff. We thank you all for all the years of funding and serving Ka Hale A Ke Ola. And I'm here to ask to continue serving and providing that financial support in order for us to continue doing what we do and servicing the homeless population here on Maui. Once again, thank you, and God bless each and every one of you.

CHAIR HOKAMA: Thank you. Any questions for the lady on her testimony, Members? Thank you very much, Ms. Blackburn. Okay, this is a test for me first thing in the morning. Roannamarie Anna Kauhaa-Po.

MS. KAUHAA-PO: Hi, good morning.

CHAIR HOKAMA: Good morning.

MS. KAUHAA-PO: My name is Roanna and I'm known as Anna to everybody at the shelter. I am a client there. This morning I would like to thank each and every one of you for allowing us to come and share on behalf of the staff. The staff on my behalf has become like family to me. They support us in every which way. They help us to prevent things from happening so we can move forward in life. And again, with new site director I believe that this place can move forward in a positive note. We're in need of financial and not only for the clients that live there now but for the clients to come in without, you know, financial support. There is no better way we could serve the people of Maui and take care of the homelessness that's going on. There's a lot of people that come and go, and it's what they do with their time there that counts. And I believe that with the support of the staff and our hard work as our part, everybody

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can move forward and become something that they want to be. Thank you again and God bless each and every one of you.

CHAIR HOKAMA: Thank you for being here this morning. Any questions for the lady? Thank you for, very much for your testimony. Pamela [sic] Sales.

MS. SALES: Good morning. My name is Patricia Sales. I'm a client of KHKO and from where I came from before I got to the shelter, I came...I'll be honest, I came from treatment, and so I was, I'm a recovering addict. And so me going into shelter I was able...I've been there for about a year and a half now. And being there I was able to build my recovery. I have four beautiful children. I was able to reunite with my children under one roof with also now my husband. And, you know, I've got so much support from every angle that I needed help in with my life with my addiction, with my parenting, with just me going no, here, Patricia, this is what you gotta do, let's do this, you know, just keep me on the right track. I was able to build my foundation to be able to go okay, ready, let's do this. Now I feel comfortable going out into the world again 'cause I know I can make it, you know, with the support and the help that I have gotten from the staff at the shelter. And, you know, it's not just for me, I'm a person, I'm a mother of like I said four children and the shelter is there for my kids too within tutoring, kids' group. You know they support my kids, they get 'em all together, interact with the kids, you know, and that's what matters is the kids too, it's not just us adults, it's children. And I would like to see the shelter get more funding so they can help a family like mine when I go on, you know, 'cause my time's coming up and I will be moving on my own, next chapter of life. So, you know, it's just, it's good to see families building, reunite and building their strength between each other and just, you know, what a family needs. And yeah, it's just the shelter is a great place to get on your feet if you really want to take it serious. And the staff are there are awesome. And thank you, that's all I have to share.

CHAIR HOKAMA: Thank you very much for your testimony. Any questions for the lady? Having none, we'll move to the Hana Office. Ms. Lono, anyone wishing to provide testimony this morning?

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

CHAIR HOKAMA: Thank you. We'll go to Lanai. Ms. Fernandez, anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you. We shall go to Molokai and ask Ms. Alcon, anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you very much, ladies. We shall return to the Chamber. The next person we'll ask for his testimony is Mr. Jim Smith.

MR. SMITH: Aloha, Chair Hokama, members of the Budget Committee.

CHAIR HOKAMA: Good morning.

MR. SMITH: I have a clarification. On my entry I have listed two items, 2-A and 2-B, one is the operating budget I think, and the other is the capital budget. Is there three minutes for each or will I only be allowed three minutes to testify on both?

CHAIR HOKAMA: You know what I prefer, Mr. Smith, this morning I just prefer you to speak three minutes on the overall budget. The Chair does intend to have a special meeting for Capital Improvement Projects only, and so I would ask if you would consider giving your comments on the CIP when we bring up specifically CIP considerations.

MR. SMITH: I'll continue on the three minutes that you're allotting me, but I will just say for the record that I object to that simply because I think it's on the agenda.

CHAIR HOKAMA: That is correct, Mr. Smith, but only one item is posted on the agenda.

MR. SMITH: Well, thank you for your consideration. This is a very serious time, we're in dysfunction. If you read *The Maui News* you have Solid Waste coming back again and again, all this stuff, so it's important to realize that you have to understand the problem before you can have a solution. And the problem stretches back in time to 1992. We're told this by the Mayor when he in 2012 references two decades ago we started this program budget. Okay. You have to understand and I'm going to submit this for the record, a copy from the Charter Commission which says basically that in fact it's a change to 9. I guess it's 10 and it says basically that there is a clarification under appropriation changes within executive branch and initiated by the Mayor and the Council. Okay. Each branch should have the opportunity to propose, *to propose*, okay, changes to the legislation. That means you have to come through this Council. That means that program budgeting is not based upon our Charter. That means when the Mayor says basically the people brought in program budgeting, he is fantasizing. That's unreal. Okay. And that should be examined. And I'll leave a copy with your, of those minutes. Okay. You come forward and you have 81 people, 81 people getting a notice they're going to be discharged or laid off. In *The Maui News* it says that. All right. So there has to be something, you guys have to get involved. Prosecuting Attorney, four people come here and cry to you, there's abuse there, something's going on, they see it, they're experiencing, they're nobody but they come here, so there has to be within this budget some protection. And I'm suggesting that there be changes made to the general budget provisions. And first change would be, it'd be changed from a general and specific restrictions, that the title should be

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changed. I have written here a proposed amendment to that which would say basically any retaliation, okay, by reallocation and moving around has to come to the Council for approval by resolution. That's basically what it says, but it takes the game and it puts it into a principle mode, okay, instead of a results-oriented mode, and we need to do that because you guys gotta put the brakes on this regime. There's too much going. How many other departments are going through this? This budget, all right, should be looking at the Managing Director. Our Charter says basically the Managing Director manages the budget. You shouldn't be asking Ginoza and a guy named Ratte what's going on --

MR. MOLINA: Three minutes.

MR. SMITH: --because they don't manage it. Where is he? Where is he?

CHAIR HOKAMA: Mr. Smith...

MR. SMITH: He's the one that has the policy. Thank you so much for your time.

CHAIR HOKAMA: Thank you. Any questions for the gentleman on the testimony he has presented this morning?

MR. SMITH: I'm going to submit this.

CHAIR HOKAMA: Yes, we'll be happy to receive it, Mr. Smith.

MR. SMITH: There's two items. One is this proposed amendment --

CHAIR HOKAMA: Right, and the minutes.

MR. SMITH: --and the other is just a single copy of the Charter provision that I referenced.

CHAIR HOKAMA: Yes, thank you. We'll receive that and have that disseminated to all members of the Committee.

MR. SMITH: Thank you.

CHAIR HOKAMA: Thank you, Mr. Smith. Next is Jen Azuma Chrupalyk. I am sorry if I've mispronounced your last name.

MS. AZUMA CHRUPALYK: Good morning, everybody.

CHAIR HOKAMA: Good morning.

MS. AZUMA CHRUPALYK: My name is Jen Azuma Chrupalyk. And thank you. I am a year-long resident of Ka Hale A Ke Ola, and I am here to testify what changes they make in a lot of lives, not only in the lives of my family but in the lives of many people

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that I've witnessed come and go in this place the time that I've been there. They have many extensive programs that really help us out. They help, they provide the daycare that we need or the childcare that we might need. They have the classes to help us with the financing and budgeting of our own lives so that this way when we leave there and we move forward into our next phase of life that we'll be able to be successful and hopefully not repeat whatever mistakes we made that got us there to begin with. If they don't have the funding that they need to keep this operation going, what's going to happen to those that fall short on Maui? Because this is really the only program that really supports our homeless people and people that are going through these problems, and without them there's really no one else for anyone to look at. And that would leave a lot more people hopeless. It would leave a lot more families distraught. And I would hope that you would hear us and give them what they need so that they can continue these operations to help the families here. Thank you.

CHAIR HOKAMA: Thank you. Any questions for the lady on her testimony, Members? Having none, thank you for being here. Candice Levy.

MS. LEVY: Good morning.

CHAIR HOKAMA: Good morning.

MS. LEVY: I'm Candice Levy. I just, I'm a client and I've been there over a year. And in my recovery coming from rehab and then coming to the shelter they've given me a roof over my head, the capabilities of finding a great job that I've been there almost two years now. And without the support and the understanding of the staff and having a roof over my head I wouldn't be here today where I'm at. So I just want to say thank you to the staff and to everyone that has become family there, and without them I would not be the same. So I think the funding and everything that can be given to them should be. So thank you.

CHAIR HOKAMA: Thank you. Any questions for the lady, Members? Thank you for being here this morning. Deanna Tamura.

MS. TAMURA: Good morning. My name is Deanna Tamura and recovering addict. Got all my kids back thanks to the shelter. Without their help I no think I would be here today. And yeah, I think you guys should give them the funding they need to help many families. Thank you.

CHAIR HOKAMA: Thank you for being here this morning. Any questions for our lady, Members? Thank you for making the time this morning to join us. Richard Dowling.

MR. DOWLING: Good morning. My name is Richard Dowling. I'm a client over at the shelter.

COUNCILMEMBER VICTORINO: Chair? Chair?

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CHAIR HOKAMA: Yes?

COUNCILMEMBER VICTORINO: Excuse me. Can you go closer to the mic? I really cannot hear.

CHAIR HOKAMA: Okay. My, our --

MR. DOWLING: Oh, sorry.

CHAIR HOKAMA: --apologies.

COUNCILMEMBER VICTORINO: Yeah, I apologize.

CHAIR HOKAMA: Richard . . .*(inaudible)*. . .

MR. DOWLING: No problem.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER VICTORINO: Thank you.

MR. DOWLING: My name's Richard, I'm a client over at the shelter. I've been there close to a year now. Before then I just had a very bad stroke of luck and I had nowhere to turn, I didn't know where to go, and somebody told me to go over there and see if I could get in over there. And I went there. And since I've been there they've reached out to me, they've helped me, they have good programs that help us basically budget our finances. They help push us to look for jobs and get financially set. Without them I probably would have still been on the streets and probably wouldn't be doing as well as I am today. And all the support and the help for the shelter is really needed and it could help a lot of people out there. Thank you.

CHAIR HOKAMA: Thank you. Any questions for the gentleman on his testimony? Thank you for making the time to be here. Antoinette Polancy.

MS. POLANCY: Hi.

CHAIR HOKAMA: Good morning.

MS. POLANCY: Toni Polancy. I'm a former board member at Ka Hale A Ke Ola. I go back to when it was a little church, started in a little church in Puunene and there were cockroaches running around and rats up in the ceiling, and the people that cared about Ka Hale A Ke Ola still found a place for the people that needed it. The way it's advanced in the last 25 years is just amazing, and I care about it primarily because I was a child of an abusive alcoholic and if we had had a place like that to go where we got people caring about us and a place to live on a regular basis, it would have been the most wonderful thing in the world. I just hope...and I understand that some of the

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funding that you're concerned about is for repairing the housing. You know all this money went into building. What's nice is that people can come in and get help and then they can go on to a more permanent housing like, you know, subsidized housing, and I understand that's where some of these funds need to go. And God bless us, if we put the money into building it and I'm sure we had Federal funds involved in that too, then, you know, we sure should take care of it 'cause it's just a great thing. I'm so proud of us for having it. Thank you.

CHAIR HOKAMA: Thank you. Any questions for the lady's, on the lady's testimony, Members? Thank you very much for being here. Next is Debra Granados.

MS. GRANADOS: Aloha. Hi, my name is Debra Granados and I would like to speak on behalf of the resource center. And, you know, I have, makes me all emotional, I have nothing but wonderful things to say. You know they've helped me tremendously. I came from prison and, you know, unfortunately there's not a lot of programs on Maui that the parole board will let you to go to and, you know, that's a structured environment for us. And, you know, of course when we come out of prison, you know, it's a big shock. And, you know, it's such a wonderful program because, you know, it helps you reintegrate back into society. And, you know, I've heard a lot of, you know, people share so far about, you know, it teaches us how, you know, budgeting, they offer, you know, money management, the substance abuse program. You know I've been to a program before and I've actually learned a little bit more there than I have at another program. You know just, I mean like, you know, the daycare services they offer. I've heard pretty much everybody, you know, say about the same thing I would like to say, and it's just, it's a phenomenal program, it's really good. The staff there is incredible. They're very nonjudgmental. You know they're willing to help. And, you know, without the funding and stuff, you know, like other people have said, you know, there'd be a lot of homeless people on the street. And unfortunately Maui doesn't have a lot like Honolulu has, you know, and pretty much that's the last place to go where you can get the help and learn how to pay rent and pretty much just be a productive member of society today. And you know if anybody should get funding here I think that the shelter, the resource center, they could really use it, you know, to help more people like all of us that have lived there and been there. And I would just like to say thank you for having me come and, you know, speak for them. It's an awesome program. Thank you.

CHAIR HOKAMA: Thank you for being here this morning. Any questions for our lady? Having none, thank you for speaking this morning.

MS. GRANADOS: Thank you.

CHAIR HOKAMA: We'll ask, last person in the Chamber is James Worley.

MR. WORLEY: Good morning.

CHAIR HOKAMA: Good morning.

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MR. WORLEY: My name is James Worley. I'm an old guy. I've been around a long time, lived here 36 years. I'm very proud to be a citizen and living here. I've been on the board of the Ka Hale A Ke Ola almost since the day it was founded by a priest and a few other interested people. I've seen a lot of changes. We got a \$100,000 grant at one time to start it, and it wasn't a grant, it was a loan from the Catholic Church and that loan was forgiven. We transitioned into an independent nonprofit in order to better serve the people that needed the service that we provided. Our goal and our mission is to get out of the cycle of homelessness. And I'm not a historian, I'm not trying to be one, I would like to share some of my perception and also of what's happened in the last quarter century with this organization. About seven years ago, we had Jill Engledow write a history of the first 25 years. That was documented and done in a very professional style. I believe most of you who were around at that time in the government have seen copies of it. I reviewed it again yesterday just to enhance my memory. Some of the things that come out of it in my perception is the Housing Department looked at what we were doing and said wow, you get more bang for the buck than we know how to get. They supported us. The government, both the executive and the Councilmember side of it were very supportive of us and for our mission and our progress. We called it a private/public organization, required both sides to make it work. You the County and the Council allowed us to, gave us a, leases for our land, and suggested that we do a number of buildings after we built our first resource center on private funds. So we built with, County found the money. We have over 50 buildings, maybe it's more than that, three sites, and we treat at least 1 percent of the population of Maui. We consider them our residents. The Police Department will tell you crime is reduced because of it. The Education Department will tell you that we provide a solid infrastructure and home base for many children. Over half of our people are probably under the age of 17, I'm not sure of the statistics. You heard the lady talk about the childcare center, MEO runs it. Our facilities are just like any other facilities, they were built to meet County Codes and specifications but are now aging, just like condominiums that were built to those same specifications.

MR. MOLINA: Three minutes.

MR. WORLEY: Money is required for maintenance and upkeep. We haven't been able to have that kind of money available.

CHAIR HOKAMA: You need to wrap up please, Mr. Worley.

MR. WORLEY: Yes, sir. We just took over full control of Makana, Hale Makana, and we need your help again to support maintenance and ongoing maintenance of our buildings and facilities. Thank you.

CHAIR HOKAMA: Thank you. Any...hold on, Mr. Worley.

COUNCILMEMBER BAISA: Mr. Worley.

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MR. WORLEY: I'm sorry.

CHAIR HOKAMA: Is there any questions for the gentleman on his testimony this morning, Members? Okay, having none, Mr. Worley, thank you for your testimony this morning, we appreciate it. We'll go to the Hana Office and ask once more. Ms. Lono, is there anyone wishing to provide testimony this morning?

MS. LONO: The Hana Office has no one waiting to testify.

CHAIR HOKAMA: Thank you. Lanai, Ms. Fernandez, anyone wishing to provide testimony?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

CHAIR HOKAMA: Thank you. Molokai, Ms. Lono...I mean Ms. Alcon, anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you, ladies. Members, there's no further request for testimony, with no objections, this Committee shall close testimony for today's meeting.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay, thank you. So ordered.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR HOKAMA: Before we start the review and just a few things, Members. One, the Budget Director does want to be with us, unfortunately he has a medical issue that he needs to deal with, and so we are making some adjustments specifically regarding the budget overview from the Budget Director. We shall schedule that for another time in the near future to allow him to share his remarks. So just a few things, Members. Since we have received the Proposed Budget from the Mayor we are now tasked with reviewing this proposal and making the required financial responsible adjustments. So we have 'til June 10th on or before that date where we are required by the Charter to pass a County budget. If we fail to pass a budget by that date then the Mayor's Proposed Budget shall be deemed enacted as the budget for the following fiscal year. At this time our Committee has scheduled 16 deliberation meetings to review the proposed budget with appropriate departments, eight district meetings throughout the County, and five meetings to make decisions on what to recommend to the full Council for inclusion in the final County budget. The Council besides this Committee may also hold up to four public hearings and two Council meetings to complete its work on the budget. I will just also note that we will be awaiting on or before April 19th, pursuant to Section 3.48.135 of the Maui County Code, Director Aagsalag must submit

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a certification of real property tax to this Chair. And I've tentatively scheduled April 20 for that discussion on the real property tax. So in advance of all the work we will all be doing, I want to thank you at this time for that good hard work, including your staff's participation. And let me just give you some few comments on how I'm going to be reviewing the budget. I intend to have each department come to us and explain in its entirety, first reviewing their A, B, C Accounts, grants, and grant revenue if any. They will tell us why they got what they got last year before they even explain what they need for this coming fiscal year. We are on zero-based budgeting. You don't explain it, you don't justify it, you won't get it. With the exception of Office of Economic Development and the Department of Housing and Human Concerns grants, we will be scheduling that separately from the rest of the respective department review. The review of CIPs will be held in separate discussions from the operational budget. And at this time, I am currently scheduling April 14, 15, and 16 for CIP. I've also set aside April 8th at this time to review the changes to Appendix B, Rates and Fees. And with the exception of Real Property Tax, I intend to schedule each department with proposed changes to discuss their recommendations. Each department has been scheduled and I will try and keep us on track with the schedule as we have set for this Committee, and you have received copies. Where all department schedules have been distributed by Staff via e-mail, and as we make those adjustments we will continue to update the calendar for all departments as well as your staffs. I am asking that all communications of any type from Members to the Administration on this budget proposal be directed through the Committee. And as we are all aware of, due to the recent decision in the Kanahele Case, we have been advised that follow-up questions to departments must be submitted in open session. Therefore, Staff will take all questions that can be presented at that time during the meeting for follow up and they shall compile them. If we have additional questions, please advise the Chair during open session, and we would request that you consider submitting your questions in writing. So we are in need of making more work to do the work. I would like to remind the Members that there is limited time available to review and evaluate this proposal for 2016. And I would ask that I would like to start on time every day. If we can complete the day's requirements earlier than anticipated or planned, we shall make those appropriate adjustments and retire earlier during that day. If you are unable to make meetings because of responsibilities that you have set forth for your own district or your personal requirements, we would ask that you and your staff work with trying to catch up with us. We shall be able to assist as best we can. And if you are aware of some absences, I would ask if you would please share that so we can ensure quorum to discuss the business of the Committee. Regarding the Budget Details, we'll utilize the Ramseyered version of the proposed Appendix B, Rates and Fees when we deal with that. And let's see, what else? Oh yes, I wanted to share that each and every one of you will have an opportunity to recommend changes to the Committee Chair that will be, I'm anticipating a target date of April 24th. And all your proposals will be taken by the Chair into consideration before I present the Committee's budget proposal. So we will only be dealing with two documents eventually, the Mayor's proposal and this Chair's proposal. Other than that, Members, let me share a few things. One, yes, valuations have increased 16. something percent. I think Real Property can comment on that later. I can tell

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you now, Members, as those of you that worked with me before, my priority is core requirements based by Charter, that we get top priority from your Chair. Those that are not within the Charter will be prioritized accordingly. And I would just share a few things that the Charter asks us to consider in the review of the budget. And this is by Section 3-9. It is the declared to be the policy of this County to promote economy, efficiency, and improve service in the transaction of public business. Under 3-9 on No. 2, eliminating duplication and overlapping of services, activity, and functions. Consolidating services, activities, and functions of similar nature. And finally, if we deem appropriate, abolishing services, activities, and functions not necessary to the efficient conduct of government. Which means, Members, as your Chair I will tell you now, we are on cutting mode. We are on cutting mode. I will not agree with the Mayor's projections on revenues. It is my opinion that this economy of ours is not where we will like it to be yet. I have enough comments from the private sector that we are not at that level where we can afford double-digit considerations. I don't think the business sector would support this type of budget proposal. So I can tell you that I am very much going to look at the cash. I'm going to be very hesitant in borrowing. Whatever cash, I will look at priorities like unfunded liabilities, Debt Service, core requirements of core departments, and other than that, everything else for me is on the chopping block, including projects. Questions for your Chair? Oh yes, and I did mention the A, B, C Accounts. We will really be disciplined in A, B, C, because I'm looking at tying up the categories and not allowing transfers as we've done in the past. Any questions for your Chair on how we're going to proceed at this time? We'll make appropriate adjustments as need be to make sure we stay on schedule. Okay. Very good.

DEPARTMENT OF FINANCE

CHAIR HOKAMA: This morning we will be starting with the Department of Finance. And we have the Deputy. I thought I would have the Director this morning. But be that it may, Mr. Walker, if you would give us your opening comments, and if you can address it in the manner that...and again, you're the first guy so you're like the --

MR. WALKER: Test case.

CHAIR HOKAMA: --you're breaking the ice for all the other departments, Mr. Walker. So we will work with you, and I think in this point in time you're fortunate because it's better to be first than last.

MR. WALKER: Right. Well in that case I'm really happy then. Thank you, Mr. Chair, Committee members. Thank you for the opportunity to come before the, you today to discuss our Fiscal Year '16 Budget. The Department of Finance is an important and wide-ranging Department. We are unique in that we service both internal and external customers. Our general departmental goals are to provide excellent customer service, to increase efficiency in operations, and to be compliant with all existing laws. We are comprised of five different divisions, and as you'll maybe have noticed already

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this budget proposal suggests that the Budget Office be realigned and report to the Finance Department versus the Mayor as it does currently. But we currently have six programs. Our Real Property Assessment Division assesses all real property in the County and is the basis for our real property tax structure. Our real property taxes are the largest revenue contributor to the County. Our Accounts Division pays all of the County bills, provides all of the financial reporting, the CAFR and single audit which you were listening to yesterday, as well as other information. Provides all payroll for all of the County's employees. Our Purchasing Division handles the procurement of all goods and services for the County from fire trucks to pens we use every day. They also coordinate all contracts for goods and services in the County. Our Treasury Program manages the cash flow for the County, manages its investments and the issuance of its debt. It also collects all of the real property taxes for the, on behalf of the County. At the end of the day, our funding level will determine the level of service our various Divisions can provide to both its internal and external customers. Knowing that, if you don't get, you don't ask, our budget this year requests a number of one-time appropriations as well as some additional staffing among other things. Excluding the impact of the proposed Budget Office realignment, this year's budget request asks for a total Finance Department budget increase of about 980,000 or a 9.9 increase over last year's budget, and an increased E/P count of six staff. The Finance Department I don't believe is wasteful. Again, I think we look for ways to be efficient to deliver better service. And I have with me today the administrators of the various Divisions within the Finance Department that are here willing and able to answer any questions you may have about our budget proposal or their individual operations.

CHAIR HOKAMA: Thank you.

MR. WALKER: Thank you.

CHAIR HOKAMA: We're going to...thank you for that opening comments, and we're going to need a lot of work with this Department looks like. Why don't you bring up who's going to speak on the Administration Program.

MR. WALKER: I will.

CHAIR HOKAMA: Okay. Why don't you give us a breakdown of your A, B, C Accounts. And I'll ask the Members for their one-two questions.

MR. WALKER: For clarification, when you say A, B, C, would you, I...

CHAIR HOKAMA: Salaries, operations --

MR. WALKER: Okay.

CHAIR HOKAMA: --and equipment. Your Countywide, your expenditures.

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MR. WALKER: For the Administration Program perspective, salaries are basically, the increases are related for the most part to collective bargaining agreement adjustments, so there's no big increase in . . . *(inaudible)* . . . outside of that in salaries.

CHAIR HOKAMA: Okay.

MR. WALKER: As far as operations, we are requesting in Professional Services, Airfare, Transportation, and Registration and Training Fees, a total of \$9,000 between those three. That basic additional funding is to be used to assist the new Internal Control Section that reports to the Administration Program to get up to speed as it relates to internal controls. We are hopeful they'll be able to attend a couple of different conferences this year, next fiscal year, as well as potentially visit some other government entities that have these types of internal control positions within their organizations.

CHAIR HOKAMA: Okay.

MR. WALKER: That's about all I have on the Administration side. If there any questions I'd be glad to try to answer those.

CHAIR HOKAMA: Mr. White, any questions for Mr. Walker in this section?

VICE-CHAIR WHITE: Not in this section. Thank you.

CHAIR HOKAMA: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Not in this section. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions? Ms. Cochran?

COUNCILMEMBER COCHRAN: No.

CHAIR HOKAMA: Ms. Baisa, any questions for this section?

COUNCILMEMBER BAISA: No, not at this time. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Not at this time.

CHAIR HOKAMA: Okay. Any questions on other components of the Administration Program? Taking away salaries in their either the B and C Accounts. I got one. On Page 6-8, Director Walker --

MR. WALKER: Yes.

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CHAIR HOKAMA: --these type of programs like Risk Management, your Treasury Division --

MR. WALKER: Yeah. I'm not...

CHAIR HOKAMA: --those are only accounts where after you expend something you book in this areas but you cannot tell us how you plan, what kind of budget requirements these areas have for Finance?

MR. WALKER: Yes. And, you know, as you know Risk at one point reported to Finance, and I don't know if this is a holdover. And I apologize but let me get the answer to that. But I just, I think these are just, this is erroneous information and should not be included.

CHAIR HOKAMA: So we're clear, Mr. Walker --

MR. WALKER: Yeah.

CHAIR HOKAMA: --and for the future departments that come, this is exactly what I don't want. This tells us nothing. What kind of budget is this? Zero, zero, zero, zero, zero, zero, zero.

MS. YOSHIMURA: Mr. Chair, excuse me. Risk Management has moved to Corporation Counsel; therefore, there's no budgeted amount in the Department of Finance. And the Treasury Division has broken off into its own program. So I think we'll find their program a few pages into the Department.

CHAIR HOKAMA: So why we still having this in this area?

MS. YOSHIMURA: To give us the historical data for Fiscal '13 and '14.

CHAIR HOKAMA: Okay, very good. Well, at least we know what we don't want. Anything in Admin section, Members? Mr. White.

VICE-CHAIR WHITE: Yeah, are we going to be focusing on the pretty picture book or the details?

CHAIR HOKAMA: I would rather...

VICE-CHAIR WHITE: Or you want to go back and forth?

CHAIR HOKAMA: I think the details is critical 'cause that's where the devil always hides.

VICE-CHAIR WHITE: Well, if we're moving to the Administration Program in the details, I do have a question. On Page 6-7 under or halfway down the page, Professional Services, increase of \$3,000, and the comment is additional funding to accelerate completion of

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project to electronically document critical process and procedure manuals for various divisions. Could you explain what that project is --

MR. WALKER: Yeah, this was...

VICE-CHAIR WHITE: --and how long it's been going on? And...

MR. WALKER: It's in its infancy, not that long. We, our new Internal Control Section is trying to, their goal is to first within the Department of Finance make sure that all our policies and procedures are documented, and what we want to do is put them, I don't want to say on the website but put them in a location where they can be viewed by other people depending on their security level. We want, the goal is to move outside of Finance once Finance is completed and assist other departments in doing the same and documenting their policies, procedures from an internal control perspective. We had found a county on the mainland, King County in Washington actually had a really great way of doing this and we wanted to replicate it. Our IT people weren't able to do that, and I believe our Internal Control Section found a vendor that was able to assist them in...and I don't have the exact details but the design and implementation of that type of archiving of these types of documents. And that's the extent of my knowledge but I can certainly get more information if you would like it.

VICE-CHAIR WHITE: Okay. And do you know how much of the \$67,000 or I guess the new request would be 70,000, how much of that is for this particular program and what is the remainder of the Professional Services to cover?

MR. WALKER: Most of the Professional Services' money that we spent to date has been for training. We've done manager and supervisory training for the last year and a half, fairly extensively. In fact, we just, you know, are in the process of doing two more training sessions this year and hope to do a third before the end of the year. And again, it's a wide range of topics from customer service to communication, how do you get along with others, et cetera. And so it's basically training is what it's for.

VICE-CHAIR WHITE: So how much of that total is for the, this documentation process?

MR. WALKER: I think it's just...I don't know if they're reusing savings but I think it's just that \$3,000. Is that what you're talking about? That line?

VICE-CHAIR WHITE: Yeah. But the additional funding is to accelerate completion of the project, so it indicates that that's an --

MR. WALKER: Yeah, I don't have that figure.

VICE-CHAIR WHITE: --add-on.

MR. WALKER: I don't have that figure handy, I'll get that for you.

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VICE-CHAIR WHITE: Okay.

CHAIR HOKAMA: Can you tell us who the...are you using a vendor or a consultant, Director Walker?

MR. WALKER: I believe it's a consultant.

CHAIR HOKAMA: Do you know the name of the consultant?

MR. WALKER: I don't have that handy, I can get that.

CHAIR HOKAMA: Yeah, thank you.

VICE-CHAIR WHITE: And then next line or couple lines down, there's an increase of, increase in Line 6201, Airfare and Transportation.

MR. WALKER: Right.

VICE-CHAIR WHITE: What types of additional needs does, do you and the Director have for travel?

MR. WALKER: Well, this is really more for the Internal Control Section. I mean that, our names are listed but I go on one trip a year. I'm going on the same one this year, the same one I went to last year which is the GFOA. This is really more for the Internal Control Section who has identified a couple of different seminars on internal controls that as I kind of mentioned in my opening remarks are, help them get up to speed. They're a brand new Division and they certainly have some good ideas but going out to see how others do it and what the best practices are would be very helpful I believe.

VICE-CHAIR WHITE: Good. Okay, well it would help it was a little more, little clearer.

MR. WALKER: Right.

VICE-CHAIR WHITE: Thank you. Thank you, Chair.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. And since we've gone now to this section, I do have one question for you.

MR. WALKER: Sure, yes.

COUNCILMEMBER VICTORINO: Cell phones, you know, and I know you've been pretty steady around 2,000, all of a sudden a big jump to \$4,500, and that would be line,

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right below Professional Services, the line right before Professional Services. That's a tremendous jump considering cell phone services have been very competitive, but what is that for? And it doesn't have an explanation or at least I can't find one on the...

MR. WALKER: I don't know if that was the, if that's just sort of been the number that's been adopted over the years and it just hasn't changed to reflect the actual, to be honest. I mean 'cause that was, that's...I don't think our costs have gone to \$4,500.

COUNCILMEMBER VICTORINO: Well again, that's like Mr. Hokama said, I think that's what frustrates us is, you know, you're using like right around 2,000 for the last two years going back and then all of a sudden you jump it up to 4,500 without any rationale. And again, it's not a humungous amount but you start adding up this and that and that and this and all of a sudden you get a tremendous increase. So my question, again, Mr. Chair, I won't go any further but there's others in here that there's no substantiation as far as the explanation for change. Why do we have an explanation for change if there's no substantiation put in there? I guess that's my question. And, you know, again, you have a line there to put that for us to at least have a basic understanding and that's all I'm asking. You know --

MR. WALKER: Yeah.

COUNCILMEMBER VICTORINO: --if you're gonna do something then follow through so that we have a better understanding so I don't have to ask that question why. Okay. And I'm sorry if I came across a little harsh but --

MR. WALKER: No, no.

COUNCILMEMBER VICTORINO: --it's frustrating because again, that's just one of many. If you want me to start going through the list I can but I don't want to do that, but I think that's something that the departments and when you guys prepare the budget, let's put the explanation, let's put the rationale that you need so that we understand what you're asking for instead of spending all this time asking you what this means. Okay. So that's all I have to say for that and I'll leave it alone from there.

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Unfortunately the Budget Director is not here but I just was going to ask, in reading this, for instance, let's just say the Other Services where it says 1,500 in the first column on the left. That's last...this current year's adopted budget, the proposed is on the far right-hand side.

MR. WALKER: Correct.

COUNCILMEMBER COUCH: So I'm guessing that the 4,500 increase was justified last year and you're doing a zero across?

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MR. WALKER: Yeah.

COUNCILMEMBER COUCH: So you're not increasing from last year's proposed budget?

MR. WALKER: Yeah, we're not --

COUNCILMEMBER COUCH: Is that how that...

MR. WALKER: --increasing from last year's adopted budget.

COUNCILMEMBER COUCH: Okay, I was reading that wrong. Okay, thank you.

CHAIR HOKAMA: Yeah. So the question is whether we gave the right amount last year.

COUNCILMEMBER VICTORINO: Right.

CHAIR HOKAMA: That's what we want to know first.

COUNCILMEMBER COUCH: Right.

CHAIR HOKAMA: We don't start from the request of how much more they want this year, they have to defend why we should give them at least the same amount from last year.

COUNCILMEMBER COUCH: Right. And that's for Fiscal Year 2015 so we don't have any actuals until they close, right? Or do we have...are you looking for actuals to date, year to date?

CHAIR HOKAMA: Well, that's why this smoking screens of continuing to do --

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: --Fiscal Year '15 budget amendments, we are right now in Fiscal Year '16 Budget review --

COUNCILMEMBER COUCH: Right.

CHAIR HOKAMA: --is ridiculous.

COUNCILMEMBER COUCH: Okay, thank you, Chair.

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran.

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COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Deputy Director, for being here. So jumping back to the Internal Control's training, I guess for the airfare we kind of discussed that ten grand. And then on the next page, it's for Registration and Training Fees which is an additional 8,500, so that's, you know, over \$18,000 worth of training. After hearing our auditors yesterday, I want to know that repeat I guess deficiencies and weaknesses that have been occurring are not going to. And hopefully these training and, you know, outside learning how other municipalities operate are going to, you know, affect us in a positive manner. So moving from this year on out, we're not going to get these repeat weaknesses and deficiencies reoccurring. So I mean it's almost 20 grand we're looking at, hopefully that can be put to good use, Chair, in assisting this Department in, you know, taking corrective action and not having to repeat again what we heard yesterday from this, about this Department's audit. Just a comment, Chair.

CHAIR HOKAMA: No, no, we all --

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: --heard the auditors. We all heard the auditors. Mr. White, you had another question for Mr. Walker, Director Walker?

VICE-CHAIR WHITE: Yeah. I, going back to the Professional Services line. I'm a little, you know, to your point, Chair, we're looking at how much money they need, and so far this year in the travel budget they've spent and this is totaling everything up in addition to this line, they've spent 70,000...I'm sorry, the budget was 70,000, they've spent 34 and they had 22,000 in encumbrances. Which means that they've got \$57,000 left or 82 percent of what we budgeted last year, and we're already --

CHAIR HOKAMA: Last quarter.

VICE-CHAIR WHITE: --three quarters of the way through the year. I'm sorry, that was services. And so I understand the focus on training but it doesn't seem like we've been able to get around to doing as much as they had hoped to. And then on travel they still have 75 percent of the money left, so I'd like Mr. Walker --

MR. WALKER: Yeah.

VICE-CHAIR WHITE: --to address...

MR. WALKER: On the travel.

VICE-CHAIR WHITE: Yeah.

MR. WALKER: The two big, the GFOA Convention is in May, end of May, June, so that is yet to be booked and that's the bulk of our travel money. So that hasn't occurred yet.

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VICE-CHAIR WHITE: Roughly how much? That doesn't address the service level. Professional Services.

MR. WALKER: Yeah, I mean again, yeah, the 22,000 you saw is just stuff we just booked. I mean I think we are hoping to spend the rest of the money by the end of the year, and I guess we'll find out if we do. We're talking about other types of training opportunities.

VICE-CHAIR WHITE: Yeah, but I, you know, to the Chair's point, we need to have some specifics and if you don't know how you're going to spend it between now and the end of the year, when you come here, we need to have a pretty good understanding of how that money is going to be committed. And if you don't have an understanding of what the commitment is for the next three months then I think we're, you know, we're likely to adjust the request for next year.

MR. WALKER: Understood.

VICE-CHAIR WHITE: And, you know, we're just trying to be fair --

MR. WALKER: Yep, yep.

VICE-CHAIR WHITE: --but you gotta be fair to us too --

MR. WALKER: Sure.

VICE-CHAIR WHITE: --and show that you understand what it is that you're planning to use the money for between now and then.

MR. WALKER: Okay.

VICE-CHAIR WHITE: And we're going to make sure we spend it is not the right answer.

MR. WALKER: Right.

VICE-CHAIR WHITE: So thank you, Chair.

CHAIR HOKAMA: He may not have it next year, period. Other questions, Members, in this section?

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR HOKAMA: Yes, Mr. Victorino.

COUNCILMEMBER VICTORINO: One other question, not only for this Department but for all departments. I think Mr. White brought up a good point. Be prepared to tell us what all the expenditures you intend to finish up the year with, be specific. I think this is

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very important. I think this what makes our job real hard is because we're doing something, looking at last...well, we're actually looking two years back, you're looking at '14 because you're not looking at this year, the year before. And then last year we gave them so much money. We don't know how much they've spent. I mean we have forms and we can dig up some of it, but if you have 75 percent of your budget left over, Deputy, and then you can't tell us why and how you're going to spend it, I agree with the Chair, why should we give you more? Right? Okay. But all departments, buyer beware, if you wanna use that term. You're gonna come in, if you're gonna expend money that you haven't at this point, let us know why, because I think that's very important. In my mind that is one of the most frustrating parts of this whole budget session, yeah. So I agree with Mr. White that at this time I'd like to see what kind of monies you've expended or anticipate expending the rest of the year.

MR. WALKER: Okay.

COUNCILMEMBER VICTORINO: Specifically what they're going to be used for.

MR. WALKER: Okay.

COUNCILMEMBER VICTORINO: You know I think that's being fair. And all the departments should be prepared. You know I'm saying this publicly, they watch us so they'll hear it, so they can come in prepared instead of oh, I gotta get back to you, I gotta get back to you. It's just very frustrating for us and for them, to be honest, Mr. Chair. So...

CHAIR HOKAMA: No, we, that's a very good comment, Mr. Victorino. So I shall take that recommendation and we shall notify all the departments to come in that they should at least be able to forecast how they plan to finish the current fiscal year.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR HOKAMA: All good managers should be doing that.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Ms. Baisa.

COUNCILMEMBER BAISA: Yeah. I'm trying to get aboard on this process. Today's our first day --

CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: --and I think it's really important that we kind of establish comfortable, how we're going to go forward, and I'm trying to make sure that I'm okay. I hear comments about you haven't spent or you've spent only so much or whatever. If I understand correctly, what we have before us that is actually on the record would

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be second quarter expenditures, because this is third quarter, ends today, the third quarter.

CHAIR HOKAMA: Yeah, right.

COUNCILMEMBER BAISA: And it'll be a while until we actually have those figures recorded and in some kind of report. So what we're going to need is a director and our Budget Director and I hope he gets well really quick. Never wanted anybody to get, recover so quickly. Obviously we have a puka here because he has so much in his head. But, you know, we need to have that half a year and then we have a quarter that we're not going to be having until we're pretty much to the end of this 'cause it takes a while for all this to be recorded. So we need to have somebody who can come here and tell us about the third quarter and the fourth quarter so that we can have a better idea of what they're actually going to spend. But looking at the first six months I agree is probably not that good because only half a year and a lot of stuff could happen in the second part of the year. I've experienced this myself having worked in finance for so long. So I think that's legitimate. I think it helps us make decisions. And sometimes, you know, you put in \$10,000 and things don't go well and you don't use it and maybe you use it for something else, but we need to know. And so I think the representatives that come have to be prepared; otherwise, it's gonna be really hard for all of us. So thank you very much, Chair. I think I'm clear.

CHAIR HOKAMA: Thank you for that comment.

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Thank you for that comment, appreciate it. Yes, Mr. White.

VICE-CHAIR WHITE: Thank you. And just to clarify, the figures that I was using are not the first six months of the year, they're as of February 28th, so they're three fourths of the, I'm sorry, two thirds of the year, not a half. So...

COUNCILMEMBER BAISA: We don't have those.

CHAIR HOKAMA: Yeah, yeah. Okay. Yeah, we'll try and make sure we're all on the same, using all the same documents so that we can understand each other's comments and recommendations and questions.

VICE-CHAIR WHITE: But I totally agree with Ms. Baisa's comment that, and Mr. Victorino's that this is a very difficult process and it's made difficult because the Administration doesn't present us a forecast of where they're gonna end up this year, they just come in and tell us what they want for next year. And they don't really tell us what they're using out of this year's fund, so, you know, we're able to go and look up some of it but it takes a lot of time to do that. And it's unfortunate but that's the way the process goes and it's, that's what makes it really challenging because it's almost Easter and this is the beginning of our Easter egg hunt.

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CHAIR HOKAMA: Well, that is why I mean it's going to be a hard budget for all of us, Members. I don't like to operate with amendments with Carryover/Savings 'cause that tells me we may not have done as good a job as we thought we did during the budget review, 'cause there's always this pile of money for last-minute budget amendments. We must have been either miscalculating or not given the right information to make the better decision to adjust, but that ends. That ends. We shall make sure the tax base understands what they're paying for, what they should expect, and why we are going to approve what we are going to be recommending. Okay. Administration, why don't we move to Accounts Program, Mr. Director.

MR. WALKER: Great. And I'd like to request that our Accounts Administrator Mr. Fujita join me.

CHAIR HOKAMA: Okay. Please come forward.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: Thank you. While we are going through the details and again, this is just a procedural question, are we also allowed to ask questions about the performance and everything?

CHAIR HOKAMA: Yes you are, sir.

COUNCILMEMBER COUCH: Okay. I just wanted to make sure.

CHAIR HOKAMA: You have full parameters to go through the details --

COUNCILMEMBER COUCH: So we need both documents.

CHAIR HOKAMA: --with the actual numbers of expenditures or if you want to bring up a question regarding the goals and whatnot.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: I will be also requesting you as Committee members to recommend whether or not we should be changing the measurements.

COUNCILMEMBER COUCH: Gotcha. All right.

CHAIR HOKAMA: That makes sense for us to be able to make the better decision.

COUNCILMEMBER COUCH: Thank you, Chair.

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CHAIR HOKAMA: Okay. Mr. Fujita, Mr., Director Walker, please.

MR. WALKER: Thank you, Mr. Chair. Again, this is Wayne Fujita, he's our Accounts Administrator. He runs our Accounts Division. On the Accounts Program starting on page I guess it's 6-11. Really the salary stuff is more collective bargaining agreement stuff. You will notice at the bottom we are requesting an addition E/P count of two. That is for a Grants Manager and a Capital and Fixed Assets Analyst. In the last four single audits beginning in 2011--that's as far as I went back--we have had a significant finding or deficiency noted related to the County's management, timely reconciliation, and accuracy of expenditure reporting for Federal grants. The 2012 single audit specifically recommended a centralized position to monitor Federal program activities, including compliance. Stating that the Office of Management and Budget, OMB Circular A-133 suggests that a centralized position be established for any local government receiving Federal financial assistance to oversee that government's compliance with Federal program requirements. Additionally, Matrix Consulting who recently completed Maui County's OMB Cost Allocation Plan Report last year, also recommended a grant manager as a way to further negotiate higher overhead rates allowable for reimbursement under grants. In 2000...Fiscal Year 2014 the County had a total of 358 grants of which 248 were Federal or Federal pass through grants that were reported in the single audit on Pages 12 through 18. Grant expenditures in Fiscal Year '14 were approximately \$61 million. We believe strongly that accounting for this substantial amount of money accurately and ensuring that not only is the County being fully reimbursed for all of applicable out-of-pocket expenditures but also that the County is in compliance with all the reporting requirements for both SEFA and single audit purposes is in our best interest and is necessary. We believe that the best way to accomplish this is to take our external auditor's suggestion and create a position to manage the reporting of these grant funds. This position would also reach out to the various departments of the County that deal with grants to implement training on what is required from a compliance reporting perspective as well as do quarterly monitoring of the various grants. In our minds, the creation of this position is long overdue and we humbly ask for your support. The Capital and Fixed Assets Analyst position which we would like to create and as you know and as reported to you by our external auditors, in the past two fiscal years, the completion and submission of the CAFR reports have been delayed. One of the biggest contributing factors to these delays is due to the significant amount of time and resources needed to complete the construction and work-in-progress schedules which includes detailed analysis of the capital expenditures and reconciliation of the County's capital and fixed assets. In the 2014 single audit, the auditors found a significant audit finding to the accounting for construction work in progress, stating the following which is on Page 30 of the single audit. The condition, the County and the Department of Water Supply, DWS, prepared construction work-in-progress schedules to calculate the valid roll forward balance of ongoing projects and determined projects that were completed, placed into service, and capitalized as infrastructure. We noted that projects were only properly accounted for when fiscal staff tracked down the respective project engineer for the contract. This resulted in multiple instances where a project was not capitalized properly or timely,

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and old projects that should have been expensed were part of the roll forward balance from prior years. The following were the conditions noted during the review, our review of the construction work-in-progress schedules. The County had a total of 92 million in construction-in-progress carry forward from the prior year. In the current year a review of the construction-in-progress projects of the County showed a total of \$3,016,068...648 of maintenance and repair expenses on various projects that were included in the construction-in-progress balances that should have been expensed in the prior year. These amounts were expensed in the current fiscal year. Again, that was \$3,016,648. The Department of Water Supply had a total of 32.6 million in construction-in-progress carried forward from the prior year. In the current year we noted a total of \$970,702 of current construction-in-progress that should have been transferred out and capitalized as capital assets in the prior years. The Department of Water Supply will adjust these projects in the next fiscal year. The effect according to the auditors, construction work-in-progress was overstated while capital assets accumulated depreciation and depreciation expense were understated. Their recommendation, the County and the Department of Water Supply should establish formal procedures to ensure that construction work-in-progress and projects placed in service are communicated timely by project engineers to the fiscal staff in order to properly capitalize and depreciate these assets in the appropriate accounting period. The County should also establish procedures to maintain and reconcile the construction-in-progress schedule throughout the year. These procedures will also assist the County in completing the schedules required to timely close and prepare the County's Comprehensive Annual Financial Report. Like grant revenues, CIP projects are typically large-dollar-value projects and they can span many years and involve more complex accounting treatment. In addition to Water, other departments like Public Works, Environmental Management, and Parks also do large CIP projects, so there are many players. The Accounts Division staff had an initial meeting on February 11th to address the auditor's findings on this particular item. Based on these discussions, the establishment of a formal policy and procedures requires a significant amount of time and resources. Once the policy and procedures have been developed, the timely reporting and reconciliation of the spreadsheet are not a year-end process, rather an ongoing process throughout the year. Like the requested Grant Manager position, in order for this implementation to be successful, it requires a dedicated full-time position to ensure that the procedures and policies established are being complied with by the departments and to maintain the system on a timely basis without delaying the CAFR completion. So that's, those were the two positions that the Accounts Division is asking for and I'm assuming there'll be some questions on that.

CHAIR HOKAMA: There'll be a lot of convincing for that. We'll start with Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you for being here, Department. I have a couple questions in regards to your request. I note first of all, you know, you start off with your entry at Schedule 13 and that's the eventual. I also note that you have different accounting system administrators. Any of those position have oversight to the concerns that you bring up? As far as for grants as well construction.

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CHAIR HOKAMA: Mr. Fujita, if you would respond, please.

MR. FUJITA: Good morning, Mr. Chair and Members. Like I'm the, I'm Accounting and Systems Administrator, and related to grants I do have responsibility. As an...last year as an example of things that I personally participated in, is I gave at least like two training sessions into grant managers across the County, and we also had some operational meetings. These are kind of on a high level and we talk about things like the Super Circular or the implementation of that, the standards, how to claim for overhead and that kind of thing on a general level. But the problems that the auditors were finding, I think they mentioned that yesterday also that these reports, the SEFA reports, the reimbursements reports, things that are required are like to be communicated into the grantors which are mostly the Federal agencies, it's very specific and it's recurring. We have a high level of turnover of accountants in the various departments. As an example, right now I think we had three grant managers in Human Concerns that are in transition, and we have them all over the place now. These transitions are required a lot of retraining, and they start off within the departments themselves and they have these negotiations with the grantors as far as specific reporting requirements. But then there are additional concerns. I think yesterday the auditor had mentioned that although these department managers feel like their reports are great, everything is all balanced and it's flowing, they're getting the money, it still doesn't reconcile with the County's general ledger structure because they don't really understand that part. And that part requires some assistance from accountant types. I can provide a lot of the high-level training but the reconciliations involved relating the County's accounting structure and the reimbursement reporting is sort of like each grant they might be compared as to a small business. It has assets and liabilities and revenues and expenses. When the grant managers are looking at these things, they are pretty much at a knowledge level of a checkbook and that's how they manage their programs, exactly like a checkbook, it's all cash. On our books, in the County's ledgers there are receivables and fund balances and transfers and overhead reimbursements, and they don't get that. That's the kind of thing that needs hand holding, especially when there's a lot of transition within staffing at the departments, and there are a lot. This past month we had to hold hands with some people regarding this REAC grant. It took our staff or our team spent about a week or two specifically on that. We didn't even have funds for her to work the overtime, so we had to ask Human Concerns can you pay for her overtime like to help and they said okay. So that's the kind of assistance this individual would have to do. It's not only at the year end when these staff are being transferred or transitioned but throughout the year, I think they need this kind of guidance and monitoring 'cause the grant managers are not accountants and everybody can improve if we start learning from each other, and that's what we want to do.

COUNCILMEMBER CRIVELLO: And may I ask further questions? So my understanding is if say a department is requesting their drawdown from the Feds, do they process their drawdown request?

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MR. FUJITA: Yes.

COUNCILMEMBER CRIVELLO: Okay. So and when a drawdown request is received, is it received as a revenue for your, into your Department?

MR. FUJITA: It's received as grant revenue.

COUNCILMEMBER CRIVELLO: So, yeah, so it's received as a grant revenue. What I'm trying to understand...so say if it's a cost reimbursement grant and you're allowed 1,000, when it comes into your Department it's not the Department who actually inputs that because it comes out of, that check comes from your Department? And then when the grant people request the drawdown for that \$1,000, they go online, they request it, it's drawn down, and Feds cut that check and it's cut to your Department?

MR. FUJITA: It's sent into the --

COUNCILMEMBER CRIVELLO: Okay. It's...

MR. FUJITA: --Finance Department, yeah.

COUNCILMEMBER CRIVELLO: So why is it a problem for the Department as far as to understand, because the checks are coming from your Department and the checks are being received by your Department? The grants people in say Housing and Human, they request the drawn down, I mean everything's online, they have their circular, what they've gotta do. So I'm trying to understand what is it that when you expend and you receive that Finance cannot keep up with that? Or...I mean where does it err the actual department who's receiving the grant? Because it's every grant drawn down has its I would say template that they request for their drawdown and their report goes in at the same time. But you folks receive the actual payment.

MR. FUJITA: Right. As far as the processing, the recording of expenditures and revenues that that's not the problem, because the departments all do that well. The problem is in say for example a receivable balance. That receivable concept I guess is not really understood by some of our grant departments. Like if we have some costs that's expended in June of '14 and we don't receive the reimbursement until July, that straddles a year. The balancing that the auditors are looking for includes the receivables, and it also includes the accrual of receivables which the departments have no idea about. So we need to have them educated and monitored, because we can start to teach them and we are but they still make mistakes. And they don't record the receivables, and these grant departments supposed to have this responsibility. Because the departments are the ones that they go out, they negotiate the grants, they decide what kind of activity is going to be in the program, how the money is actually spent. It's their baby. And accounting is there is to control their spending and make sure that they dot the Is and cross the Ts.

COUNCILMEMBER CRIVELLO: So do you send the departments reports?

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MR. FUJITA: No.

COUNCILMEMBER CRIVELLO: I mean do you have your printout reports that they could receive as far as what's in the system that maybe does not jive with what you're looking for from their --

MR. FUJITA: Right.

COUNCILMEMBER CRIVELLO: --Federal requirements as far as what they input online as far as whenever they're giving their reports to the Feds or drawdowns?

MR. FUJITA: The example that I gave on the REAC Program that our team had worked on the past couple weeks is mostly this problem in receivables. So the staff from Housing and Human Concerns was not able to, like, identify these receivable transactions that had to be accrued. Since the departments, they usually only record cash, cash coming in and cash going out, but the auditors, in order for them to close the books and reconcile with the cash activity, they need to see these receivables that are being recorded and the departments are not recording them. And they're supposed to be recording them.

COUNCILMEMBER CRIVELLO: I'll yield to to others. I have some other questions but...

CHAIR HOKAMA: Okay. We're gonna, I'm gonna move down the line so everyone will have a chance on this subject. But is this an issue of how we're doing the job description? Do we need to change job description so that primary department that is initiating the grant, the employee can do what you need for Finance requirements? Is this one issue of job description?

MR. FUJITA: No, I don't think it's really the job description, but as the auditors had identified it's the recommendation for someone that understands the accounting needs and monitoring at a Countywide level, that needs to be put in place and it's not there. So that's why the last out of four years of audits have the same finding that we need to have this individual that can monitor them.

CHAIR HOKAMA: Okay. So, Mr. Fujita, one thing we asked the auditors, they were not able to respond yesterday, was can you use a portion of the Federal grant to pay for this position?

MR. FUJITA: You can, sir. It's a little more complex than that. If you don't mind, I can explain a little more.

CHAIR HOKAMA: Yeah, no, no, please. Yeah, we would be --

MR. FUJITA: Yeah.

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CHAIR HOKAMA: --better informed.

MR. FUJITA: Each of the grants and each of the grantor agencies, State or Fed have their own negotiating stance on the reimbursement of overhead. The Super Circular says that there is a minimum of 10 percent, but that's not automatic. So every agency, Homeland Security or the military or whatever, they come back and they have their own negotiations. From last year's grants, I looked for which grants have the overhead or reimbursement and there was only a couple of them. Historically from the past many, many decades I think of these grants that have matured into the state that they are in now, have not really went for this kind of overhead, and it's partially 'cause the grant managers are negotiating these and they don't have a real good handle on the overhead. I think that we can teach them and we need to monitor this but it's kind of limited as to how much that we can do. So the overhead is like a percentage allocation of direct cost. It's not a specific dollar amount. If we're negotiating a HOME grant or a Section 8 grant it could be providing some amounts of overhead, but then the overhead is applied to all kinds of stuff, right? Applied into the boss, into the attorneys, into the Legislature, it's not specific as to this percentage of this grant is going to fund a grant manager, and there's nothing like that. So did I answer your question?

CHAIR HOKAMA: No, no, you did. I still think we need to pursue it though, Mr. Fujita. I really don't want to impact the General Fund more than we need to. Mr. Couch, you have a question?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Yeah, I asked that question of mister...both of them I think.

CHAIR HOKAMA: Isobe.

COUNCILMEMBER COUCH: Lance and...no, Lance and Wes of do we really need that grant...I mean sorry, Mr. Isobe, yes, sorry. The, that position could it be a Limited Term Appointment, and neither one of them could definitely say yes, you're telling us we need that, we need to hire another person. So the question I would have for the Department would be could this be a Limited Term while they teach all the grant managers? You know we talk about not wanting to, first of all, not wanting to increase E/Ps which is very understandable, but at the same time we talk about all these comments, you know, dings on the audit report and not wanting to see them again, but in order to not see them again we have to go against our other principle of not increasing E/Ps. So is there a way we can reach a middle ground on this one or?

CHAIR HOKAMA: Mr. Fujita, any thoughts?

MR. FUJITA: My recommendation is I would say exactly as the auditors. We need a staff, and the, this problem it won't go away. Even if we start and we have excellent training and we start up a huge program, everybody's monitored, there's constant transition in accountants all over the County. And I'd, I would guess that this kind of turnover in

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accountants is about 15 percent. And that's a lot. If you can imagine 15 percent of the \$61 million of grants, that you have somebody coming in who's new, they kind of understand the grant accounting but not really all the particulars for their program and what's required in the County of Maui. Then that's a risk that if possible I want to avoid that risk, and the auditors have recognized that. The point about an LTA, if there's no other way we could start it as a pilot on an LTA, but still I agree with the auditors that it's a long-term thing, it's kind of a hole that we have.

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: Okay. I mean it's one of those...

CHAIR HOKAMA: We've asked for his thoughts and that's what --

COUNCILMEMBER COUCH: Sure.

CHAIR HOKAMA: --he's sharing, okay.

COUNCILMEMBER COUCH: Yeah. Oh, absolutely.

CHAIR HOKAMA: We've asked for his...

COUNCILMEMBER COUCH: And it's just a dilemma that we're in, although out of \$61 million worth of grants I would think enough grants would allow for us to fund a position, but hopefully you can find that.

CHAIR HOKAMA: Well, that's the challenge we're going to ask them to review --

COUNCILMEMBER COUCH: Right.

CHAIR HOKAMA: --the ability to perform through the grants funding.

COUNCILMEMBER COUCH: No, Mr. Chair, I have several questions on the goals and whatnot but we're...

CHAIR HOKAMA: Yeah, we're gonna take a break.

COUNCILMEMBER COUCH: I don't know if you're planning on doing a break.

CHAIR HOKAMA: No, we are gonna take a break, Mr. Couch.

COUNCILMEMBER COUCH: Okay. Then I'll stop right there. Thanks.

CHAIR HOKAMA: Okay. Members, we're going to continue...yes, Ms. Baisa, you had a question for me?

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COUNCILMEMBER BAISA: No, I...when it's my turn.

CHAIR HOKAMA: Okay. Yeah, I just wanted to let you know that we'll continue the discussion but I would like to take a short break, midmorning break please, for everyone's requirements. So ten minutes, we'll be back at five to 11:00. . . .(gavel). . .

RECESS: 10:44 a.m.
RECONVENE: 10:58 a.m.

CHAIR HOKAMA: . . .(gavel). . . We shall return to the Budget Committee's meeting for March 31st. Also, Members, just for your information, Staff was able to hand out, we have a document dated October 13, 2014, from Department of Finance. Subject is Employee Fringe Benefit Rates Calendar Year 2015. So these are the rates that Mr. Baz I believe utilized to calculate his fringes, and it's for your information, and use it for your needs, please. Okay. We'll go back to Accounts Program and we had I believe Mr. Couch. Did you finish or do you have another question, sir?

COUNCILMEMBER COUCH: Yeah, Mr. Chair, I did finish on the Grants Manager position. I do have some goals, things, but I'll yield to the --

CHAIR HOKAMA: What...

COUNCILMEMBER COUCH: --Members --

CHAIR HOKAMA: Yeah, yeah.

COUNCILMEMBER COUCH: --and we can come back around again. Thanks.

CHAIR HOKAMA: Yeah, yeah, yeah. If need be we'll do multiple rounds. Don't feel you have to do your ten questions or whatever at one time. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you again, Department, for being here. So yeah, I guess along the lines of the Grants Manager again, because again that was one of the repeat deficiencies, weaknesses, whatever in this past audit report. And I do recall you folks asking last year for this position and here we are again, so I think it's due time that we decide one way or the other. But I do like the idea if we can get funds via the grants monies itself. But my question is and I'm trying to read all your description of what this person is going to be entailed to do, and it looks like to collaborate with all departments. So is that just in reference to their Federal-type grants and not so much just all grants?

MR. FUJITA: It would be all grants.

COUNCILMEMBER COCHRAN: All.

MR. FUJITA: Yes.

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COUNCILMEMBER COCHRAN: Okay. And so this is to basically go in, take over and monitor and manage them? Or to work in conjunction with? Or what is that mean exactly?

MR. FUJITA: There wouldn't be any duplication of work. Within each department and they have their own mission and goals, all of their own priorities. The grant managers themselves have their own negotiated grant contracts and they need to maintain that and still have this role of controlling the program. That's still their job. For the Grant Manager that's within Accounts has the responsibility to provide the structure of monitoring, of training them. I would guess that there are some programs that are out there that should be charging for some overhead. It might be 10 percent, it might be 20 percent, but the grant managers, they really don't know how because they looked at last year and that's what they did. And like if we had a Grant Manager that had this kind of knowledge and strategy in place on a Countywide basis then those programs or grants that have the capacity for this kind of overhead, if we have a \$1 million grant there, and if we got another 10 percent, that's \$100,000 would just, he would have his compensation right back right there.

COUNCILMEMBER COCHRAN: Right. Well yeah, I'm just trying to make sure that somehow the appropriate grants and the monies expended and what have you, the schedules are on point, and that we don't continue to get this comment via our auditors. And however that's going to work out I'd like to help assist. But again, you know, creating another E/P has always been a sticking point for us. And I think what I heard too was in the IFAS system where like you mentioned earlier the reconciliation happens on your end but then when it gets I guess transported into the system and I don't know the ins and outs of it, that's where things get sort of lost or delayed or whatever. And the end result, the numbers aren't jiving. And so, and not everyone as you say are accountants, so how would this manager, you know, assist or, you know, rectify that issue that's going on? I guess auditors had mentioned the IFAS and this sort of not working seamlessly I guess with your Department.

MR. FUJITA: The problem that we had just last month was that the auditors was here and we still had this kind of unreconciled difference that had to be addressed, so that's why we stepped in. Actually it's supposed to be the grant manager that's supposed to be overseeing this, providing the reconciliation and making whatever corrections 'cause it's her baby. But she didn't know how, and it was partially 'cause she was kind of new at this. And there was another employee in there only a couple of months ago. And we have a lot of these transitions. And they have to be handheld at least the first few months. And then they need to be monitored 'cause things get forgotten. What the auditors had actually envisioned I believe is that at least a quarterly, all the grants are reconciled, all the grants, they match out into the general ledger and the CAFR numbers, but it's not really happening 'cause we don't even address it until the end of the year 'cause we don't have time like to get in every quarter. I don't know if you noticed but for the overtime from the Accounts budget for the last four years has been around \$80,000 a year, actual 80,000, 80,000, and the budget's been going like

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that. But that's because we don't have enough staff, and if we had the staff, if we were closing the books and reconciling every quarter on not only grants but also capital assets and the Capital Improvement Projects that it's gonna make the closing more methodical and systematic. And that's what the auditors are looking for, that everything is structured and planned. When they come in at the end of the year, they really don't like any surprises, and if we don't have the reconciliations at least quarterly they come in, whoa, hey, what's this, what's going on.

CHAIR HOKAMA: Can this be done through a software program?

MR. FUJITA: The software could provide structure, that's a very good point, but because the grants have so many different agencies involved, Homeland Security doesn't think like these other agencies or economic agencies or welfare. So the requirements are a bit different. And that's why accountants are involved. The software could help on the cash recording side, the money flowing in, deposits and all the payments are going out, there's a balancing and then they match it into the reimbursement requests. The software can help on that part. But the problem that the auditors are bringing up is that from the cash side it's not really jiving with the accounting books, the parts with accruals and receivables, and that's the part that software could help but actually you need somebody that has that accounting reconciling ____.

CHAIR HOKAMA: Did you folks after last year's auditor's review make some adjustments within your Division? Did you guys do any type of restructuring or adjustments to try and address the auditor's comments?

MR. FUJITA: For the grants?

CHAIR HOKAMA: Yes.

MR. FUJITA: For last year I did provide at least on two training, I remember it was like all-day events, and we had so many grant managers attending I had to split the classes into two.

CHAIR HOKAMA: When you say many, give us a sense of what you had to deal with, Mr. Fujita. When you say many, like 40 grant managers or?

MR. FUJITA: About 45 grant managers and there were also department heads involved too, because the department heads feel responsible and they want to do a good job. So we had the Budget Director there and...

CHAIR HOKAMA: So hearing the comments you've shared with us and the concerns from the Members of this Committee, have you thought about bringing in from the department that grant person and bring 'em into the Finance Department? Instead of going back to the ...*(inaudible)*... and, you know, take what you already have in departments and consider whether or not you should fold 'em into the Finance area.

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MR. FUJITA: You mean permanently as our staff?

CHAIR HOKAMA: Yes.

MR. FUJITA: They don't have enough like to go around and that's why we have such a high turnover. Milton Ito just retired and his subordinate, I forget the name, also left.

COUNCILMEMBER CRIVELLO: Rudy.

COUNCILMEMBER VICTORINO: Rudy.

MR. FUJITA: Yeah. There's not enough. Maui's a small island. In our Accounts...

CHAIR HOKAMA: We have a lot of grants.

MR. FUJITA: Yeah, we got a lot of grants.

CHAIR HOKAMA: We're a small County with a lot of grants.

MR. FUJITA: Yeah, you did a really good job with a lot of grants. Small island though and we have a brain drain, of course you folks all know. Students all study here, they leave, they work someplace else. The auditors and they made this really interesting comment I thought since, and Blake was the first year that they came in and it's the first time that he met our staff. I told him that in Accounts and only in Accounts we have four individuals that are at the CPA level. Actually myself and _____ are licensed and May-Anne and Marcy have sat for...I think Marcy actually passed, and he was surprised, Blake was shocked, he said how do you get so many of staff that's at this level. 'Cause he audits Big Island, Kauai and they don't have that kind of staff. But they might have one or two but for us we have four, and it was like he was shocked, you know. It's just that on neighbor islands it's hard to find accountants, especially at the CPA level. This particular grant manager as well as the manager of the capital assets would need to be at that kind of level. That's why when I answered your question about if the software's gonna help, the software's gonna help but actually the complexities that the auditors are looking at is at the accounting or the CPA level. And it's not that we don't know how, but in order for him to close the books and close the CAFR, he has to make sure all the moving parts and the financial statements all are closed and tie in. If there's some loose end in the grants it'll hold up the whole CAFR. Or some loose end in the projects. We have some projects that are complex. But it causes a dysfunction in the audit, and that's why the comment comes up.

CHAIR HOKAMA: Mr. Couch, you're done? Yeah, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: I'm sorry. Yeah, Ms. Cochran.

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COUNCILMEMBER COCHRAN: Thank you, Chair. And so jumping back and it looks like you're, the Grants Manager salary you're looking at \$36,000?

MR. FUJITA: Actually that's for the person who --

COUNCILMEMBER COCHRAN: Oh, that's just for half?

MR. FUJITA: --starts November 1st.

COUNCILMEMBER COCHRAN: Oh, okay. 'Cause I was thinking that's, is that the going rate for such a person with that type of background and professional, you know, status? I thought well that's, we're gonna have a hard time trying to fill, those shoes.

MR. FUJITA: Yeah, it still would be hard, but that would be an Accountant IV which is a professional level, so it would be appropriate. And because the State has wonderful benefits, you know, that we'll find somebody at that level.

COUNCILMEMBER COCHRAN: Thank you. And real quickly in regards to you're looking for software upgrade, one-time ask monies. Will that assist in this? As Mr. Hokama mentioned can, you know, new soft grade up, upgrade in software help assist? Is this what you're asking for going to be that?

MR. FUJITA: In our budget request we have a line in there for, under Professional Fees I believe, and that's what you're talking about?

COUNCILMEMBER COCHRAN: Right, right.

MR. FUJITA: That components of the 195,000 is an upgrade from IFAS into the next level of software that's called ONESolution. IFAS is becoming out of date, it doesn't have the flexibilities that large municipalities like Maui is starting to need, and the recommendations have been that we go on to the next level. That is a general software for the general ledger and the CAFR. It has in there parts for grants but it's not specifically grants.

COUNCILMEMBER COCHRAN: Okay.

MR. WALKER: So I think there may be some assistance there but we don't have it yet and haven't fully tested it yet, but there could be something that could help and improve the process there.

COUNCILMEMBER COCHRAN: Right.

MR. WALKER: But it's not a grant management software program.

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COUNCILMEMBER COCHRAN: Right, right. And I didn't, yeah, think it was. But just asking if that, the new upgrade is going to help assist in certain ways, you know, while we discuss this position. That's all at this time. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And this is a tough one because we are talking about a position, and we all know that, you know, we're not very excited about adding a whole bunch of positions because of the reasons that we all know too. But I feel comfortable discussing this because of my background. I've dealt with grants and I've dealt with what is required, and I think I have a pretty good understanding of what the situation is here. My own experience was the majority or the most grants that I had to deal with at any one time were sources of funding was like 46, and you're telling us we have 358 grants and many of them are Federal. So it kind of scares me to think that we're gonna expect one super person to come in and, you know, take charge of 358 or more grants, because I think that we really need to go after the grants, there's no question that we need this. And this is free money. If we can get money from somebody else, why not? Our taxpayers don't have to pay. I'm gonna give you my big dream and I've been talking about this for years, I think we need a grants division in the County. I would like to see a bunch of grant writers seated in an office doing nothing but, and they're the kind of people that you would have to pay a salary to because they have to earn a certain amount of money. But then you also have incentives. And I have personal experience with this and it works. Because you can sit people in front a computer and they can be playing Facebook, but, you know, if you put them in front of a computer and say bring me 3 million, 4 million, 5 million, 20 million and they do it, then they're motivated. So incentives are something that you would look at in regards to salary. And I know it's innovative and I know we don't do things like this, but that's the problem, you know, you have to have some payback on these things and then they work really, really hard and the County would see the benefit. So that's my big dream. But for this small dream that we're dealing with right now, I'm really concerned, because, you know, to give somebody that responsibility of overseeing and dealing with all of these grant requirements, it's a big, big job, so we gotta sure that we have the right software, that we have the right equipment, that we have the right assistance, and that, you know, communication is working well because you're dealing with all these different departments and each grant is unique. There are rules that oversee all grants. Certain circulars that come out that apply to every grant like single audit requirements or, you know, A-122, those kind of things. They're probably old, I mean I've been out of this for a while, but I do know there are circulars that affect all Federal grants and you have to be knowledgeable about that, and it changes all the time. Unfortunately once you learn it you just cannot forget. You have to...it's an ongoing education because the requirements keep changing. What I see, Chair, that I like a whole lot is the talk about how do we pay for this. You know a good grants person, a grants manager who really knows this business will be able to negotiate with, for a good indirect cost rate, better than what we have now. And from that indirect cost rate which is what we get back for running the grants and what they negotiate with

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the Federal agency how much we can get, they can put their salary in there and there should not be a problem in how do we pay for it. I think that for me I'd like to see us stop the debate and get somebody. Even if it's like a pilot or an LTA or somebody, but we gotta invest in somebody who's gonna stay with us that has a future. Because if we're gonna spend all this time and money and train somebody and then they're gonna be gone, we're right back where we started. So we need to find somebody who's dedicated in public service and is not looking at a step, because if they are it's not gonna work because the minute we train 'em we're gonna be training again. So we have to be careful who we put there. And, you know, there's big rules in grants and the auditors made the statement about the cash management. You know I don't know if this is still the case but when I left this world you couldn't have more than three days cash on hand, and that's scary because if you have more than three days cash on hand the Feds are mad at you because they said you're not supposed to draw down any more than you can spend in three days. So you better know what the heck you're doing. And, you know, there's lots and lots of these rules that a grant manager would be aware of and would watch and would reconcile and make sure of deadlines and reports and whatever. I really think that if we want to bring in this kind of money that we have to invest. I don't think that you can leave this to regular Finance staff, they have too much going on. This is very specialized, very technical, and so we need somebody who's a wizard at grants management and we have to put money in this. But I think we need to be aware that this is a huge job that we're asking one individual to do. And I'm telling you this from my own experience with 46 grants, not 358.

CHAIR HOKAMA: Thank you, Ms. Baisa. Mr. Carroll, questions, sir?

VICE-CHAIR CARROLL: No comment right now but sure a lot to think about.

CHAIR HOKAMA: Okay, thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. And I think Ms. Baisa put it exactly the way I envisioned it. I think that's the best way to go. I believe that and I said that yesterday when the auditor was here that this position was long overdue, you know, we need someone. I think having one person makes it a virtual impossibility for that one individual to know everything, because as you said a number of times, sir, that the various grants are very different and unique in how they're set up. So one person will never know it, whereas a division, well whatever it might be could have all those different aspects or experts within that division to make sure all that is done correctly. So I'm all in favor of having this as a starting point and move towards a division eventually. I think it is really important. Sixty-one million dollars is a lot of bread coming into this County. Considering we, what is the proposal on the table, almost 700 million? So you're talking about 10 percent, that's a good chunk of change, sir. A good chunk of change. And I don't know if it'll grow but it sure as heck we don't want to let what opportunities arise out there, because you and I both know when we go to NACo we hear of all these different grant programs that we're not even doing here in Hawaii. And a lot of it is because we don't have the capability. Some of it is because

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we don't even know about it. And I've brought it back and asked certain departments and they go I didn't know that. So again, having a grant division which would be looking at all these changes, would be looking out there for more grants that become available for specialized programs, agriculture, whatever it might be, I think is, the day has arrived. You know I think the day has arrived we need to look at it, Mr. Chair. And this is one of those positions that I think I would, I'd be...LTA or whatever, I would support. I think this is something that they've asked and asked, but I think it's the day of reckoning has come and I would like to see it done. So but I will say this, if we give it to you and it doesn't get done, buyer beware, I will be after you the next year. I may not have much time here but whatever time I do, I'm going to be really scrutinizing, because I'm tired of people asking for positions and then the next year they come in and they say oh, we haven't gotten them trained or they haven't gotten set up and oh, how many years does it take to get something set? And so, Mr. Chair, buyer beware. Thank you.

CHAIR HOKAMA: Thank you. Mr. White?

VICE-CHAIR WHITE: Thank you, Mr. Chair. I think we've beaten this horse pretty well so I'll go back to the other position. With respect to the...

CHAIR HOKAMA: Just before you --

VICE-CHAIR WHITE: I'm sorry.

CHAIR HOKAMA: --move on, Mr. White, I would just like to share it is your Chair's understanding of this budget that the round number of 700 million does not include grant revenue. Does not include grant revenue. So, you know, the number is a lot bigger than what some in the community would think is the right number, and that's why for me this budget is of a major concern.

COUNCILMEMBER VICTORINO: And thank you for that clarification. But again, even if we take that 61 million --

CHAIR HOKAMA: No, no, I, no, I --

COUNCILMEMBER VICTORINO: --it's still 10 percent.

CHAIR HOKAMA: --that I agree with you.

COUNCILMEMBER VICTORINO: You know included or excluded it's still 10 percent. That's a big chunk of change, Mr. Chair. So but I thank you for that clarification. Thank you.

CHAIR HOKAMA: Mr. White, your question please.

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VICE-CHAIR WHITE: Thank you. With respect to the work-in-progress, the construction-in-progress, who does that work currently?

MR. FUJITA: In past years it used to be various individuals. There were some from other offices or these specialists in Public Works or in the Managing Director's Office, Water Department. The problem that we have is that when the auditors come, that they need this complete and comprehensive Countywide report that shows the status of all the projects. In the past it's always been in parts, big parts, so we haven't had someone with the comprehensive control. Every year our auditors come into our office at the end of August and they usually stay until the beginning of November. The first month is mostly expenditures and deposit, the cash transactions, and the next month is the reconciliations, all the accruals. The number one amount of time that we spent with the auditors on accrual and not the grants, it's the Capital Improvement Projects. The last three years we spent just about the whole month. A bunch of our staff, it's not just one, but the whole month just to get the thing all cleaned up so that we could move on with the CAFR.

VICE-CHAIR WHITE: When you, what is the policy? Are the things moved from construction-in-progress to capital accounts at the completion of the project, or are the items, are expenses moved as they're occurring or every six months or how is it done?

MR. FUJITA: Right. It's a complex answer but I want to give you as simple as I can. It's supposed to be when the facility is useable, so at completion. That's the really simplistic answer. But actually if expenditures are classified in advance as an expense type, for instance repaving work and we do a lot of that, it's in the capital improvement budget but it's not capitalized because every year but we're always spending \$10 or \$20 million on the same thing. So it becomes almost like a common repair and maintenance, and according to the GASB they have recommended that kind of transactions from the very beginning is not capitalized. It's starting to get into the complexities of the accounting but...

VICE-CHAIR WHITE: I guess my question is, do we have a procedures problem with how we're dealing with it? Do we have a software solution that might help with it? And, you know, these things have been going on for a couple of years, but our staffing level is not that different than it was a number of years ago. So I'm not sure what's changed to make it necessary to bring on additional people. Is it training? Is it procedures? 'Cause these two items kind of mirror each other. We've got various departments involved and we've got a need for training at the department level, we need to have obviously training at the Finance Department level. So...

MR. FUJITA: That's actually a wonderful question. I'm glad you asked that question. Because this problem had actually existed many, many years ago, and that's why as far as you look back we always have this 60,000-80,000 of the overtime year after year after year, it's always been there. And we switch auditors, problem's still there. And it's staffing. The software would help and I understand that the Budget Office is

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looking into some software that can help in the management of this area, the construction-in-progress and project management in general. One big part of it is that first question that you asked is when is completion, when should you be putting it into the capital assets and start the depreciation. That's one of the big problems because it's not an easy answer. It's not that simple. Last year I had a discussion with May-Anne who's the Assistant Administrator and we could not agree. Before that and we had Mike White who came from SunGard and he was experienced in all...

UNIDENTIFIED SPEAKER: He did?

MR. FUJITA: I'm sorry.

COUNCILMEMBER VICTORINO: I didn't know Mike was, had a part-time job.

MR. FUJITA: No, no, no, I'm sorry. I'm sorry, Mr. White. Mike Martin.

VICE-CHAIR WHITE: I don't get offended very easily so don't worry about it.

UNIDENTIFIED SPEAKER: He's been called worse, you know.

VICE-CHAIR WHITE: Much worse.

MR. FUJITA: But he was a specialist, a programmer type from SunGard and he helped all kinds of jurisdictions, and we asked him, since you work for us you give us the answer, you take it over and clean it all up. He couldn't do it too. It's because he can only spend a small portion of his time on this, and it actually takes a full staff effort. And it might be cleaned up in a couple years, but again, even the Engineering staff have some turnover and we have huge projects. And the Police Department, they had a \$40 million project out there on the Kihei facility and it's not an engineer that's really running it, it's a captain. He doesn't have the background. The Fire Department does the same thing. But we have these huge budgets that's not run by good project managers and it stresses everybody out, including yourselves, including us, and I don't know, we need a handle on this.

CHAIR HOKAMA: Well, we are looking at you for some of the recommendations that you feel from a Finance Department perspective we need to assist you folks with, Mr. Fujita and Director. But one thing I wanted to ask since Mr. White's question kind of restored my recollection with the auditors yesterday, 'cause I was particularly going crazy over their response. But for you, how does a Department like Environmental Management start a Capital Improvement Project with operational funds? They told us that on the floor using operational money for CIP.

MR. FUJITA: I don't really know the background.

CHAIR HOKAMA: And I don't know how that even gets through you guys' process of agreeing to that type of use of operational monies. Or who was supposed to check the contract

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to make sure that the monies were coming from the right accounts? I ask you because I think you folks can make the appropriate adjustments to make those corrections, Mr. Fujita.

MR. FUJITA: Yes.

CHAIR HOKAMA: But that disturbs me when a department thinks they can use operational money for CIP, and they told us straight to our faces the other day that's what they did.

MR. FUJITA: We would have to look into that. I can't provide an answer off the cuff.

CHAIR HOKAMA: Fair enough. No, that's fair enough. And I don't mean jump on you folks, it's just that it...we're gonna take care of it by legislation or this budget, we will take care of it. Sorry, Mr. White.

VICE-CHAIR WHITE: That's no problem.

CHAIR HOKAMA: Before I let Mr. White continue, I did have a request from two Members that need to attend an event that they've already made commitments for, so I'm going to allow them to go and let them know I plan to...that's Mr. Victorino and Ms. Baisa, they have commitments that I, they informed me prior to and I've agreed that they should attend those commitments. So we'll go for another 10-15 minutes, we are gonna take then a recess 'til 1:30. But if Members Victorino and Ms. Baisa need to leave now, you know, we understand. Yeah.

COUNCILMEMBER VICTORINO: Thank you, Chair.

COUNCILMEMBER BAISA: Thank you, Chair.

CHAIR HOKAMA: But we're gonna keep on going for another 10-15 minutes or so before we take our midday break. My apologies, Mr. White.

VICE-CHAIR WHITE: No, no problem. The next question I have is under Professional Services on Page 6-14. We provided you with a budget of 314,800 last year. Can you give us a rundown as to what those amounts have been spent on, what kind of professional services? And you're requesting a significant expansion in that for the IFAS and a program to go paperless. So if you could let us know what the 314's been spent on and how that's going to tie into what your request is for this coming year.

MR. FUJITA: This request actually is for three distinct software. I'll start off with the easiest one, it's the ADP increase for the 20,000. ADP is...

VICE-CHAIR WHITE: Well before you get into what we're, you're requesting, I'm asking what the amount that we provided last year for this fiscal year has been spent on.

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MR. FUJITA: About a quarter million of that is from ADP which is the vendor that provides processing for the payroll. They have a charge that is based on various transactional rates, on the input of new employees, making amendments, or other processing of timesheets and the hours and exception reports. So each month they...

VICE-CHAIR WHITE: So that's just the normal fee --

MR. FUJITA: Yes.

VICE-CHAIR WHITE: --for the payroll system?

MR. FUJITA: Yes.

VICE-CHAIR WHITE: Okay. I think we all understand that, so moving...

MR. FUJITA: Okay. So that's about 25...yeah, 250,000 a month.

MR. WALKER: No, not a month. . . .*(inaudible)*. . .

VICE-CHAIR WHITE: Not a month.

MR. WALKER: No, on an annual basis.

VICE-CHAIR WHITE: Okay.

MR. FUJITA: Yeah.

VICE-CHAIR WHITE: Okay.

MR. FUJITA: On annual basis. We had some work done by Koa Hills based, they were doing planning and development of scanning for accounts to become paperless. It was work that was planned from a year before that. They had to work that down, and in the middle of the project we told them to hold on because they were coming back and saying that they wanted a little more for the training of all the departments. And we have a lot of departments out there that use things like purchase orders and the vendor request slips. And we were even going toward the travel forms. It's kind of difficult but there were plans to make all of this all paperless. But the problems was with the various departments everybody has all different kind of procedures and the different levels of approvals. So the vendor was planning this massive training. It would have cost a lot of money. So we're still negotiating with them. And we have some plans for that to come back into the budget. So in here is 120,000 for that vendor's proposal to do the Countywide training.

VICE-CHAIR WHITE: So is that the same vendor that you've been using? That you put on hold or...

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MR. FUJITA: Yes. It was the one that was helping us do the development of going paperless.

VICE-CHAIR WHITE: Okay.

MR. FUJITA: Did that cover it?

VICE-CHAIR WHITE: That's all. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Ms. Crivello, further questions at this time?

COUNCILMEMBER CRIVELLO: Well, just basically one and, you know, I hate to come back and forth to that about your Grant Manager request as far as your grant, for construction work in progress. So if you held the hammer, who would you hold accountable to making sure that procedures are in place? Or do we have procedures in place that departments should be meeting the requirements that your Department is requiring?

MR. FUJITA: The departments have their own programs and they're in charge of their own missions, so they have developed their own grants and negotiated all of that. From the Accounting side, we have this requirement with the auditors to provide the reconciliation and the balancing, all of these reports that are related to grants. And that's where there's a disconnect, because it's only been really worked at at the end of the year, the auditors are in here in November, they're spending the month on all of these accruals and they're getting frustrated. And just really bad planning in my opinion.

COUNCILMEMBER CRIVELLO: I'm trying to understand and I really appreciate you being here by the way.

MR. FUJITA: Thanks.

COUNCILMEMBER CRIVELLO: You know I'm not an accountant, but you bring better understanding, hopefully for me anyway. I guess I'm trying to understand what is the Department's role? I mean and who, you know, like the construction work in progress. They get it, you get all the expenses maybe like after the project. Who do you hold accountable to meet your requirements? Or is it just your Department that needs this kind of line to follow through with them?

MR. FUJITA: There's different kinds of responsibilities. For the Accounting Division of the Finance Department, it's tasked with make sure that all the financial information is correct, is comprehensive, is accurate, is timely, and we have all of these reports. For one of the most important ones is the budget status reports because the Council approves the budget for this project, and for Accounts it's supposed to monitor all the spending there that provides how much is actual versus what the Council says is appropriated. So we are monitoring expenses from the point of monitoring contracts and all the vendor invoices. As far as who's responsible for the propriety of the

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spending, it's the departments, because these are budgets going to the departments. They go out and they write the specs on the bids and then they sign the contract. Well actually the Finance Director signs the contracts but it's their program, it's their baby. So they have to make sure that all the spending is appropriate, fits in your approved budget.

COUNCILMEMBER CRIVELLO: And that report needs to go to you? On a timely --

MR. FUJITA: We create that...

COUNCILMEMBER CRIVELLO: --manner and in accuracy. Even if you had the personnel they would still have to go back to the department?

MR. FUJITA: Right. 'Cause the departments...

COUNCILMEMBER CRIVELLO: Okay. That's clear.

MR. FUJITA: Yeah, they made the contract, they bought the products.

COUNCILMEMBER CRIVELLO: So yeah, so if you had the personnel they still would go back to the department and says I need this, I need that. Okay, thank you.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. On a different tact, I mentioned that we, I wanted to do some goals. If you could take a look at Page 233 on the budget itself, the goals, Goal No. 1, Item No. 4, it says the goal and objective is no material weaknesses found on auditor's report, auditor's findings on the single audit report. Your FY estimate, FY 2015 estimate is zero. Is that, obviously it didn't come out at zero so you got that single audit report after...

MR. WALKER: This was provided in December --

COUNCILMEMBER COUCH: Okay.

MR. WALKER: --prior to the report being finalized.

COUNCILMEMBER COUCH: Okay. So next year it'll, the goal was zero but the actual will be one?

MR. WALKER: Right.

COUNCILMEMBER COUCH: Right. Okay, great. On Page 234, Goal 4, Item No. 3, promote and expand use of electronic media to archive documents. And you say the success measurement is the percent of paper document storage eliminated after all records dated after 7/1/15. And the FY 2015 estimate says 75 percent, and then your 2016

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says 75 percent. So it seems like you're not increasing the number of document storage eliminated or does that need to be reworded?

MR. FUJITA: On our Accounts Division's strategy on going paperless and storing everything electronically is currently on hold. We've actually spent I think from the past years' appropriations about 100 or 200 thousand now with Koa Hills who is the consultant on this. But it's on hold and it kind of depends on next year's budget and that kind of thing, because we don't want to spend any more on this if we're not able to actually implement it. What we're doing right now is on a year-to-year basis that as the transactions are flowing through our claims processing, they are being scanned. So if you wait six years or seven years then actually everything's going to be scanned, but there's actually a better way that for all the departments could go paperless next year. But that still depends on the training, it depends on the departments' choices, we want to be paperless. I think that the Council had some indication in the past that that it's a good thing.

COUNCILMEMBER COUCH: Okay. I have two more, Mr. Chair, if that's fine?

CHAIR HOKAMA: Go ahead.

COUNCILMEMBER COUCH: Page 235, Goal 6, No. 1, it says provide departments with training on fiscal accounting compliance and internal controls to improve and promote sound business practices, and then you have provide quarterly departmental training sessions and you say...this looks like a new goal which is a very good goal to have. And you say in FY '16 estimate that you want to do 4. Is that four per department or four trainings altogether?

MR. FUJITA: That should be four trainings altogether. In fact, right now I'm in the midst of a nine-week course I'm giving in to all the County accountants on the CAFR, and the training involves internal controls, what the auditors are looking into and why they look at that, and how it affects the bond ratings, and on and on. It's a nine-week course.

COUNCILMEMBER COUCH: But that four trainings, one session of that training has all the departments in it?

MR. FUJITA: The invitations goes out Countywide.

COUNCILMEMBER COUCH: Okay. Might be somewhere in there the number of departments that actually attend and get trained. It would be a good thing to have in there --

MR. FUJITA: Okay.

COUNCILMEMBER COUCH: --if you...because I mean it could be that you have one department show up one time as opposed to all 14 --

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MR. FUJITA: Right.

COUNCILMEMBER COUCH: --or 16, however many we have.

MR. FUJITA: Right.

COUNCILMEMBER COUCH: Okay, thank you. And last one, Page 236, Goal 7, Item No. 1, it says maintain an employee turnover rate of less than 5 percent. And again, new goal, very laudable. But you say the estimate on 2016 is 25 percent. Is that 25 percent of the 5 percent or right now your goal is only a 25 percent turnover rate?

MR. FUJITA: That seems like a high number.

COUNCILMEMBER COUCH: Yeah. Is it 25 percent of the 5 percent? I don't know...

MR. WALKER: I think we should get back to you. That could be a typo.

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

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And going back into the details on 6-13 in regards to the overtime, I know you mentioned that, you know, if we look at what our overtime has been and the, and I see the explanation, additional funding to address audit findings and CAFR preparation. Audit findings as in the past? Because our goals here aren't reflecting the audit findings we were speaking of yesterday, so is this talking about the past findings?

MR. FUJITA: I think it's involving mostly on the CAFR preparations, and I think I mentioned before that the bottlenecks in the past have been in grants and the CIP reconciliations. It's like the majority of the part where the month of November when we start to work on our adjusting journal entries as accountants call all of these accrual adjustments, it's because we don't have a lot of these quarterly reconciliations that a grant manager and the capital assets manager would be doing is all compressed into November instead of spread out over the year. So when we get the new people, I mean hopefully upon your approval of course, this overtime will come down substantially.

COUNCILMEMBER COCHRAN: Okay. And also in discussion with payroll and how you want to improve or the cost that has been put toward the ADP I guess program, that was also in the audit findings that there's issues. And they took into consideration the new transition and turnover and whatever in the system itself, but that's been...the kinks should be worked out and I guess we're continuing to have I guess deficiencies in it of some sort to the extent where more monies are needed and all that. So hopefully that can be adjusted, Chair, and I know just from one little example that these goals and measures aren't truly up to date. I mean numbers are a little skewed

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at this point. So if, I would like to see goals and measures being put towards departments in relation to the audit and its weaknesses and how they're going to, you know, address them in the upcoming, with goals and measures.

CHAIR HOKAMA: I will be looking for your, the Members' recommendations, 'cause I am, I don't have a problem with adjusting goals and measurements for what the Committee needs. So if that's a measurement that you folks feel is critical to review their performance then we'll, we can make those adjustments, and we'll grade them on those performances.

COUNCILMEMBER COCHRAN: Very good. Thank you, Chair. That's all. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll, any questions, sir? Bobby, any questions? Okay. We are going to take a lunch break at this time.

VICE-CHAIR WHITE: Chair?

CHAIR HOKAMA: Before we do...

VICE-CHAIR WHITE: Chair?

CHAIR HOKAMA: Yes, Mr. White.

VICE-CHAIR WHITE: Just a follow-up question if you don't mind on the overtime.

CHAIR HOKAMA: Please. Proceed.

VICE-CHAIR WHITE: Is it your feeling that the, you've said that the overtime is compressed into November and --

MR. FUJITA: Yes.

VICE-CHAIR WHITE: --or into the audit time, so what is your estimate of the amount of overtime that you'll be generating between now and the end of the year?

MR. FUJITA: From now 'til the end of year.

VICE-CHAIR WHITE: End of the fiscal year.

MR. FUJITA: Depends if we have a bond issue, that will create about 40 hours of overtime, 'cause the bond sales is a compressed effort at times. It kind of depends also if there's some problems at a grant department and they're unable like to do the reimbursement request, and then we just have to dive in and help them. So it kind of depends on that kind of stuff, on what happens. I'm not expecting a whole lot, but there's no guarantee that nothing's going to happen.

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VICE-CHAIR WHITE: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Mister, Director Walker.

MR. WALKER: I appreciate it, Chair. If I could 'cause I, before we break for lunch, just in summary as it relates to the two positions we're requesting, you know, the Grants Manager has been one we've, I think this is the third year in a row we've come back on. But the Grants Manager and the Capital and Fixed Asset Analyst, our motives for requesting this are selfish and self-serving. The fact that we don't get the information from the various departments impacts our Department and our ability to provide the information that is required to be in compliance with the single audit. And it holds up our CAFR, it increases overtime. And so I guess the point I'm trying to drive home is that, you know, yes, we want to help our other, our friends in other departments but really this is to help us because we're the ones that are being impacted. And we do believe it we could get these positions and I know you have a tough call and appreciate that, but if we could get these positions we truly believe that we will be more timely in our financial reporting, we'll be more accurate in our financial reporting, and that over time, overtime will decrease. Thank you.

CHAIR HOKAMA: Okay, thank you for that, Director Walker. One last comment for the Committee for your information, Members, I brought this up earlier, I appreciate Mr. Fujita making comments about going paperless and records. The Council has a responsibility through the Charter and that's through the Office of County Clerk, we are going to need to make certain decisions to allow the Clerk to proceed since the Clerk is directed through the Charter to adopt rules for the classification, storage, and destruction of all records of the County. All records of the County. And so we are going to make, need to make some policy decisions on what and how we are going to retain records and what should be kept for prosperity and what can be destroyed without risking important documentation for historical public purposes. Mr. Couch.

COUNCILMEMBER COUCH: Then can we make that a request for an item to the appropriate Committee? I'm assuming it would be PIA but whatever. Is that possible to make that request so we can --

CHAIR HOKAMA: Yes.

COUNCILMEMBER COUCH: --. . .*(inaudible)*. . .

CHAIR HOKAMA: But I would, I'm gonna let Mr. Mateo when he comes for his budget component to maybe share some thoughts on how he might want to move record management --

COUNCILMEMBER COUCH: Okay.

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CHAIR HOKAMA: --the subject is record management--forward. All the counties are dealing with this, it's not just an issue for us, but it is part of our responsibility to assist the Clerk in fulfilling his Charter requirements.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. We shall go into recess for lunch and return at 1:30 p.m.
...*(gavel)*...

RECESS: 11:55 a.m.
RECONVENE: 1:32 p.m.

CHAIR HOKAMA: . *O. (gavel)*. . . This Budget shall come back to order. We are in the review of the Department of Finance. We are currently in the Accounts Division or Accounts Program. So I'm gonna ask at this time, Mr. Victorino, any further questions for either mister, our Deputy Director, Mr. Walker or Mr. Fujita?

COUNCILMEMBER VICTORINO: Well I want to just to say thank you to Mr. Fujita 'cause I really appreciate his perspective. I think, you know, your knowledge and your experience and your honesty has really come across, and we thank you for that. Not to say that we're gonna make the big changes that we, you guys are asking for but I think we've got a better understanding. And I truly, I really am truly impressed with what you've said today to us. And I think the public has a better understanding. So thank you very much. And thank you, Mr. Walker, for being here also. And we'll see what we need to see from this point forward, Mr. Chair. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Carroll, questions for Mr. Fujita or the Deputy Director?

VICE-CHAIR CARROLL: Nothing right now.

CHAIR HOKAMA: Okay, thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you, Chair. And not at the moment, but some, very serendipitously we were able to spend some time with some grants employees that have retired from the County over lunch, so when we have time I'll share that with you.

CHAIR HOKAMA: Thank you. Ms. Cochran, you have any questions for this time?

COUNCILMEMBER COCHRAN: Not at this time, Chair. But thanks for the opportunity to spend the morning with the Department. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Couch?

COUNCILMEMBER COUCH: No, thank you.

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CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No. But again, thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: I'm okay. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you very much. Okay, why don't...you have anything you wish to add at this time, Mr. Walker or Mr. Fujita? Okay, we're gonna take up the next program area which is the Financial Services Program.

MR. WALKER: Excuse me, Chair, I'm sorry. We had sort of stopped at the Grants Manager and Capital and Fixed Asset Analyst, we hadn't actually discussed in my mind the, our request for overtime, our ADP, and our IFAS upgrade, and...on Page 6-13 and 6-14.

CHAIR HOKAMA: Well, you know, Mr. Director, ADP has been a pain for this County since the day we started it, and I was there at the start of it. To see this still being a part of this type of discussion is not...I mean my thing is either fish or cut bait and if this is a losing program, get rid of it. I'm tired of this annual pilgrimage to try and fix something that I don't know if we can fix it. So I for one have great hesitation. I would rather look at another vendor to bring it back all in-house. IFAS, my question to you, since you're trying to use ONESolution, upon looking at their website they've done a lot of things for small organizations. What have they done for an organization or a County of our size?

MR. FUJITA: Like ONESolution was developed for the medium-sized municipalities, about the size as ours. We did look at a couple of the other ones. There's this one called OneWorld and when we started to discuss with them we found out that they haven't actually gone up into the West Coast, so they're just starting to reach like those municipalities. And the ones that they're working with currently are more of the smaller types. It wasn't a good fit. For ONESolution it's from the same vendor from SunGard, but like IFAS we converted to IFAS about the mid '90s, it's been 15-20 years now so it's about the right time for us to go up into the next betterment. Like our working relationship with SunGard has been very professional. They're pretty much all over the US and they serve some large governments like Utah and Salt Lake. Those guys there in Salt Lake have been one of those organizations that they come up with best practices, and I like that about in SunGard that they service these entities that look toward the future, stay up to date, and is very progressive.

CHAIR HOKAMA: So they're going to be providing our County with something that is customized to our needs and our requirements, or are they trying to convince us to buy something that they have and we're going to need to adjust to their program?

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MR. FUJITA: The cost that we have in the budget includes both. The basic package is 125,000, it's for the fundamental conversion, but then the other 70,000 has to do with the customization and training, especially in the beginning. We're going to have a lot of customization to fit the unique needs of this County, and of course and every county is a little different. So that's arranged in there too. We're looking to start this kind of serious discussion with them in January of 2016 if the budget is passed.

CHAIR HOKAMA: Okay. Mr. Couch, questions?

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No, not at this time.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: None at this time. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: No.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Not at this time. Thank you, Chair.

CHAIR HOKAMA: Okay. You know on that 120,000 you also have training and dashboard creation. Are we going to be paying for that dashboard creation? Or is that a service that they're providing the County?

MR. FUJITA: Yeah. The 120,000, it includes a lot of the basic packages and the already existing standard software-ization, so that have those modules that are available for our customization if we wanted to.

CHAIR HOKAMA: But we'll have to pay for that?

MR. FUJITA: It's a part of the basic package, yes.

CHAIR HOKAMA: That's not...gee, I know we have vendors who use that as an enticement and not have us pay for those kind of things like Esri. So why would we need more money, I mean this County's owed, where we gotta...we have no templates now

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regarding the travel orders, vendor action, fixed asset forms, document, department documentation currently and that is why you need this \$120,000?

MR. WALKER: Excuse me, Chair?

CHAIR HOKAMA: Yes, Director.

MR. WALKER: I think the 120 you're speaking of is our paperless form initiative. The 125,000 he was talking about is a part of the \$195,000...

CHAIR HOKAMA: No, I understand that.

MR. WALKER: Oh, okay. Okay.

CHAIR HOKAMA: I understand that.

MR. WALKER: I just wanted to make, clarify that. Okay.

MR. FUJITA: To answer your question about as far as the forms that are electronically functioning for the travel, it's not in our computer structure. This vendor Koa Hills is developing this form for the various users all over the County, if they want to go into travel that there are these multiple form distributions and approvals structure that it's kind of difficult. It's not the simple approval of an invoice. Because it's linked in with things like the calculation of the per diems and the flight times and that kind of thing, it's evolved into something a little more complex than what we expected. But it looks good, it's gonna save the County a lot of time, and that's just the example for the travel advances.

CHAIR HOKAMA: Does this include and I don't know if you've talked to Mr. Verkerke, all this paperless and e-transactions the ability of security and cyber protection within the Department of Finance?

MR. FUJITA: He's in control of that security area. I'm not really versed in that.

CHAIR HOKAMA: Is there any component in this request to take care of some of those concerns we have?

MR. FUJITA: No, I think from Jacob's standpoint, it's, it goes in a lot deeper. It's more of a Countywide structure as to how the complexities are going to be and how the backups are going to run and that kind of thing.

CHAIR HOKAMA: Okay. Members, questions? If not, I'm going to move on to the next Division. Okay. Let's hit Financial Services.

MR. WALKER: . . .*(inaudible)*. . . Scott.

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CHAIR HOKAMA: Okay. Okay. Mostly is Real Property so, yeah, we'll bring up Real Property first and then, Mr. Vila, we'll bring you right after that under DMVL. Okay. Mr. Teruya, it's your turn.

MR. TERUYA: Thank you, Chair. Good afternoon, Members. Our budget from the Real Property Tax standpoint on the A section is just in relation to probably positions that are on a progressive series that will be moving up like the Appraiser series that move up. So that and bargaining unit is the only change. There's no additions to any of the, no added E/Ps to our count so I'm not sure if you want to stop there and go over the A component.

CHAIR HOKAMA: Yeah, why don't we hit the salaries, Mr. Teruya. Any changes or areas of, that need to be addressed by this Committee?

MR. TERUYA: We don't have anything to address. I think as you know we've talked about over the years the level of service that this body expects really dictates whether or not we would be considering any E/P or not. I think you know that we have been trying to maybe ramp up the enforcement areas or the exemption areas, so that is maybe for your further discussion at your leisure, Chairman.

CHAIR HOKAMA: Okay. On Page 238 of the narrative, budget narrative, if you can give the Committee some comment please. Your, the proposal is big increases in Services, Travel, Utilities. Can you give us some comment, please, Mr. Teruya? And that's your B category, Operations.

MR. WALKER: Mr. Chair, that's, the bulk of that, almost the entire amount of that is DMV.

CHAIR HOKAMA: Okay, thank you. Mr. Teruya, anything in your Division?

MR. TERUYA: Okay. In the B Section of the B Account, I think we have two adds and that is to address the existing Board of Review travel, so...I'm sorry.

COUNCILMEMBER VICTORINO: What page, Mr. Teruya?

CHAIR HOKAMA: Two forty, Mr. Victorino.

COUNCILMEMBER VICTORINO: Two forty? No, no, no, he just said he went to the B Account so.

CHAIR HOKAMA: Yeah, yeah, that's part of...yeah.

COUNCILMEMBER VICTORINO: Oh, okay, okay. I apologize.

CHAIR HOKAMA: Yeah, Operations.

COUNCILMEMBER VICTORINO: Okay.

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MS. YOSHIMURA: Mr. Chair? It's on Page 6-29 of the Budget Details.

CHAIR HOKAMA: Six twenty-nine, 6-29, Budget Details, on the narrative it's under 240.

COUNCILMEMBER VICTORINO: Thank you.

MR. TERUYA: Okay. Yeah. So there we have in Sub-Object Code 6201 in Airfare it's the transportation of the additional funding to allow the Board of Review members to attend the annual Board of Review Conference and the Corporation Counsel Conference. And likewise with the additional travel would come per diem in 6222 of 3,200 to allow for the funding for the Board to attend these two conferences. And that is the two, only two adds I believe I have in the B budget.

CHAIR HOKAMA: Okay, okay.

MR. WALKER: Mr. Chair, and it's my understanding that RPA has historically paid for this just out of savings but has never formally budgeted this, and because they're doing it annually they'd like to make that a line item.

CHAIR HOKAMA: Well, I would like to commend the Division for finding savings. That is what the Councilors expect of all divisions. And as your Chair, Members, this is one Division we have issues with various areas and one is short-term rentals. I'm going to look at approaching this from a taxation standpoint, and therefore one of the considerations is because this Department has proven to be able to get the finances upon providing positions, I will be considering additional inspectors on the real property to tackle the short-term issue from a taxation standpoint. And then again also as we've done in the past, those positions will be paid through the collection of fines and penalties. Mr. Couch.

COUNCILMEMBER COUCH: Can we have a short recess, please?

CHAIR HOKAMA: Recess. . . .(gavel). . .

RECESS: 1:49 p.m.
RECONVENE: 1:50 p.m.

CHAIR HOKAMA: . . .(gavel). . . Okay, thank you for that short recess and that question, Mr. Couch, appreciate it. Thank you. So again, Members, as I said the Chair intends to approach it from the issue of short term, from a taxation standpoint and that I believe is within the purview and also within the powers of this body. Mr. Teruya, additional comments?

MR. TERUYA: Chairman, I'm not sure if this body would like to or not, I have a little Excel spreadsheet identifying the different areas of compliance and the things, the unbudgeted revenue that was garnered from the enforcement efforts from the staff on

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an as-needed basis. As you know, there's a lot of positions here that if there was a dedicated position there could be a lot of potential revenue for the County to gain, but I'm not sure if that's worth the time to discuss regarding additional E/P or we would continue to do it as, on, you know, as the time was allowed basis. So if you want I can either pass this out or discuss it, whichever you guys choose.

CHAIR HOKAMA: We'll make copies of that but I would like you to --

MR. TERUYA: Okay.

CHAIR HOKAMA: --report on that.

MR. TERUYA: Okay. Do you want to make copies and hand it out and talk about it or...which one?

COUNCILMEMBER VICTORINO: Yeah, Mr. Chair, yeah, I would prefer if had copies and that --

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: --way we can follow --

CHAIR HOKAMA: We shall do that.

COUNCILMEMBER VICTORINO: --along, please.

CHAIR HOKAMA: We shall take a short recess to make duplicates --

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR HOKAMA: --and then we shall return.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR HOKAMA: Subject to the call of the Chair. . . .(gavel). . .

RECESS: 1:52 p.m.
RECONVENE: 1:56 p.m.

CHAIR HOKAMA: . . .(gavel). . . Okay, we shall return to order. We have just received a handout under the heading of "Real Property Assessment Division Compliance, March 2014 to March 2015." Mr. Teruya, if you would please.

MR. TERUYA: Thank you, Chairman. What we have here is just two different graphs, one on the top says completed and on the bottom it says not completed, so we just tried to identify the different areas that we have been recently been doing some compliance.

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And as you can see, I'll go over it on the top chart which says completed, the category says Agricultural Assessment Enforcement. So like the agricultural dedications, the land, we, the account says 82 so basically we found 82 that were not in compliance for additional revenue for 2015, moving forward of a revenue of about \$131,000. And when you go across on the means it says these are basically the tools that we've used to identify the differences, so you see there pictometry and inspection. So basically we either use pictometry aerial imagery or physical inspections to identify the non-compliance. The second line it says Omitted Improvements, so what we've found is 284 parcels that had illegal structures or structures that were not on our books, and that added to about \$92,000. And again, across on the means it says we use Sketch Check or pictometry to identify these omitted structures. On the third line it says Homeowner Exemption Enforcement, so we've recently used the State of Hawaii database, as a data sharing we have an MOU with them. We also use LexisNexis in finding those 355 properties that were probably in violation or no longer were entitled to the exemption. And that 355 equates to about, you know, just short of \$700,000. And that is for your information which is the best is it's unbudgeted revenue for the Fiscal '15 year so we already have probably sent them a bill or back taxed them for that amount. The next one down is the Condo Use Enforcement. This is the bill I think two years ago that we changed to have the AOA identify possible people who were not telling us the proper information, so that we caught 24 for \$26,000. That is also goes to unbudgeted revenue. That is a program that is very time consuming for the Division as although the AOA may identify what the use is, we still need to follow up with the owner and that is probably why the reason it is only 24 units that were actually caught. The next one down is the Homeowner Exemption Death Notification. That we use *Maui News*, other obituaries and LexisNexis and found 90 people for additional \$70,000. The AOA Classification I believe that's very similar to what we just talked about, about the condo use enforcement, 169 properties for additional \$305,000. And the last one is the Delinquent Homeowners. As you know as people's accounts become delinquent, they're not longer entitled to the Home Exemption and that resulted in 661 properties for additional \$235,000. I'll stop there, Chairman, and then we can go over the other one if there's any questions at this time.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Okay.

COUNCILMEMBER COUCH: Chair?

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Real quick question. And thank you, Mr. Teruya. And on that second to the last line you show means but revenue per parcel, that's exactly...each parcel would have given you like for example agriculture assessment, \$1,607.18 per parcel additional income.

MR. TERUYA: Yeah. We're just simply doing the straight --

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COUNCILMEMBER VICTORINO: Just divided?

MR. TERUYA: --math just so --

COUNCILMEMBER VICTORINO: Yeah, yeah, yeah. No, no, just...

MR. TERUYA: --you can kind of get an estimate as to how much revenue per --

COUNCILMEMBER VICTORINO: Okay.

MR. TERUYA: --hit. Yeah.

COUNCILMEMBER VICTORINO: And under delinquent collections, how, of that 661 that are delinquent, how many are actually delinquent when they haven't paid or, you know, you're still chasing them? 'Cause we can eliminate tax exemptions but if they don't pay, they don't pay.

UNIDENTIFIED SPEAKER: Right.

COUNCILMEMBER VICTORINO: Yeah, so how far are we behind on that number? Roughly.

MR. TERUYA: I don't know the delinquency list, maybe the Treasurer could probably give you that list.

COUNCILMEMBER VICTORINO: Okay.

MR. TERUYA: But we're just, what we do is we just do a simple extraction of all the accounts that are delinquent, run that against our homeowner list, and then from there we send out letters and then if they don't pay by the year's end then we remove the exemption so.

COUNCILMEMBER VICTORINO: Okay.

MR. TERUYA: Yeah.

COUNCILMEMBER VICTORINO: Okay, very good. Thank you. And I'm very happy to see that pictometry has been a big integral part of this. You know I know we put money in there and we didn't know what kind of results we would get, yeah, Mr. Chair, but it seems to have reaped some real good benefits overall. You know a picture's worth a thousand words, I no care what you do. So thank you, Mr. Teruya. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Guzman, questions?

COUNCILMEMBER GUZMAN: It just reinforces the fact that I think that we need to focus on enforcement. It looks as though the non, the not completed has about 5.4 mil

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outstanding, so it, I would agree with you, Chair, that we should put our efforts into maybe adding more employers, employees into the the Enforcement Division. Thank you.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No. Thank you for this report. Good.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Teruya, for this really good report. In your Omitted Improvements you say there are 284 units you found, and you mention unpermitted structures. When you got unpermitted structures did you send something to DSA to say hey we...or Planning to say that we've got unpermitted structures here? And were you able to add value even though it was an unpermitted structure?

MR. TERUYA: Chair?

CHAIR HOKAMA: Mr. Teruya.

MR. TERUYA: The Omitted Improvements, I don't have it broken down but it could be either permits that maybe have been permitted and we just never picked it up or never got it, but I would say majority of them are probably non-permitted structures. We don't have anything in place to, says that you must identify to Planning. If this body chooses and we want to internally let, give them an FYI, I don't think we would have a problem with doing that. In years past when we've saw violations and we've called before, they weren't really saying to, yeah, let us know because they, it would be a lot of work for them. So if we wanted to and we wanted to give them a means of letting them know then we can.

COUNCILMEMBER COUCH: Mr. Chair, I would be happy to ask that that happen because, you know, that also will get everybody back into compliance with the permit issue. That may cause a lot more work for other departments but at least we have the departments talking to each other and we need to really do that. The other question I had, Mr. Teruya, the Homeowner Exemption Enforcement where it says 689,702, does that include the back taxes and penalties or is that just for that this year?

MR. TERUYA: For the Home Exemption Enforcement of the 689,000 recovered it would be all the years that we've gone back. For this category if you were not entitled to an exemption, as long as we can validate the years of your non-compliance we will go back.

COUNCILMEMBER COUCH: But there's also a penalty on there isn't there?

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MR. TERUYA: There is a penalty but it's like that \$200 fine or misdemeanor. We don't have a penalty and interest clause on the Home Exemption.

COUNCILMEMBER COUCH: Do we need to have that?

CHAIR HOKAMA: Mr. Teruya, if you feel to respond, please do. If you're not prepared...

MR. TERUYA: Yeah, as far as the penalty on the Home Exemption, there is no trigger. I can defer to Corporation Counsel to validate that, but there is not a penalty and interest like a back tax so to speak. It's just all the years that we can recalculate, that's all it is. But I think the penalty is in a fine section under misdemeanor. I think that's the only penalty section that we have in our Code.

COUNCILMEMBER COUCH: Well, would it help you or and help people stay in compliance if we beef that up a little bit?

MR. TERUYA: I think the Division can look at the existing language and identify whether or not we have the authority to charge the \$200, and we'll look at it and maybe report back if we have --

COUNCILMEMBER COUCH: Yeah.

MR. TERUYA: --the means or if we don't.

COUNCILMEMBER COUCH: 'Cause otherwise there's no incentive not to --

MR. TERUYA: I understand.

COUNCILMEMBER COUCH: --declare, you know, take away your Homeowner Exemption unless you get caught, and even then you just pay the back taxes and okay and move on. So that's something, Mr. Chair, we may want to look at.

CHAIR HOKAMA: Okay. Thank you.

COUNCILMEMBER COUCH: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Mr. Teruya, for this spreadsheet here, it's nicely broken down. And so you are not looking for any added bodies though for beefing up your enforcement and is that correct?

MR. TERUYA: You know we've, over the years we've always done it on as time allowed us to do it. We've always spoken to the Chair and have talked whether or not the Council wants to include or expand E/P, and I think these are either pilot project numbers for you guys to identify whether it's worth the time or the cost for added E/P for this

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revenue. So that's why I'm pointing it out, and it's really this body to choose whether or not they feel that this is worth for the E/P or not.

COUNCILMEMBER COCHRAN: Okay. And it looks like we possibly stand to gain 5.4 mil if we can vet out all these possible avenues of revenue gain.

MR. TERUYA: I think a lot of the times it's two parts. Added E/P always helps for the enforcement, but it's always going back to the Code. If the Code is very clear it makes it very easy for the Division to act on it. So E/P is good but also if we can amend the Code to make sure that it's very clear as to how we handle these enforcement issues would be just as worthy.

COUNCILMEMBER COCHRAN: Okay, very good. We could definitely use that input, Chair, I believe to assist in that manner. And I guess also in your goals, increase rate of physical inspections for parcels receiving agricultural dedication. And actual is at 10 percent and then your estimate for this year is 75 percent, then you want to drop back down to 25 percent?

MR. TERUYA: Chair, I think what we did in the 2015, we were trying to be optimistic that we would be doing it, and that's why when I, when we did this sheet it went back down to, realistically with the existing bodies it would probably go back down to 25 percent. Because we just didn't get to it, and it shows on this bottom part not completed. There's still 400 that we didn't complete. We're trying to do that for 2016, and we're trying to implement a program that every six years you'd probably be able to inspect it. And that's just something that we're trying to figure out is do we have enough time to do all this work. These reassessments or some kind of compliance is not a County Code that we must do it, so as of right now we're trying to do everything that we can with what we have. So like I said, we are picking up additional revenue, should we want to go after all this and do the 400 and make sure we need to do it then we need to adjust our schedules. Either we're not gonna do something to do this but first of all we gotta do whatever we can to comply with the Code and whatever we have to do as our operational goals. These things are I would say optional but they are revenue generators, but it's not something that we're required to do by Code.

COUNCILMEMBER COCHRAN: Is there...Chair, I wonder if an LTA perhaps could assist? Just sort of bang out these numbers, check it out, vet it through, see what comes up, and then hopefully they'll be all up to par as in everything being assessed properly and then take things as they come. Hopefully as, you know, departments are speaking to each other, you know, things change, zoning changes, whatever occur they can just be on top of it from there on out kind of thing. I don't know.

CHAIR HOKAMA: Definitely we can consider that, Ms. Cochran. This is one Division I have less heartburn about. They've performed every time they've come to us with a request. And we've set the parameters and they've performed. So --

COUNCILMEMBER COCHRAN: Yeah.

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CHAIR HOKAMA: --under my zero-based budgeting philosophy they potentially get benefits for performing.

COUNCILMEMBER COCHRAN: Yeah. Well, I agree they have been performing very well, so I have great confidence in the Department. So hope to assist them in ways to garner this type of money for us.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Ms. Baisa, any questions?

COUNCILMEMBER BAISA: No, but I'd like to thank RPT for the schedule. It really lays it out for us, and I'm assuming that looking at this I'm looking where the money is that what's not completed and where the money is. And so do you guys take this on in that priority and say well we can get the most money if we do Homeowner Exemption Enforcement so let's go do it?

CHAIR HOKAMA: Mr. Teruya.

MR. TERUYA: That is something that we have already looked at. And if you look at the means, we've tried to find out the most amount of money that we can probably garner with spending the least amount. And what we're trying to do is we're actually doing a pilot project with CoreLogic who has recently bought out Marshall and Swift which is our building cost manual vendor. So what we're doing is we're trying to find out of that 1,500, that's a lot of the non-filers.

COUNCILMEMBER BAISA: Right.

MR. TERUYA: So what we're trying to do is it's a lot of work to go find out and, you know, send out 1,500 letters and see why they did not file a real property, I mean a resident return. 'Cause what we don't want to do is affect those who really make very little income and think they don't have to file and reject their claim, so we're trying to make sure that, you know, they're either not here or whatever. So we're trying to use LexisNexis, CoreLogic and other vendors to identify further if we can find out if they do file a return somewhere else then we would be able to reject them. But as you can see, you know, at 1,500 and possibly \$2.9 million, I, there's no doubt every day you'd catch one of 'em just by doing simple research. We're even finding just by using the Internet we're finding people who are no longer, don't live here. So I mean if you just sit around and just use the Internet there's a lot of ways to find additional revenue for those who really, truly not needing that benefit.

COUNCILMEMBER BAISA: Terrific. No, it makes perfect sense. If you got almost \$3 million sitting around, we better go get it. Thank you.

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CHAIR HOKAMA: Thank you. Mr. Carroll? Did I ask for your opportunity, Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. Yes, you did. You did. I was waiting for the delinquent part.

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: . . .*(inaudible)*. . .

CHAIR HOKAMA: Mr. White? I don't know if I gave you your opportunity.

VICE-CHAIR WHITE: No, I just walked in. Thank you very much, Chair. The question I have is we've been going after the Homeowner Exemption for quite some time. I think we changed the Code, was it about two years ago? To tighten up the requirements. How far have you...is the number above the, what we've generated so far in the last couple of years?

MR. TERUYA: Well, in the Homeowner Exemption enforcement area we've, we really rely on the State Department of Taxation on information that we give them. We give them a list of all of our homeowners and they scrub it and bring it back to us with either yes they do file a resident return, they file a part-time resident, or they don't file. So, you know, from that efforts alone on the top end you can see 355 removed for \$689,000. So that's a strict, that's the first pass. What we haven't done is taken all those non-filers and find out what we're going to do with them. Because if you filed a part-time return you already are disqualified, but what we were cautioning is is the people who do not file, if those are truly people who make very little income and do not file a return. In our correspondence with DOT, I mean DOTax is they said that it's required that everybody file a return. So what we're just trying to do is just be careful that we're not hurting the person who really is on limited income. So we're trying to use the other means like LexisNexis and CoreLogic to identify if we can simply pull out the people who do not qualify for this program and try to weed them out, and then see how we're going to deal with the remaining people. But there's no doubt that what we're probably trying to do is probably send out a second letter to this 1,500 to find out for sure if they, you know, do you live here or not and if so then you must file a return moving forward in order to continue to qualify for the program. So there's a lot of work on what we want to do with the last 1,500 people. Probably talk to the Director and the Deputy as to how they want to move forward in handling it, because it will be a very sensitive issue if we're taking away Home Exemptions for people who really live here so that's why the caution.

VICE-CHAIR WHITE: Yeah. I don't think any of us would want you to take it away from people who are actually living there. On the next item, the AOA Classification, I know there were adjustments made to the Code awhile back, and I, my recollection is they didn't go quite as far as you had hoped in order to make the enforcement more easy I guess is the word. The 169 is just 169 condo units, right? It's not condo

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developments, it's just units, so that number seems to be pretty low compared to what I think many of us thought was out there. Is there any suggestion you have with respect to making sure that the folks that are in condos are paying at the right rate based on what they're doing?

MR. TERUYA: Okay, Chairman, yeah, that number appears to be low. You know we're talking about 23 condominium, 23,000 condominium units in the County of Maui and over the number of projects. Majority of them do comply and they do send us the annual report and there's a handful that still don't. The AOA is in a very difficult situation of reporting that somebody may be doing short-term rental and then that number is relatively modest, but we don't use that information to solely change somebody's classification. So what we do is we send that owner a notice asking if they do or do not, and then they self declare [sic] whether or not they are using it for short-term rental or not. So that's why the number is low, but actually the number is a lot higher as to what the AOA is reporting different from what the owner is reporting. I think the Chair has his own opinion on this. This is a program that only allows for condominium units to be based on use, and all other properties which are subdivided units have a different way of being classified. So from a tax policy standpoint it should be discussed whether this body feels that there should be two different methods of classifying properties, or should they consider maybe going to only one system where there's one way of classifying properties like the Big Island and Kauai does. So that is probably for discussion. I'm sure the Chairman is aware, and I think at that time he'll, this body can decide whether or not they feel the agriculture use should...I mean the condo use program should still be available.

VICE-CHAIR WHITE: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Mr. Guzman.

COUNCILMEMBER GUZMAN: Thank you, Chair. I'm curious to find out how the Department handles, you know, the Homeowner Exemptions wherein the homeowner is no longer living at the house because it went through bankruptcy and now the bank owns the house. And so there's a lot of banks-owned houses out there that are not, you know, are getting away with Homeowner Exemptions and the banks are almost getting a discount on that whole ownership of those properties. How are you guys collecting that or even if that's in your radar?

MR. TERUYA: Yeah, unless they file a deed or some kind of certificate with the Bureau of Conveyances, that's our only means of getting noticed. On the annual notice that you receive it says who the Home Exemption is for, so whoever's receiving that notice should, you know, within 30 days what the Code says is to notify the Department of no longer qualifying for the exemption. Whether they do or not, you know, that's hard for us, but, you know, we do try our best. We are relatively up to date as far as processing documents from a Bureau of Conveyance standpoint. It takes us a while to get it obviously but our Division is relatively caught up as almost current as possible.

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COUNCILMEMBER GUZMAN: Chair, I would assume even in my own neighborhood there's at least four that are still, four or five that are bank owned and been banked owned for quite some time. Pretty sure they're availing of the Homeowners Exemption. I think it's a pot of gold and we're not really affecting homeowners, we're looking at institutions, you know, bank institutions that are getting away with this. And if, and I think that if we really get down in enforcement I bet you that would bring in additional revenues. But thank you, Chair.

CHAIR HOKAMA: Thank you for that point, Mr. Guzman. So, Mr. Teruya, since Members have been shown interest in your non-completed portion --

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: --of the craft, if you would give us any additional comments that you may have please.

MR. TERUYA: Well I think one of the things, Chairman, that's very important is to continue to support the program. We've used A savings and other areas of savings to use as LexisNexis and CoreLogic, you know, the funds for it. It's relatively inexpensive and when I say inexpensive I mean maybe \$5,000 to \$10,000, it depends on how much you're asking for. But those funds is always good to have. We're kind of doing it as, you know, if we have the funds we'll go do it kind of situation. We've never been asked to put it as a separate line item for information. But that is probably the best bang for your buck. As, I'm not sure how aware you guys are of pictometry but pictometry is funded through the E9-1-1 project from the State of Hawaii from Police Department, and that is imagery that's flown every two years. This Council has given us funds of about \$95,000 to improve the photograph from four-inch obliques to three-inch obliques, and if you actually go on and look at pictometry right now, you look at the Kihei area, the Kihei area is the, our pilot that we did, that's already shot in three inch so you should be able to see the difference. That funding, I think that project will come up in about a year and a half. I don't know if this upcoming budget is the year that we would want that additional 95,000 to upgrade to the better lens or not. I think MPD is the person in charge of that contract, so I really don't know the timing of that. So I wouldn't be asking for the funds for the pictometry unless we knew the contract would fall within this fiscal year. And as far as the additional bodies, Chairman, it, I would really go under your, what you would like to see us do rather than ask for the additional E/P to do this. That's really up, your choice, Chairman.

CHAIR HOKAMA: Okay, thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. This is a lot of money, \$5.5 million that you can pull, you think you might be able to pull. And you could do that all with just one body, is that what you're saying?

MR. TERUYA: Chairman, I think one of the things, you know, the big chunk of the change is 1,500 people that do not file returns.

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COUNCILMEMBER COUCH: Right.

MR. TERUYA: How much they can get to, I really, really don't know. Right now we don't even know where to start because that's like a whole project for somebody, and everybody's already doing something, you know.

COUNCILMEMBER COUCH: Well that's what I'm saying, if we --

MR. TERUYA: Yeah.

COUNCILMEMBER COUCH: --said okay let's give him a body to do this, whether it's LTA or not --

MR. TERUYA: Yeah.

COUNCILMEMBER COUCH: --would it be one, two?

MR. TERUYA: You know we've always sided on the caution to just start with one and don't try to get too much E/P and then all of a sudden you'd have nothing for them to do. But when we looked at the Home Exemption program, every year we're looking at about 1,500 people who either somehow don't qualify, they're just shaken out, and so it seems like a program that continues, continues time and time again. I think 2 years ago it was like 750,000, the next year was like 500,000 in unbudgeted revenue, and this year it's 689,000. So every year it seems to be bringing in another, you know, three-quarter million dollars. So I don't want to say do the math but, you know --

COUNCILMEMBER COUCH: No, absolutely.

MR. TERUYA: --I know the impact is not to add E/Ps but at the same time if the County can directly benefit from this program, this one program alone. This is low-hanging fruit, that's a very easy program to do versus going in the field and trying to do inspections.

COUNCILMEMBER COUCH: Right. And that's --

MR. TERUYA: So...

COUNCILMEMBER COUCH: --Mr. Chair, I mean I would think the rest of my colleagues and you would agree that it's well worth a...even just that one, the Homeowners Exemption Enforcement is \$3 million. And if you're saying that that's every year...a lot of that might be the same people but still, that's a lot of bucks and it's well worth in my opinion an E/P. But that's...my other question is you have these Agricultural Assessment Enforcements, and you talk about and also in your goals about increase the rate of Agriculture parcels that receive agriculture use that are physically inspected. Are you, I mean I don't know if you're aware of the huge debate we have going on here is what is ag first of all, but are you hiring or is your inspector

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somebody who can actually say, you know, I know what a farm is or some agriculture use is? Because in prior years prior to I know prior to me coming on the board, I've heard this complaint is that some people would go to a ranch, somebody went to a ranch and there's only three sides, the fields fenced off three sides because the fourth side's a gulch. And they said, oh, you're not doing ag 'cause you're not all four sides. So are you, have you at least gotten some, a few people that can say yeah, that's ag or no, that's not ag that know what they're talking about?

MR. TERUYA: Our positions are appraisers. Our appraisers are not ag experts. When you look at the PD it's a college degree from business primarily. If we want ag then you can go down that road. It's, Kauai County is probably the only other county that had that ag specialist but they had no background in valuation. So the background...the drawback to that is yeah, you don't see the ag but now you come in and now you can't value the property. So I mean, what do you want, the appraiser or the ag? You know it's like I think it's easier to have an appraiser and teach them ag, because it's not, I mean our requirements are not very hard. I mean when you go there and it, you can tell if it looks like a farm or not. I mean honestly. I mean yeah it's good to be versed in it but it's not like it's very difficult. I mean, you know, I'm sure we can take courses, et cetera, to maybe know a little bit more, but I think everybody understands what a sprinkler looks like. I mean, you know, I mean if you're going there and you have plants and you don't have irrigation I mean that's pretty obvious, so there's certain things to look for. I don't think you need to be an ag specialist so to speak. I don't know if it's a good time to seek out and, you know, try to find the cure for agriculture when, you know, we have BF-70 going through and we're waiting for the working group. So, you know, I don't know if this is a good time to jump that gun other than waiting for that bill to come forward and see what we really want or what we're going to really need. But that's really this body's choice. I mean if we want to have more people go out there, that is our goal, that's always been our goal, but it's just, honestly, this is just being honest, we just didn't see it. We just didn't have the bodies to see it. We're gonna do everything we need in the County Code to follow that first and then these are the other things we can do on an as-needed basis. So we'll just shift our attention if we need.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Further questions for Real Property? Mr. White.

VICE-CHAIR WHITE: Thank you, Chair. Mr. Teruya, did we purchase the change detection software?

MR. TERUYA: What we did is, again, with, you know, A savings which has really helped us is what we did initially was we ordered the sketch verification. So what we did is we took every shape file of every building and we created or translated that into a shape file and ran that against the imagery from pictometry. And what they did was they identified every unit that were either omitted or there was a difference. And therefore, I think you look here on the not completed, on the 23,000 Omitted Improvements.

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The vendor basically came back and said there's about 23,000 properties that are either missing or different from the sketch. That's just using their technology. That was probably about a \$40,000 cost for us and that's relatively really cheap 'cause we can really recoup that very fast. So sketch, change detection is the second phase. Once you have your sketch layer, the detection software will detect anything from year to year that changed.

VICE-CHAIR WHITE: Right.

MR. TERUYA: So first you need to do verification and get that into a shape file and then from there you do detection. We haven't done it yet. That is something to be considered for this upcoming year to use the new flight that they're flying right now, and pictometry is about 20 percent complete on the, this County's imagery. We would, if we were to purchase that software it would take basically the imagery from two years ago and do it against the current imagery and find out what changed. That's what change detection would be.

VICE-CHAIR WHITE: And how did you arrive at the \$1.9 million amount? Did you end up with a square footage difference?

MR. TERUYA: I would have to defer to PTO as far as what that is, but I believe what that is is they're taking all the hits, all the parcels that they've identified and I'm not sure how they're figuring out revenue on that, but I guess what she said here in comments it's one fourth of per parcel revenue above. I'm not sure, I think she's just taking a percentage of some type of value. So I'm not sure, I can validate how she came up to that 1.9 but I'm sure she's doing just a simple math on projected per parcel and how much a portion of would be captured. 'Cause I'm not certain that all 23,000 are, would be direct revenue, it could be like a porch out here or a small barn, you know, I don't know the level of detail. But what we did is we would sort them in order of importance to be omitted first, 'cause that would be a true, a large amount, and then probably do additions. We'll probably prioritize what we would see.

VICE-CHAIR WHITE: Okay. Yeah, 'cause that only works out to only about \$81 per change.

MR. TERUYA: Yeah, right.

VICE-CHAIR WHITE: It seems a little low. But okay, thank you, Chair.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, thank you. And along that same lines, Mr. Teruya, because, you know, you have \$325 on the 284 Omitted Improvements, so I guess she didn't use that number because it would come out almost \$7,681,000 if you use that same figure.

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MR. TERUYA: Yeah. I think...

COUNCILMEMBER VICTORINO: And I know you're kind of like not grabbing everything because, you know, like you say it could be a porch, it could be a small additional structure to the main house itself, right. But let me ask you this question, does this also take into consideration large changes in the house itself? Because I know of houses that are, the original house is here and in the back is a humungous house. Does that take that, is this some of what you're looking at?

MR. TERUYA: Yeah. What it does is so it takes our building footprints --

COUNCILMEMBER VICTORINO: Right.

MR. TERUYA: --in our database, so let's say you have a house --

COUNCILMEMBER VICTORINO: Right.

MR. TERUYA: --so it'll create an image of the house and it'll change it to a shape file.

COUNCILMEMBER VICTORINO: Right.

MR. TERUYA: Now if they use, when they bring in the imagery, the pictometry imagery and there's a second structure then it flags it for missing this structure, so almost every piece that is not in our database is picked up through this software. So I mean that's a huge amount, 23,000. And probably the reason why we have 284 on the top was that's the ones that we've identified as priority and we already went out to it. And the remainder are things that we're still is like the to-do list. So, you know, it's just a matter of getting out there, and I think with this program Chairman knows about that we're trying to use, Esri Canada's assessment software of visiting properties every so many years. We're doing a pilot project out in the Kihei area right now. I think these things will catch the omitted properties eventually because we're gonna go canvas every single parcel in that district. So that is a project, I don't know how long it's gonna take. We're kind of doing it, assuming it to be every 6,000 parcels every year, so I don't know where we go next. It's just identifying based on the existing first run is wherever we find the most omitted structures, that'd probably be the next area that we're gonna be going out to.

COUNCILMEMBER VICTORINO: Well thank you, mister...I guess like everything else, you know, it takes some time. But like Mr. Guzman mentioned or somebody mentioned just moments ago, this is a gold mine because I mean, it is just there, and you're not even have to, you know, worry about how much, it's just it's there and all you need to do is make sure it's there and then you times that by whatever assessed value. And that's no increase in rates, no increase in valuation except for those who have made those changes. And I believe that should be done accordingly. The other one with the exemptions, that's a little more, that's a little tougher because that you gotta look for

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people who haven't filed taxes and why. And I can tell you there are a lot of elderly that in the last few years of their lives, in last four-five years don't file taxes. You know they live there but they don't file taxes. I know of some right now. They just don't file taxes because they don't think they need to file taxes anymore, you know. I mean seriously, you know, that is fact. So and I think you understand that, Mr. Teruya.

MR. TERUYA: Yeah.

COUNCILMEMBER VICTORINO: Yeah.

MR. TERUYA: And I think a big part of the Home Exemption ones that we're finding they're not filing taxes, a lot of 'em are probably deceased.

COUNCILMEMBER VICTORINO: Oh, that's true, yeah.

MR. TERUYA: And in the State of Hawaii I think they're no longer disclosing that records, so that's one of the problems that we're having. And that's why we're trying to partner with CoreLogic and other places is trying to find out if they have death records from other states, because people don't only die here, they die others place as well so, you know. So what we're trying to do is trying to get the death records from multiple places, including international.

COUNCILMEMBER VICTORINO: Right.

MR. TERUYA: So that's something that we're trying to clean up on.

COUNCILMEMBER VICTORINO: No, thank you, Mr. Teruya. Thank you, Chair. This has been very informative.

CHAIR HOKAMA: Yeah, thank you very much, Mr. Teruya. Anything else under this portion from the Committee, Real Property? I want to bring up Mr. Vila for DMVL under Financial Services. So, Mr. Vila, if you would come join us.

MR. WALKER: Mr. Chair, joining me is Lito Vila, the DMVL Administrator under the Financial Services Program. And at the risk of being booted out of the Chambers, DMVL is asking for three additional bodies. We originally got three bodies approved in the 2013 Budget, came back last year...and we had asked for six, got three, came back last year asked for the remaining, that was denied, and so we're back again. Fifty percent of our customer transactions are done at our satellite offices. These three expansion requests are for Service Reps, one for each satellite office to act as a concierge and provide document screening for customers at those offices. One of the biggest complaints we get from our customers is they have to wait, you know, depending on the time of the month and the busyness, potentially 30-45 minutes, they finally get up to the counter and they don't have what they need. Now we, you know, we have signs that tell them what they need but some people don't read that well,

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et cetera. So they don't have the required documents to complete the transaction that they've waited all this time for. This type of position is currently being used at our Kahului Service Center very successfully. These requested positions would improve customer service and would also help to reduce wait times. In other words you're not having people waiting there that don't need to be waiting there, they don't have the stuff. This position would be available additionally to assist the other service reps at those satellite offices in processing transactions as time allowed, and I think Mr. Vila could probably add additional comments to that request.

MR. VILA: Good afternoon, Mr. Chair, Councilmembers. Yeah, in addition to that the plan for that additional position and the correct amount of the transaction as stated in our goals and objectives is about 56 percent of the customer walk-in volume occurs at our satellite offices in Kihei, Pukalani, and Makawao which these positions are for. So and this position would then be stationed and we would modify the way we would, the customer flow of that office where we would delineate quick transactions and the standard transactions, and this person would then be screening for documents, making sure the customers have all the required documents, issue the number. And if there's no one waiting to pull a number could pull a quick transaction in between. Our queuing system is able to do that. So this person would be very useful in doing and making sure that our transaction, the customers when they are issued a number are able to be serviced. That is probably one of the most frequent customer complaints that we receive at the satellite offices. After they've been waiting an hour or so to be turned away or put our service representatives in a situation where oh, I need that, oh, it's in my car, however five minutes later if they let them go out and get it they'd come back, there'd be another customer that they're serving and they would interject, it's very awkward. And when that happens and our staff try to accommodate it often results in a complaint where a customer that's being serviced is interrupted. The other thing that is happening at the satellite offices is that during, since there's no concierge type of help, no one walking in from the street has the ability to ask for a quick question without interrupting a customer that has been waiting an hour that is being serviced. And that happens every day pretty much, that puts them in that. So this three positions while it, we believe will take our service delivery standards and really improve it and touch a good percentage of the community at the three major satellite offices. Oh, and we have been tracking, at the service center, keep in mind the service center experiences about 54 percent of the walk-ins, the 50...oh, 46 percent, 54 percent goes to the satellite offices. On a daily basis the service center we've been tracking we turn away between 35 and 50 customers at that service desk. And there is, and I'd also like to add that we are also tracking couple of, this major bill that's going, moving forward at the Legislature, House Bill 1,007. Which will if approved will allow undocumented immigrants to obtain a driver license, and this will become effective January 1, 2016. And should that happen we are expecting a surge in driver license application from where we are today. And looking forward, in our looking at this position for this year it's submitted as being funded for 8 months out of the 12, so that makes an effective date of October. Once that person comes onboard if it's approved by the Council we need about a five-month training window to provide training, so these positions would become effective around May timeline in 2016 which

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is after the January 1st start date of the new bill. The other thing is beginning January 2017 we are going to be experiencing our renewal volume return for driver licensing. As you know a lot of, we're phasing in the documentation of as you renew your license you're required to bring in those documentation. Come January 2017 our renewal volumes is going to begin to triple our current level today, so we need to be prepared for that; otherwise, we're going to have a lot of complaints we anticipate could be coming in at our service desks. And based upon our successes at the service center, I've had calls from every other county as to how we're doing it here, so they are looking, they've tried it to some limited extent at the other counties. And, you know, and I think they're looking at it; however, we do need the staff in order to provide this additional service for those customers that are walking in. Thank you, Mr. Chair.

CHAIR HOKAMA: So first tell us then why isn't your online program doing a better job to take away people from walking in? We have online, right?

MR. VILA: Yes, Mr. Chair, we have an online registration program. That's strictly for motor vehicle registration. We're currently doing I think about 12, 11, 12 percent diversion on that; however, they are paying for it. When we get to the B Accounts there's some other things we're trying to do to divert customers from the service line that can be automated. Part of our philosophy is to use automation to augment our throughput of our staff. So the online registration program is working; however, there is fees involved in that, there's convenience fees that is assessed to, charged by the vendor to provide that service, and there are customers, they are finding it easier to transact online.

CHAIR HOKAMA: So, Mr. Vila, you were stating that part of this a new mandate to take care undocumented individuals? Can you make it, clear it up for us?

MR. VILA: Okay, let me clarify that. There is a bill before the Legislature, House Bill 1,007 that survived the crossover. It's currently, it was heard by the Senate Committee I believe on March 27th, it has passed. I think it's gonna go out to vote, and if it gets passed what this will mean is, the latest estimate I got is about 3 percent of the population are undocumented. And if this is passed those community members that are present here will then have the ability to come in to the DMV and secure, apply, qualify, be tested to operate a motor vehicle safely on the roadways. So right now the information I'm receiving is a lot of those people are driving anyway. We want to make sure that they are tested, and we want to make sure that the general driving public, at least everyone driving out on the roadway meets the minimum standards to operate that vehicle that they're operating safely on the roadway. So if this is passed, Mr. Chair --

CHAIR HOKAMA: Yes.

MR. VILA: --we definitely need something in place come beginning of the year to at the, especially at the satellites because right now...

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CHAIR HOKAMA: Is this coming with State funding?

MR. VILA: No, this is going to be for our regular driver license.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR HOKAMA: Yeah right.

MR. VILA: Yeah. So --

COUNCILMEMBER VICTORINO: Dream on.

MR. VILA: --anyway, that is before the Legislature. And if it doesn't pass then it will not materialize; however, it does, we will have between now and the 1st of the year to do outreach to make sure we have everything in place. There'll be other issues, other states have already launched a similar program, and there'll be a lot more failures because of the language barrier. There'll be other demands of our staff. And we will probably need time to explain a lot more information to those people that are coming in. But bottom line, I think the intent of this bill is to make sure that the person that is operating a vehicle on our roadways can safely operate that vehicle.

CHAIR HOKAMA: Doesn't pay the bills though. Okay. So how much increase in fees would it take to cover your three positions?

MR. VILA: Well, they would start in at the 20...30...about \$90,000 per year plus fringe benefits for the three.

CHAIR HOKAMA: So tell me how you're going to make up half a million dollars of required revenue? What kind of fees would you like us to look at to adjust?

MR. VILA: Well, it is the driver licensing fee. Our current fee is currently is at \$5 per year and that's \$40, and...

CHAIR HOKAMA: 'Cause why would I have the regular tax base pay for a driver? The driver should be paying for this fee.

MR. VILA: Well okay, for these additional positions it's not, the primary function is not to service these, should this bill come through. These positions are, we're asking for is for the satellite offices to provide document screening, answer questions at the satellite offices. So if we have 110,000 licensed drivers, you know, that's how many licensed drivers we currently have in the County, breaking, break it up, we could formulate to see how much more we could take up the fees to absorb that. I have not done that calculation, Mr. Chair.

CHAIR HOKAMA: Would you need more driver examiners because of this?

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MR. VILA: Not at this point. I think we have, our plan is we believe in cross training and if that be the case, we can always cross train if the demand in road testing comes up and offer additional road tests during slower periods and manage it that way too. However, the, we're not asking, this is for the satellites. But road test volumes probably will increase. If 3 percent of 100,000 is about what, 3,000, about 3,000 more applications would come in, 3,000 more road tests probably will go through, some of those will not pass the first time, they'll cycle through. There is a minimum seven-day waiting period; however, the minors will still be required to undergo the driver education classes, et cetera, and so they will cycle through. However, I believe our examiners and we can do cross training within our staff so that we do not need to increase our examiner staff to accommodate that surge in, just for the road testing portion.

COUNCILMEMBER GUZMAN: Chair?

CHAIR HOKAMA: Okay, everybody will have your chance. Everybody will have your chance.

VICE-CHAIR WHITE: I didn't have mine up. I have questions when you're ready.

CHAIR HOKAMA: Ms. Crivello, you may start this round.

COUNCILMEMBER CRIVELLO: Okay, thank you, Chair. Mr. Lino [sic], thank you for being here. And, you know, one, I appreciate your Department cross training employees 'cause sometimes, you know, there's no specialist nowadays, we have to learn a little bit of everything. I'm trying to understand what I'm hearing from you is that it's really to screen the clientele, the customers when they come in to make sure they have all the right documents, you know, before they come in line and say oops, I don't have this. Can we do a public service, some kind of commercial? And can we have like, you know at the airport they have the recording that tells you, you know, don't...there's an educational process that we go through. Are you able to develop or create some sort of monitor that while they are standing in line or what have you, you're saying in whatever dominant language that we need to look at or consider saying now make sure you have your birth certificate, birth certificate comes on the screen, make sure you have your social security, da-da-da, whatever requirements we need and have that there. If you don't have it go and get all your documents. I mean the same thing that a screener will be doing but this would be like a, I'm just thinking somehow if we can get innovative or does that make sense at all?

MR. VILA: Mr. Chair? That makes perfect sense. We use multiple facets. We encourage people to call in, we have a call center. We have the, our website that has a lot of information, has all of the documents that you need. We have been, I've been working with the City and County, they are almost ready to launch an online document guide as to what type of documents you need. Once that's in place they've said we can create a link from our site to their site so that they can go through; however, those are in place now. We have PowerPoint presentations in our offices but those are already waiting in line. We can certainly do PSAs; however, it's going to be the money involved

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and the number of people that we would be able to reach out to. And given all that though, we would, it's not just driver licensing, people come in, they will say oh, where do I sign to release this vehicle, I'm going to sign, oh, I have this. Oh they come in, they wanna just renew their registration, we look at the registration and the computer it says sorry, you have an outstanding citation that you have to get clear so they don't get it. So it's a whole myriad of transactions that we have.

COUNCILMEMBER CRIVELLO: Oh, I see. I was under the, with the understanding that the additional employees were to help with the screening of the documents, so I'm thinking have a monitor in your station or and where people are lining up and they can watch that as they're waiting and then realize they don't have all these documents, then it's not a duplication.

MR. VILA: Yeah, we are planning to put that type of information, PowerPoint presentations out; however, it's going to require the people to still read that and a lot of times they will not understand because their circumstance or situation doesn't really fit until or match until it's really pertains to their vehicle or the transaction they're trying to accomplish and they want an answer. They want to be walked through. They want to get a live person, say how do I do this, and we explain, we write it down to them and say this is what you need to do.

CHAIR HOKAMA: Okay, thank you. Mr. White.

VICE-CHAIR WHITE: Thank you. After we gave you the three people in 2014, my recollection is during budget last year we didn't quite have the stats on what kind of impact, 'cause I don't think they had gone out to the . . . *(inaudible)* . . .

MR. VILA: Well they were not...yes, that's correct. They were not deployed...

VICE-CHAIR WHITE: Let me ask --

MR. VILA: Okay.

VICE-CHAIR WHITE: --my question first so you don't answer something I'm not asking. I'm wondering if, I know you guys keep track of the traffic coming through and the time, you know, the wait times and so forth. Have, what kinds of changes have you seen following the deployment of those three new employees?

MR. VILA: The wait times right now are very good; however, we are in our lower volume for driver license renewals. The wait time still fluctuates with the surges at the end and the beginning of the month for motor vehicle registration. So the, we're not getting complaints as far as our average waiting time. Our average waiting time I believe as my, if my memory serves me runs about 20 minutes, 25 to 30 minutes, a little longer at the end of the month, but that's the average wait time which means to get an average of 30 you're going to have customers waiting in excess of an hour, you know throughout, to get that average wait time. Our goals in the, in our stated goals in our

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program budget is to obtain a 30-minute average wait time at our offices. So at this point we are meeting that with those; however, we have not deployed that document imaging for this, so we're not screening...not document image, document screening at the satellites. So that service we don't have in place yet.

VICE-CHAIR WHITE: Okay. So have those three employees gone to the satellite offices or are they at the...

MR. VILA: No, they're at the satellite offices, and we try to maintain that. And whenever they're out right now we are sending support and relief staff from the service center to make sure that as much times as possible, whenever one of those four people are on leave, we send another person from, staff from the service center to provide and maintain that coverage. That's why we're able to obtain that. So pretty much on a daily basis we find the need to send staff over to cover leaves and absences from the staffing at the satellite offices.

VICE-CHAIR WHITE: Okay. And then on the online registration or online services that you provide, I'm sure it's not just registration, what is the, you said that you had about 12 percent of the traffic being taken care of on the website?

MR. VILA: Yes. We have, I believe when I asked for the stats the last time it was like 12 percent of the renewal transactions are coming through online, and so at this point that is, you know, that is the historical number.

VICE-CHAIR WHITE: And what are we charging for online services at this point?

MR. VILA: The County's not charging. There is a fee that is charged by the vendor. It's two point...I can get that. It's \$2.50 plus the merchant fee I believe, the credit card discount fee that's passed on. It's slightly cheaper if you use ACH or e-checks, it's just 2.50 plus 50 cents, so I believe it's \$3. I'm just going from memory but it's roughly that, and those 12 percent of the transaction, customers that are opting that form to transact with us are finding it very convenient to renew online 24/7. And we mail out their registration the next business day for the most part.

VICE-CHAIR WHITE: To what degree have you promoted that? Because it seems to me that if you've had, if you've grown to 12 percent of the traffic that it probably won't take much time to grow it more, and we may not need the people on the, you know, on the frontline in the satellite offices if we're able to shift more of that to the online service.

MR. VILA: I, yeah, when I've spoken to the vendors, when I've spoken with the other jurisdictions, there are things that they have tried there like pay for the convenience fee, but then that is a business expense that we'll need to accomplish, and don't give them priorities when they come in to the service center to do that. But with that we would then probably would want to educate everybody and say hey, it's free, we can try to do a combination. Maybe we use the ACH fee instead of the, to, and absorb that as part of, you know, cost of doing business and push it that way. I don't know what

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the impact would be. But the indications I've gotten is those that are transacting online are normally the customers that are preferring to do that anyway. Before we initiated this --

VICE-CHAIR WHITE: But before you didn't have the option.

MR. VILA: --they told me, Lito, you're going to be lucky if you divert 7 percent and we're at 11 percent, so we're slightly above that if we passed on the convenience fees.

VICE-CHAIR WHITE: Good. So these three individuals that you're looking to hire when they're working a full year are going to cost us \$100,000, right? The rate would go up to about 33-34,000.

MR. VILA: That's true. Including fringe benefits.

VICE-CHAIR WHITE: And fringe would take it up to about 185. What is your current level of overtime expense? And I know you may not have that handy but I'm wondering if you have the overtime expense broken down by satellite offices.

MR. VILA: No, we don't. I have overtime expense. Our overtime expenses is mainly due to our business philosophy, anyone at the door by 4:00, at, by 4:00 at the service center we service, we don't turn them away. In that way we eliminated the complaint of the window is being slammed at their face that we used to experience and we got that. We also have the same philosophy at the satellite offices right now. If the customer is in by 3:30 p.m. aside from written test, we will, the staff if we have enough people will continue to service them, and based on that if they need to stay overtime to do close up we pay that premium pay on the overtime because we don't want them...

VICE-CHAIR WHITE: No, I don't think any of us would argue with that philosophy.

MR. VILA: Right. So...

VICE-CHAIR WHITE: But what, roughly what is the expense so far?

MR. VILA: As of February our Premium Pay is about roughly 25,000.

VICE-CHAIR WHITE: So for the year...

MR. VILA: Twenty-five thousand through February, 2015.

VICE-CHAIR WHITE: So if you add another 12 to 13 thousand you would, you'd have the amount for the full year?

MR. VILA: Roughly; however, I was budgeted, I have, for that Premium Pay I have \$8,000 left.

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VICE-CHAIR WHITE: Okay. Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Crivello? Wait a minute. We're going the other way. Mr. Guzman?

COUNCILMEMBER GUZMAN: I'm fine. Thank you.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Well that's an immense amount of data that you've just shared with us, so thank you very much. And I don't think I have any more questions in that respect. But thank you, Lito. And I think you guys are doing a fine job down there, so let's keep the satellite offices moving. 'Cause I think that takes a lot of pressure off of the one at the Maui Mall. 'Cause that, I've seen a lot, the lines have been a lot quicker there than in the last couple of years prior to this.

MR. VILA: Yes, they have. You mean for the service center?

COUNCILMEMBER VICTORINO: Service center, yes.

MR. VILA: That's true, but thanks to the support of the, some additional positions we've had in years past, and the continued additional training that we need to continue. You know everybody needs retraining.

COUNCILMEMBER VICTORINO: Thank you. Thank you, Chair. That's it.

CHAIR HOKAMA: Okay, thank you. Mr. Carroll, any questions? Ms. Baisa?

COUNCILMEMBER BAISA: No, I think I'll pass.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Not at this time.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Vila, for being here. One thing on the, this bill that apparently just passed the Senate last Committee, I have a little concern about and I don't know if you guys have brought it up to the State Legislature, but if my wife, any of the ladies in here have to go get an I.D. they have to have their marriage certificate, their birth certificate, and if they got a divorce a divorce certificate in order to get an I.D. from you. But now you're saying that these folks who are undocumented citizens can come get a driver's license. Where's the balance in that?

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CHAIR HOKAMA: Mr. Vila, you don't need to respond to that 'cause you are not a decision maker on the State...

COUNCILMEMBER COUCH: I mean have you guys brought that up to them? 'Cause you're going to have to enforce that.

MR. VILA: Mr. Chair?

CHAIR HOKAMA: Mr. Vila.

MR. VILA: Yeah, I'll give that a shot even though we don't know if it's going to pass yet, we may as well have this discussion 'cause that's a reality that may be coming in. Those individuals will still be required to provide some sort of identification, identity, and will probably work with their consulates. They need some sort of passport. They need...it's just that they are not going to be required to provide proof of lawful status.

COUNCILMEMBER COUCH: Gotcha.

MR. VILA: That is the big difference, okay, because these are probably undocumented immigrants. And so at this point yes, we will be requiring but that will be part of what we'll need to explain to the individuals and walk them through. 'Cause once the law passes then we're going to have to --

COUNCILMEMBER COUCH: A lot more.

MR. VILA: --administer that.

COUNCILMEMBER COUCH: Yeah, you'll have a lot more upfront work at that front desk if you...

CHAIR HOKAMA: So, mister, 'cause let me interject. So since the law is asking us to treat a component of the community differently, then we can assess a different fee for that different class. Wouldn't that be correct?

MR. VILA: I would have to defer to Corp. Counsel because I'm not sure if that's going to be a ACLU issue or what.

CHAIR HOKAMA: Well, they're asking us to treat a certain component differently to get a benefit, so why would they pay the same fee from our residents that have to fulfill every requirement? Mr. Ueoka, you feel to attempt a response at this?

MR. UEOKA: Thank you, Chair. I guess like any other fee we'd have to look at the justification for a difference in a fee, and as you mentioned...

CHAIR HOKAMA: Mr. Vila just stated we're going to have to give them more attention, more time, more explanation.

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VICE-CHAIR WHITE: And no documentation.

CHAIR HOKAMA: And yeah, not required all documentation to prove identification. And we're going to be the one responsible for giving the license, so are we going to be protected with extra immunity?

MR. UEOKA: I guess...Chair, thank you. We definitely will look further into this to see the exact ramifications of this bill, but generally speaking our fees must be related to the costs incurred. And if we can justify it and create a defensible position, you know, we'll have to look further into that. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Couch.

COUNCILMEMBER COUCH: Thank you. I, that just hit me. I do have another question on the, you know, you say 56 percent of the folks now go to the satellite offices and 44 percent are at the main office. The question I have and I know those, that ratio wouldn't be maintained, but did you move some of the folks, you know, the, kind of an appropriate amount of folks there or do you need to move more to the satellite since there's less work at the service center?

MR. VILA: That is just the walk-in customers. The service center does a lot more. My back office operations have fleet dealer registration, car registration, dealership mailed-in renewals, I have my call center there, I have my fiscal section. We have the financial responsibility section that deals with the courts and the suspensions, and we have our records section. So a certain percentage of the staff that is currently approved are for the back office support --

COUNCILMEMBER COUCH: Gotcha.

MR. VILA: --portion. Now for the front office, to compare apples to apples, I believe we have like 15 service reps at the front counter and 5...8...about, 5...4...8...about 14-13 at the satellites, service reps. That's the breakdown right now of those service reps.

COUNCILMEMBER COUCH: So that's not quite, it's almost like 60/40 at the service center, so if you were to take those three positions that you're looking for and take them out of the service center and move them to the satellites, would, how would that affect your service?

MR. VILA: That would, that probably would not be, work as can be expected, because as I mentioned earlier, our service center staff is the source of backup support staff when those satellites' staff go on vacation, so that's why we send those additional staff to cover vacations, leaves, et cetera. And the vacation rotation at the satellites is that only so many can take vacation at one time so we can provide that relief.

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COUNCILMEMBER COUCH: Okay. And I'm trying to work out a compromise here if there is a possibility of one. So you send, you need three people out in the satellite offices, one in each office. How many people are in the service center that are the relief backup folks? Do you have four or five? One, two?

MR. VILA: No, whenever we find the need to send relief to the satellites then we get complaints at the satellite offices because we have service windows that are not filled.

COUNCILMEMBER COUCH: Okay. So you do actually take somebody who would have been in a window there?

MR. VILA: Yes.

COUNCILMEMBER COUCH: Okay.

MR. VILA: And then we fill in whichever way because we don't want to really under staff that satellite office, we need to maintain a certain core, because if we drop it down to only two or three people then we'd have to close for lunch because it's not safe for one person to operate a satellite --

COUNCILMEMBER COUCH: Right.

MR. VILA: --office by themselves [sic].

COUNCILMEMBER COUCH: Don't you already close for lunch?

MR. VILA: No, the offices are open Monday thru Friday 8:00 to 3:30.

COUNCILMEMBER COUCH: Okay. Oh, it's the road tests in the satellite.

MR. VILA: Yeah, the road tests at the satellites are all by appointments, even at the service center.

COUNCILMEMBER COUCH: Gotcha. Okay. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Anyone else has anything more for Mr. Vila? Mr. Carroll? Okay. If there's nothing else for Mr. Vila, thank you very much for your portion of the meeting on the budget, Department of Finance's budget, Mr. Vila. Thank you very much. We're going to take a short break for Staff and Members' requirements. Then we are going to go into the next component which will be after Financial, Purchasing and then Treasury. So we'll take a short recess.

RECESS: 3:13 p.m.
RECONVENE: 3:24 p.m.

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CHAIR HOKAMA: . . .(*gavel*). . . Okay, we shall come back to order. We have one more component, I was remiss not to allow Mr. Vila and Mr. Walker give some comment on DMVL's B and C Accounts. So at this time, Mr. Walker, if you would please.

MR. WALKER: Thank you, Mr. Chair. I direct the Committee to Page 627, 6-27, rather. What I'm going to do is I'll run through all these B Accounts and then, and C Accounts, then you can ask all the questions at one time. The DMV is asking for \$39,946 to match the actual cost of printing the registration renewals. Our budget for 2015 is \$150,000 and the true cost is 190. This request will give the Division the necessary funds to pay for this cost in Fiscal Year '16. The next item is under Professional Services, 335,000. This request is to pay for the scanning of 55 file cabinets which total approximately 440,000 plate files at our Kahului Service Center in anticipation of the move to our new building. We anticipate that this job could take two-plus years with three dedicated workers. We looked at utilizing staff, paying overtime, looked at hiring limited term staff, and in the end it really appeared that hiring an outside vendor seemed the most practical. I believe the Division has gone out and gotten three quotes. This wasn't just a random number pulled out of thin air, this was the lowest of three quotes. The next would be under, the next request would be under Other Costs, Miscellaneous Other Costs, \$67,000. This is a pilot program to divert customers at the Kahului Service Center from the service center representatives, the human beings to a kiosk that will process registration renewals. The kiosk will accept cash, check, or credit or debit cards and will print, I believe it'll print a renewal, it'll print a renewal registration there. The cost of the project is the fee charged for each transaction by the vendor which is approximately \$5.37 which would be a cost that would be borne by the Division. The cost for the pilot is based on 12,440 transactions. The service center currently does approximately 31,000-plus of these transactions annually. The goal would be to divert enough of this type of transactions so that the service reps can help others and reduce overall wait times and improving the customer experience. The next request is on page...oh, that one as well, 6.28, Other Costs, Computer Software, \$48,562. This request is for additional funding for the procurement and implementation of a virtual queuing system or a customer flow management system which would allow customers to check their place in the queue and then be notified by some preset time interval using their phone or they could do it via their computer if they were at home. It allows customers to be productive while maintaining their place in line. This system would also have the ability to book specific timeslots or reservations in advance for customers should we choose to do that. The goal would be to, especially as it relates to a reservation system would be able, would be to book people when things are slow, book, you know, time certain that you can come in and you will be served, you know, at 10 o'clock to get your driver license or whatever. The cost for this is based on the transaction cost. And the last request on Page 6-32 is machine and equipment, it's \$23,400. And this represents the equipment needed for the three service rep positions requested for the satellite offices. It's scanning equipment, et cetera. Thank you. With that, if you have questions regarding any of those requests we would ask that you ask them now. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. White?

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VICE-CHAIR WHITE: Could you give us a little more of an explanation of how, the need for the \$335,000 program? What are the --

MR. WALKER: I'll defer to Mr. Vila.

VICE-CHAIR WHITE: --paper plate files and...

MR. WALKER: Yeah. Go ahead.

MR. VILA: Yeah. Right now we have manual plate files, those are the filing cabinets under the old system where we file, you know, your titles, registration, and with those we want them to, we want to scan them into electronic forms so that it's easier to retrieve, maintain, and improve the security. If this is not approved we'll probably we'll need to accommodate them at our new facility. We currently have them stored at a storage at our service center. So that like Mr. Walker had said, we had looked at various scenarios, if you look, cover that again. One was doing it on overtime; however, that was much more expensive. We anticipated employee burnout, et cetera. The other scenario was to hire three LTAs and to project the scanning of those documents under our control for a period of three years, two-and-a-half years before we move. And the least expensive of those three alternatives was this, going out for vendor quotes. We got three quotes for that.

VICE-CHAIR WHITE: How often are these files touched? I mean how often are they accessed for the information they contain?

MR. VILA: They...boy, it depends. These are the older files, because when we started our doc...we've been, we have started our document imaging project in-house for a while back and we've started with the most recent files going back, and these are now the older files. We probably retrieve them about once a week or every so often to get those.

VICE-CHAIR WHITE: . . .*(inaudible)*. . .

MR. VILA: But we need to maintain those documents because those are the permanent records that for the vehicles that we have registered. So if we don't, current HRS I believe allows us to microfiche or scan those documents, and those scanned documents, images will then be considered to be original files to be submitted as evidence in court and whatnot. And after that we can destroy them. So if we don't do this then we'll probably need to take and accommodate those at the new facility.

VICE-CHAIR WHITE: So the, if I'm understanding you correctly, the more recent files have already been scanned and are in electronic...

MR. VILA: Yes, sir.

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VICE-CHAIR WHITE: Okay. So how far back, like five years or?

MR. VILA: It depends. We, these files, under the old manual filing system, everything was filed by license plate, so as long as those plates remain active there were activities. So it's license plate sequential. So within those, some vehicles are probably no longer, are no longer active, but in between some are, we just don't know which is which.

VICE-CHAIR WHITE: And do you have, have you been given space at the new service center for the filing or is that not...

MR. VILA: I am told that we will have ample space for operations. As far as the exact space allocations I am not sure.

MR. WALKER: We haven't had any discussions specifically with an architect on any kind of layout.

VICE-CHAIR WHITE: Okay. But the other option is just to move the files over, right? Which would cost the moving expense.

UNIDENTIFIED SPEAKER: Yeah.

VICE-CHAIR WHITE: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: So before I, we have more questions in this area, Mr. Ueoka, as I stated earlier, the Charter requires the Clerk of the County to be in charge of all public records, including destruction of records of the County. So while Mr. Vila referred to a State statute, this Council, this Committee is concerned with the Charter. So do we need to make a decision regarding records management first before we can even consider some of these things?

MR. UEOKA: I believe the County does have a records management or is it records disposition schedule in place, and I believe that's what Mr. Vila is following. And as far as it goes, yes, the County Clerk is charged with a large portion of our records management of the County. Thank you.

CHAIR HOKAMA: So are we, your, I know what you shared, we are complying with State statute, are we complying with the County's Charter and the rules of policy regarding records management?

MR. VILA: Okay, Mr. Chair...

CHAIR HOKAMA: Are you aware?

MR. VILA: Yeah, I'm pretty much aware of the record retention disposition. I think the latest one was dated back in 1990, it's rather old, and there is a record disposition committee that was formulated to formulate the record disposition. Now this project is

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not to dispose of the records that I have, it's to change the way we retain those and how it is maintained. It's not that once it's scanned I'm going to dispose of the electronic record, it's we're converting it from a manual file that if it's destroyed and gets wet it's gone, to an electronic format. What the statute that I quoted states that once electronic, I think it's 92-30 HRS, if once it's scanned or an electronic image of a document, it's considered to be an original document. So now once we convert our manual files into an electronic image, it opens up for additional efficiency such as retrieving the document at any one of our satellite offices if you need that at the instant. Right now if a document is needed, guess what, they're going to have to call, we're going to have retrieve, re-file, et cetera, so that's just to address the, not the disposition but the conversion from the manual to an electronic format.

CHAIR HOKAMA: Okay, thank you for that, Mr. Vila. Mr. Guzman, questions for Mr. Vila?

COUNCILMEMBER GUZMAN: Yeah, sure. Thank you, Chair. Just getting back to the, I guess it would be 6-32, the document authenticators and scanning equipment for the new service representative expansion positions. This doesn't, this whole authenticator and scanner equipment doesn't jive with the explanation of the duties of the service representatives, the three new ones, because it looks as though the proposed expansion is to provide document screening and answer customer questions prior to issuing tickets to walk-in customers. To me that sounds like a host or a hostess, you know, someone, a PR person that basically comes in and, you know, directs traffic. And so why do they need a document authenticator and scanning equipment? What is all that about?

MR. VILA: Okay. The document authenticator is part of the driver license production system where if you bring in your out-of-state driver license we are required to authenticate those, your passport, your social security card. And the authenticator basically assists our staff in ensuring that the security features of those documents are present before we accept them, you know, when they're presented.

COUNCILMEMBER GUZMAN: So wouldn't that be done at the front desk instead of at --

MR. VILA: That person will be...

COUNCILMEMBER GUZMAN: --preliminary walk-in stage?

MR. VILA: Well, this person at the satellite offices as we envision the position will have, still have a fully functional workstation there to be able to pull up and to function and screen, because there will be, let's not kid ourselves, this, at the satellites there will be times when nobody is waiting for a number, at that point our queuing system once we modify it, that staff can then call a customer with a shorter transaction time in between screening documents. We don't want to just have not like the service center where all they're doing is screening documents because of the additional volume.

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COUNCILMEMBER GUZMAN: That's interesting to...so you're actually doing another, you're actually creating another desk, I mean another service counter in the front. That's what you're doing.

MR. VILA: At the service center, I mean at the --

COUNCILMEMBER GUZMAN: Yeah, so you're just...

MR. VILA: --satellites. Yeah.

COUNCILMEMBER GUZMAN: Well, that's what I'm saying is that I don't see the difference between that and a person behind the service desk. The description doesn't comply with a person behind a service desk, it's basically prior to receiving a ticket this representative is accommodating the customers, so now you're adding additional duties of scanning and authentication. So to me that's just another service desk. I don't see the differentiation.

MR. VILA: Oh, I see what you're saying.

COUNCILMEMBER GUZMAN: Unless you can explain.

MR. VILA: Yeah. Okay, that...

COUNCILMEMBER GUZMAN: Well it doesn't matter at this point.

MR. VILA: Okay.

COUNCILMEMBER GUZMAN: Thank you.

CHAIR HOKAMA: Thank you, Mr. Guzman. Yeah, I'm going to make, everybody have an opportunity. Mr. Carroll, any questions? Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And your, the three added I guess service center people, what have you, Mr. Vila, you said is in what areas?

MR. VILA: There will be one in Pukalani, one in Kihei, and one in Lahaina. It's not at the service center.

COUNCILMEMBER COCHRAN: Oh, okay. I'm just glad to hear the Lahaina.

CHAIR HOKAMA: It's the satellites.

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COUNCILMEMBER COCHRAN: 'Cause I thought I did not hear Lahaina.

MR. VILA: Yeah, Lahaina pretty much is a lot of people will go there that are from that area because of the physical distance from the other locations.

COUNCILMEMBER COCHRAN: Right. And then looking in your, the binder, Chair, Lahaina has that you want to drop it by ten minutes, the wait time. Average wait time is 40, we want to get to 30. So anyways, I wanted to follow up on that. But also in reference to the rental for the Lahaina satellite office itself, it looks like it's I guess about 157,000 per year. Is that the actual? And you're anticipating more. Of course rent normally goes up annually. Is that what the rate is at this time?

MR. VILA: Yeah. That's...oh.

COUNCILMEMBER COCHRAN: Rental. 'Cause I know we're trying to cut back, Chair, on our different rental units throughout our County. So just this is a needed spot, it's fairly new and it's accommodating, you know, a need for the West Maui community which I completely appreciate and so do others, but in the future I'm just wondering if we are possibly going to search out, you know, an area. Perhaps if we get an expansion of the Lahaina Police Station then that area could be perhaps turned into a office area for this type of use or something to that nature, just 'cause we have land. And I hate to continue to pour in rental monies into something we never end up owning in the end. So just for, you know, food for thought for the future. So if, I don't know, Mr. Vila, you had something?

MR. VILA: Yeah. Mr. Chair, I believe the lease for the Lahaina Office, we had a five-year lease with an option to renew, so the end, so the increase is the annual lease increase that we're seeing as far as what we're asking for, it's an addition. And I believe the lease in a couple of years we should have opportunity if the Council and Administration wish to do so. My main concern is I think the office, we'll need to make sure it's functional, it maintains. I think that's the...you've seen the office, I think it's a very, very nicely laid-out office for the community with a lot of ample parking.

COUNCILMEMBER COCHRAN: Yes, I agree, Mr. Vila. Thank you, Chair. That's all.

CHAIR HOKAMA: Okay, thank you. Is there any other, more questions? Yes, Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Mr. Vila, on your scanning project you say it was, your lowest bid was 335,000 for, and that's for all three years? Is that...

MR. VILA: That was their quote to scan the quantity of --

COUNCILMEMBER COCHRAN: That quantity.

MR. VILA: --files we estimated to be in those filing cabinets.

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COUNCILMEMBER COUCH: Okay. So that was three people for three years essentially?

MR. VILA: Yeah, 2.-something years. When we figured it down to how many documents can be scanned per minute, per blah, blah, blah, et cetera, and...

COUNCILMEMBER COUCH: So there might be a third alternative if there's, if the Members are a little too skittish about, that's a pretty high price. But maybe cutting down the number of people and taking longer to do it and storing those in a storage facility. I mean if you do the math you might be able to get lower than that, I'm not sure. Have you looked into something like that where, you know, you say okay, we've got that many documents but you can do it over five years and we can store the file cabinets as long as we need 'em for, a couple of...I'm...it can't be that much to store for up to five years. We even have a facility that we can store stuff.

MR. VILA: Mr. Chair, yes, anything to continually diminish the number of manual files I have I am in favor of. Whether it is additional personnel, one, two, limited term, contracted out, or a combination, my goal in submitting this is to reduce the number of manual files over time. And as we reduce that manual time, at the same time all of my offices and staff that services the customers will immediately gain the ability to access those files online, because all of our offices are connected infrastructure-ally by fiber. So, you know, we're doing that now during...so I think and your recommendation, Mr. Couch, is certainly a viable one. And anything to whittle away, again --

UNIDENTIFIED SPEAKER: Yeah.

MR. VILA: --I'm in favor of it.

COUNCILMEMBER COUCH: Absolutely. And the scanning software or whatever the company you're using, those files will they be able to be indexed multiply by name and then maybe by...I mean certainly by driver's license so you can get at 'em in different ways?

MR. VILA: Yes, sir. Our standard is we need multiple indexing. It'll be indexed by plate, by VIN, by last registered owner, and by I believe scan dates as the same standard that we're using so that we can merge those scanned documents with our current scanned documents by doing a cross-application query between the files. So the, if we search by VIN we get everything. We search by license plate we just get that.

COUNCILMEMBER COUCH: Great. And the kiosk that you're looking at for 67,000, that's going to be at the new service center or the old? And moved to the new.

MR. VILA: This is a pilot, so if it, we can get it up and running before we move, it certainly will be at the center service. With that we also plan to do some public education. As people come in we divert them from the line, I'll have my staff take them, let me show

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you how do it. If you can recall back to when the self-check-ins first started at the airport, when you walk, I remember walking in there I saw an attendant at the front of the line come in, let me show you how to check in. So that's kind of the similar concept. We need to educate and show people how easy it is to use that. Initially it'll be expensive, and if this pilot is a go I think it's a good diversion of walk-in customers so that like Mr. Walker said we can focus on the customers that we need to focus on.

COUNCILMEMBER COUCH: And just refresh my memory, how many did you think, you know, what percentage of your customers would be, would move to those kiosks as opposed to still go in?

MR. VILA: For this we based it on, we actually looked at the total number of walk-in customers at the service center and we estimate about 40...no, 20, yeah, with 12,440 transactions that would be like a 40 percent diversion of the walk in.

COUNCILMEMBER COUCH: Forty percent?

MR. VILA: Forty percent, if we have, if we can divert 12,440.

COUNCILMEMBER COUCH: So and I'm sure you know where I'm going with this, if we can divert 40 percent at the main office that certainly should be able to handle the, you can move three bodies over to the satellites.

MR. VILA: Keep in mind...

COUNCILMEMBER COUCH: A, and B, if you can convert 40 percent, how about throwing a kiosk at each of the satellites if that project works?

MR. VILA: If it goes we can certainly do that; however, we don't know what the diversion is, we still need to educate the public. We're, part of this component that we talked about briefly too is the outside queuing where people can do appointments, people can do reservations, we can divert. With that comes certain inefficiencies that's being experienced by the other jurisdictions. Now like the great no-shows in the resort industry, Mr. White, a great nemesis and reservation system. There will be jockeying and no show, you'll lose some efficiencies; however, it's going to be good for the public, those that are walking in if you can divert. Now keep in mind earlier I also said that in beginning in 2017 our driver license renewal volumes are going to triple at our offices. So I need to look at that as a whole in front while we move forward, and if it is working there is other avenues that we can. 'Cause our goal is we want to utilize the technologies that are available so that we can continue to increase our throughput through other means.

COUNCILMEMBER COUCH: Okay, thank you.

MR. WALKER: Mr. Chair?

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COUNCILMEMBER COUCH: Thank you, Chair.

MR. WALKER: Yeah, Mr. Chair? And just to echo that, I mean yes, if this pilot program worked, yes, certainly would want to expand it with your approval. Obviously kiosks don't get retirement benefits, you know, and all of that good stuff. So the, you know, the other thing we're looking at just for your information is having them be able to pay their water bill in the kiosk, having them be able to pay their refuse bill in the kiosk as well. So, you know, that's kind of the, sort of the shift is to try to automate what we can and stop asking for E/Ps if possible.

MR. VILA: And if I may add, Mr. Chair?

CHAIR HOKAMA: Quickly. Quickly.

MR. VILA: Part of this...

CHAIR HOKAMA: Do it quickly.

MR. VILA: Okay. Part of the, our plan for this and laying out is the credit card fees, we are accepting credit cards now by the way at all of our offices. The credit card convenience fees is going to be an option for the customer, so that will not be part of the fees that we observe. It's just going to be that kiosk fee and that e-check fees that's on there.

COUNCILMEMBER COUCH: Mr. Chair, as a follow-up to that, as an incentive to use the kiosks and a disincentive to use the service centers I would think we would want to waive the fees at the kiosks. But that's, you know, that's just one of nine opinions.

CHAIR HOKAMA: We could do that. We could triple the one that goes to the service centers. There's many ways to get the desired. But I would say if you have the proposal from your consultant on that manual paper plates project you want to do, I would ask that you send that information to the Committee. Maricopa County did a digitized record project of over a million documents. They did it at night, did it with a third-party vendor that NACo vetted and they got it done in two months working at night not disturbing operations. So hearing what you told us about this prospective vendor's proposal, I don't know if it's good enough for this County, and if it's not good enough, I'm going to tell you now, you're not going to get the money from us. Okay. Anything else in B and C? Mr. White.

VICE-CHAIR WHITE: Yeah, if we could go back to Auto Plates and Tags, the request for this year was 194,000...I'm sorry the appropriation was 194,880 last year and you're asking for the same amount this year. The actual expense last year was just 73,700. So I'm wondering what your, what your expense has been in that category thus far.

UNIDENTIFIED SPEAKER: What page?

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VICE-CHAIR WHITE: Oh, I'm sorry. Page 6-26, halfway down under Division of Motor Vehicles, Auto Plates and Tags, 6006.

MR. VILA: That year we did not replenish the inventory for, on the 2014 one, it was not, the 74,000.

VICE-CHAIR WHITE: How much have you spent so far in this fiscal year?

MR. VILA: This year I have encumbered for a delivery that's coming up 180,000.

VICE-CHAIR WHITE: Okay.

MR. VILA: And that's based on the February 28 statement.

VICE-CHAIR WHITE: Yeah but it also reflects a prior year encumbrance of 262,000, so are you taking it out of that encumbered amount or are you using the new funds for that?

MR. VILA: The funds I have budgeted will be for our Statewide procurement that I submitted, oh, probably I recall sometime in probably October of this year, the quotes are going to be coming in for the Statewide, and I'm going to be encumbering that this year.

VICE-CHAIR WHITE: Okay. But you said you just encumbered it for 180,000.

MR. VILA: No, that was, that's for, it's already encumbered that has been ordered. We have not received the delivery of the plates yet.

VICE-CHAIR WHITE: Do you have a sense of how many plates you order and at what cost on an average annual basis? Because the reason I'm asking is you have almost 100 percent of last year's budget left even after encumbering that most recent one.

MR. VILA: Okay. The, our proposed 194,000 I believe. Is that correct?

VICE-CHAIR WHITE: Right.

MR. VILA: Hundred ninety-four thousand I, it's broken down as 13,000 pairs of passenger plates, 7,000 pairs of truck and trailer plates...

VICE-CHAIR WHITE: No, I don't need that breakdown --

MR. VILA: Oh.

VICE-CHAIR WHITE: --I'm just asking what's your average cost for this line on an annual basis.

MR. VILA: Oh, the average cost per pair of plates for passenger right, it's about 5.75.

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VICE-CHAIR WHITE: So how many, I'm looking for the total that you need per year. How many new vehicles do you put tags on? Or how many orders for new tags do you get annually?

MR. VILA: Oh, it's not just the new vehicles, Mr. White, there's a lot of plate changes. Part of this component are the specialty plates.

VICE-CHAIR WHITE: I'm just asking what the total is. Sorry.

MR. VILA: It's, total plate order 20...27...30...about 34-35,000 pairs.

VICE-CHAIR WHITE: So that's about 180 per year.

MR. VILA: And rent-a-cars bring in about 18-20,000 I think new vehicles per year, plus the dealership sales, plus the plate replacements, and the growing number of vanity plates that are ordered.

VICE-CHAIR WHITE: Okay. Of the 262,000 that was encumbered at the beginning of this year, did all those orders come in?

MR. VILA: I'm expecting a shipment I believe around May, May or June. Does...

VICE-CHAIR WHITE: Okay. I guess I'm going to need a, some sort of detail on what the orders are. Because I'm seeing that if you're ordering that much you've already got the money for that plus you've encumbered what looks like a full year already, and then you're saying you're going to encumber the remainder before the end of the year when the prior year purchase that's encumbered isn't coming in until May. So I don't, you know, the encumbrance game is something I'm not real pleased with. But it looks to me that we may not need to add that 194,000 in total. But I'm going to need you guys to outline what you, your projected expense is. And this is a much more minor one but what's happening with Janitorial Services? Because there's, I don't see any expense there at all and yet there's a request for 15,500 for this coming year.

NOTE: Pause.

CHAIR HOKAMA: You know what, I'm not going to wait any more. We'll put that in writing.

MR. WALKER: Yeah.

CHAIR HOKAMA: I wanna move forward.

MR. WALKER: I think it moved to another line item. We'll get that information for you.

VICE-CHAIR WHITE: Okay.

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CHAIR HOKAMA: So to all the departments, if you cannot answer and give us responses we will live --

VICE-CHAIR WHITE: You know, Chair...

CHAIR HOKAMA: --with our choices. Mr. White.

VICE-CHAIR WHITE: The concern I have is that if we're putting all this in writing it takes a long time for, it takes a long time to get answers.

CHAIR HOKAMA: I understand but I'm not going to just sit here in silence and wait.

VICE-CHAIR WHITE: Okay.

CHAIR HOKAMA: We got another department I would like to get into its review, and we have two more divisions of this Department that we still owe them their opportunity to give us their comments.

VICE-CHAIR WHITE: Yeah. Okay, thank you.

COUNCILMEMBER VICTORINO: Mr. Chair? Real quick question.

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Taking one page out of Mr. Pontanilla, real quick question.

UNIDENTIFIED SPEAKER: Fast question.

COUNCILMEMBER VICTORINO: Well mine is quick, his is fast. I want to know that, you know, you mentioned about all these plates you buy, you know, that we purchase, but I'm as a consumer, if I go in for new plates, if I go for vanity plates, if my plates or stolen, lost, whatever, we pay for that. Is that an in-and-out? Do we make anything on it? I mean, you know, because you're saying all these expenses, what about income, where does that come from and where does that show up?

MR. VILA: I believe currently the plate fee in the Budget Appendix B is at five.

COUNCILMEMBER VICTORINO: Five.

MR. VILA: Probably we should look at taking it up to 5.75.

COUNCILMEMBER VICTORINO: 'Cause it's costing us 5.25?

MR. VILA: Five seventy-five for passengers.

COUNCILMEMBER VICTORINO: It's costing us 5.75 and we charge \$5?

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MR. VILA: Right now the rates and fees are assessed at \$5.

COUNCILMEMBER VICTORINO: Five dollars, okay. Thank you, Chair.

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: I just wanted clarification. Thank you.

CHAIR HOKAMA: Specialty fee plates we can charge more than regular fees since it's a specialty plate? Like if I feel to, you know, if the, we feel to charge \$25 for one specialty plate because it has to be customized and made, that's not a problem, right?

MR. VILA: The initial plate order is at \$25 per year minus our cost.

CHAIR HOKAMA: Minus the cost.

COUNCILMEMBER VICTORINO: Minus the cost. What about our veterans? Do we charge them the same, \$25? Now I mean that's...

CHAIR HOKAMA: No, no, no, that's a pertinent question.

MR. VILA: Veterans we don't charge extra. Veteran plate is a designated plate. If you're a veteran you provide us your DD 214, you qualify for that plate.

COUNCILMEMBER VICTORINO: Okay. So that's not a --

MR. VILA: It's a qualification.

COUNCILMEMBER VICTORINO: --specialty plate --

MR. VILA: Right.

COUNCILMEMBER VICTORINO: --in that regard, it's not a novelty or anything.

MR. VILA: No.

COUNCILMEMBER VICTORINO: Okay. Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Anything else in DMVL B and C Accounts, Members? Thank you very much, Mr. Vila. We appreciate your time before the Committee. We'll bring up Purchasing at this time. So, Mr. Walker and Mr. King, you're up. Okay, gentlemen.

MR. WALKER: The only real changes in the Purchasing budget are the changes in salary due to bargaining unit changes --

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CHAIR HOKAMA: Okay.

MR. WALKER: --for the most part. There are no expansion requests.

CHAIR HOKAMA: Okay. B and C Accounts.

MR. WALKER: His budget's actually going down by roughly 20,000 because of, he had a one-time appropriation, and so there's no, he has no expansion requests.

CHAIR HOKAMA: Okay. Mr. King, you got a...

COUNCILMEMBER VICTORINO: Yeah, I like that.

MR. WALKER: Everyone likes him now.

CHAIR HOKAMA: He got the cigar on the first day. Mr. White.

VICE-CHAIR WHITE: Looking at Mr. King's budget request I say we don't even go down the line because it looks the best of anyone that we're ever gonna, we're gonna see this budget season. So I say we, I think we should thank him for waiting so long and...

CHAIR HOKAMA: Yeah, no, I agree. The one thing though I do want to ask you, Mr. King, because you deal with this on a day-to-day basis and for some of us we get frustrated with the process. It's not for this specific budget review session but I would appreciate if you would give the Council some recommendations on how we may want to look at the State procurement law and make revisions to make it not easier but, you know, yeah, quicker and faster. Still do all the requirements of the pre-purchasing procedures but, you know, counties all over the country are facing issues because of outdated procurement laws with dealing with their own state. So if you have recommendations for us that you feel could benefit this County, I would be much appreciative if you would give those recommendations.

MR. KING: Chair Hokama, thank you for the opportunity to comment. One of the things that's going on at the Legislature this year, there's a House Bill I think it's 1292 and Councilmember Couch brought this up the last time I was up here regarding past performance on contracts. It's a real difficult issue because one of the problems with our State procurement structure is that it, the goal and it's all based on the American Bar Association Model Procurement Code which is I think been adopted more or less in the same by 30 or 40 states. And the Model Procurement Code tries, attempts to reduce, eliminate all discretion from contracting to reduce the potential for corruption. And so that's good but it kind of ties our hands sometimes. And so one of the issues, one of the things that the, this 1292 is trying to do is to introduce past performance into contracts. One of the big problems with that is because there is no discretion we really have trouble, we really can't, it's really difficult for us to do successful procurements when we do make discretionary decisions. Like with the Request for Proposal process there's lots of qualitative criteria, and if we score somebody, let's say

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contractor A as six on some criteria and contractor A [*sic*] an eight, we have to be able to defend that. So when there's objective criteria it's fine but there's a lot of things that are very difficult to evaluate unless it's subjective, and so that's the issue that's going on at 1292. And when that bill has gone, it's gone to crossover and they are basically they recognize the issues and what they're doing is just forming a committee to try to see if they can figure this out a little better.

CHAIR HOKAMA: Okay. Well thank you for that update on that specific bill. I will ask the Committee if they have any questions for Mr. King. You do, Mr. Couch?

COUNCILMEMBER COUCH: I do, in that we, you know, you are very cognizant of always pointing out the NACo purchasing power. Have we discussed this with Mr. King on how we can use that as opposed to going through our procurement?

CHAIR HOKAMA: I believe we've made Mr. King aware of the US Communities Program --

COUNCILMEMBER COUCH: Right.

CHAIR HOKAMA: --and other things that as a member County of which Maui is there are some purchasing agreements that give us great discounts for County requirements. It goes through a public procurement process with a lead county for the country. So we use the big boys, LA County, the number one county, Cook County, Illinois is another big one, Fairfax, Virginia. And in the past the State Procurement Officer issue was that since the counties did not participate with the original solicitation he didn't feel that the counties were able to participate using those agreements. I had Mr. Nakasone really sit down with the Chief Procurement Officer and explain why he thought that was not a good reading of the current State law. Not to stray too far but I can say that currently every time NACo puts out a Request for Proposal on a purchasing agreement, every single Hawaii county is listed under the original proposal so we get covered. If the State feels that we weren't part of the original solicitation, so now all our counties are put on the original solicitation.

COUNCILMEMBER COUCH: So do we use that?

MR. KING: I was unaware that we're named on...if we're named on the solicitation then we could certainly use US Communities. I have no, I'm not in bed with Western States Contracting Alliance. And I have, one of the things that Chair Hokama mentioned a couple of times to me was that the State gets some kind of financial benefit from WSCA, and Aaron Fujioka the previous Procurement Administrator never admitted anything to that, but the new Administrator Sarah Allen has said that there is some kind of something. I'm not sure exactly what it is.

CHAIR HOKAMA: They call it the royalty.

MR. KING: Yeah. So if we could use...

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COUNCILMEMBER COUCH: Yeah, but if that's the State what do we care? If we can get the royalty, great, but if we can get a cheaper price...

VICE-CHAIR WHITE: Well the royalty gets . . .*(inaudible)*. . .

MR. KING: Yeah. So...

CHAIR HOKAMA: Yeah, yeah. So to, you know, really boil it down, Members, Mr. King is aware, if US Communities provides us with a better price break we should be buying from US Communities.

COUNCILMEMBER COUCH: Okay. As long as the Administration --

CHAIR HOKAMA: Other states buy from --

COUNCILMEMBER COUCH: --is aware.

CHAIR HOKAMA: --the counties. Idaho state government buys through the counties of Idaho purchasing agreement and they purchase US Communities. For Hawaii unfortunate, well maybe fortunate, the biggest beneficiary of US Communities' purchasing agreement is not a government, it is called Bishop Estate, Kamehameha Schools, nonprofit. They buy hundreds of thousands of dollars through US Communities Program because we give them the best price break. Interesting, huh.

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: They got smart accountants. Okay.

COUNCILMEMBER COUCH: Okay, thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. White, any questions for Mr. King?

VICE-CHAIR WHITE: No.

CHAIR HOKAMA: Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: You got it ____.

CHAIR HOKAMA: Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran? Anything else, Mr. Couch?

COUNCILMEMBER COUCH: Nope.

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CHAIR HOKAMA Mr. King, anything you want to share before you leave us for the evening?
We appreciate your good work.

MR. KING: Thank you for the opportunity to speak today.

CHAIR HOKAMA: And again, we look forward to any recommendations you may have as we can assist with the procurement laws and process.

MR. KING: Okay. Thank you.

CHAIR HOKAMA: Thank you. Okay. We're slowly trying to catch up. We shall move to Treasury at this point in time, please.

MR. WALKER: Thank you, Chair. The Treasury Program is made up of two sections, one is the Administrative which has three people in it and the other is Real Property Tax and Fee Collection which has six people in it. And I know you're in a hurry so I'm going to go fast. There are no expansion requests in the B and C section, the only expansion request is in response to a recent finding in the single audit which you reviewed yesterday which discussed internal controls and adequate segregation of duties over miscellaneous cash receipts, et cetera. I would also point out and it's not yet published so I can't get into a bunch of detail but the Legislative Auditor just finished an audit of the Treasury Section, the Division as well, and he had a few findings which would also help back up our request for this expansion position which is a request for an Account Clerk III position to assist the Treasurer in carrying out various tasks for the Treasury Division, including monitoring and booking the collection of Countywide miscellaneous revenues. These are revenues other than real property taxes. The position would also assist in the implementation of the Countywide acceptance of credit card payments through our vendor Point and Pay. Would also lend support to the area of internal controls by providing for segregation of duties as I mentioned, will also assist in the preparation of various periodic reports including the budget quarterly and annual reports, arbitrage, and other required reports from the Treasury Division. The Account Clerk III will be utilized to assist in the implementation of a Countywide project for electronic payments in lieu of cutting physical checks. And if the Treasurer has any additional information she'd like to add, I'd ask her to do that now.

MS. DE LA PENA: Good afternoon, Mr. Chair. Good afternoon, Councilmembers.

CHAIR HOKAMA: Thank you.

MS. DE LA PENA: My name is Angelita De La Pena. I'm your Treasurer. And with that request that we have, as Mr. Walker mentioned it will address the findings of the auditors and also in the collection of revenues other than taxes. If you notice on the budget I wanted to have more review on the revenues other than real property taxes.

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CHAIR HOKAMA: Okay. Members, we shall start the questioning for either our Treasurer, Ms. De La Pena or Deputy Walker. Mr. Victorino, any questions under Treasury?

COUNCILMEMBER VICTORINO: No, not at this time.

CHAIR HOKAMA: Okay, thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you. You mentioned about ancillary revenues that would be generated by the Account Clerk III. What type of other revenues are you referring to?

MS. DE LA PENA: Thank you for the question, Mr. Guzman. I'm looking at revenues like public service tax or transient accommodation tax, and all these things that's listed over here. We have licenses, permits, and others, fuel and franchise taxes. These revenues we do receive them but I would like to have more accuracy based on the calculations and the timing of receiving those revenues. Right now it does come, checks come but I'm not sure if they're calculated correctly, so that's the task that we wanted to give to this position.

COUNCILMEMBER GUZMAN: Thank you.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. Thank you for being here. So I'm looking at your goals and measurements, so in actuality you've collected 90 percent as far as real property tax collected. Does that include...oh, you're increasing...and then the delinquent taxes is 60 percent and you're going to...can you get that to 90 percent too?

MS. DE LA PENA: The collection, the 90 percent represents the current taxes, and the delinquent taxes that shows 60 percent, that is because we wanted to be more aggressive this time, we want to do more tax sales.

COUNCILMEMBER CRIVELLO: So you don't see you eventually getting up to 90 percent with just maybe at, half of the...well 2014 actual was just 32 percent.

MS. DE LA PENA: Yes, that's correct.

COUNCILMEMBER CRIVELLO: Okay, thank you.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you for being here, Treasury. The new Account Clerk III assists in monitoring, would they assist with grants?

MS. DE LA PENA: No.

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COUNCILMEMBER COCHRAN: Not at all?

MS. DE LA PENA: No. This has nothing to do with grants. As I mentioned, this are the other revenues like public service tax, licenses and permits, fuel and franchise taxes.

COUNCILMEMBER COCHRAN: Okay. Anything to do with Parks? Those types of fees and things?

MS. DE LA PENA: Yes, yes, there is.

COUNCILMEMBER COCHRAN: Oh.

MS. DE LA PENA: You know for the Parks' permits, they will be included in the assessments.

COUNCILMEMBER COCHRAN: They would be monitored under this person?

MS. DE LA PENA: Yes.

COUNCILMEMBER COCHRAN: 'Cause in the audit there's like \$343,000 not, you folks don't know where that is or where it came from or where it belongs, so I'm just, is this person going to assist us in finding out where that belongs?

MS. DE LA PENA: That will be part of the other revenues. Yes, we will look at that too.

COUNCILMEMBER COCHRAN: Okay, very good. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you. Ms. Cochran took care of my question. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll? So, Ms. De La Pena, the, back to I think Mr. Guzman's question on the 32 percent, that is with us using all forms of, within the County to get the delinquent taxes paid including lien'ing of property?

MS. DE LA PENA: Chair, these are the sale, these are the tax sales that we do, so these are the delinquent taxes.

CHAIR HOKAMA: Delinquent real property taxes also?

MS. DE LA PENA: These are...yes.

CHAIR HOKAMA: Yeah. So we cannot collect within one year using all our tools including lien'ing the property?

MS. DE LA PENA: No.

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CHAIR HOKAMA: Why not?

MS. DE LA PENA: That's why...

CHAIR HOKAMA: Mr. Ueoka, you have a comment --

MR. UEOKA: Thank you.

CHAIR HOKAMA: --from Corp. Counsel?

MR. UEOKA: Yeah, thank you, Chair. The tax sale with, tax sale without foreclosure, we're required to have the lien on the property for I believe at least three years.

MS. DE LA PENA: That's correct.

CHAIR HOKAMA: Three years first.

MR. UEOKA: Yeah. Thank you.

CHAIR HOKAMA: Okay, thank you for that. One area since we've, you've brought up revenues I want to talk about is our investment portfolio, and you as our Treasurer have big responsibilities regarding our investment portfolio. Is there something in writing that you can give this Committee regarding the parameters of your investment policy?

MS. DE LA PENA: Yes. We have the updated policy, Chairman.

CHAIR HOKAMA: Okay. We would ask if you would share that with the Committee, please. Currently who makes up the Investment Committee?

MS. DE LA PENA: For the Investment Committee we have the Managing Director, we have the Budget Director, Director of Finance, Deputy Director, and the Accounting System Administrator.

CHAIR HOKAMA: Mr. Fujita?

MS. DE LA PENA: Yes. There are five.

CHAIR HOKAMA: And yourself?

MS. DE LA PENA: I'm not a member. I'm a staff of the Investment Committee.

CHAIR HOKAMA: Of the Investment Committee. But when I read your job description, you are one of the key personnel regarding the format of the borrowing and everything else, so it's interesting as the Treasurer you're not part of the investment team.

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Currently what is the target investment return that you folks are looking at for the County on its portfolio? What is the range?

MS. DE LA PENA: Chair, may I invite Mr. Jack Kulp to help us with the question.

CHAIR HOKAMA: You're the Treasurer. Please answer the question.

MS. DE LA PENA: Point zero...I believe it's .0125.

CHAIR HOKAMA: I mean do you have a range, Ms. De La Pena, like, you know, you want something between 1 and 3 percent or you feel that the County can with safeguards look between 5 and 8 percent return of its investment. You know we're just trying to understand what are we doing with all our cash and what kind of return are we having on our short-term investments, and we want to be able to rank it among other reasonable-sized municipalities.

MS. DE LA PENA: I'm sorry, Mr. Chair, I don't have that right now.

CHAIR HOKAMA: Mr. Walker, do you know what is the range that the County looks for as for the potential returns of I would assume, what, 300 million cash we have in our short-term portfolio?

MR. WALKER: Yeah, I think it's a little less than that, but I think our, I think we're getting upwards of a half a percent, up to three quarters of a percent. I mean, and again I would defer to Jack Kulp who's sitting in the peanut gallery, he has all the numbers handy.

CHAIR HOKAMA: You know I don't mind having Mr. Kulp as the Accountant III come up, but I would think management would have known the responses also. Mr. Kulp, you can provide responses to the questions? Please come forward.

MR. KULP: Good afternoon, Mr. Chair, Councilmembers. The range that we're running in right now is in the 60-62-60...about 64-65 basis points. Since the beginning of this fiscal year, it's run up from about 50 basis points. Next month we expect to be around 68 basis points, and the month after that through the end of the year somewhere in the 70s.

CHAIR HOKAMA: So what...

MR. KULP: Right now there's...excuse me.

CHAIR HOKAMA: So what, when you break that down what does that give us percentage-wise on the return? You talk about basis points --

MR. KULP: Okay. Basis...

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CHAIR HOKAMA: --tell the Committee, tell us is that 1 percent...

MR. KULP: Yeah, basis points are a hundred of a percent.

CHAIR HOKAMA: That's correct.

MR. KULP: So 62 basis points is 0.62 percent.

CHAIR HOKAMA: Okay. And tell us why that is a reasonable return in your folks...

MR. KULP: Okay. Right now the one-year treasury is around 22-23 basis points, and the two-year treasury is about 58 basis points. So we're beating the two-year treasuries.

CHAIR HOKAMA: Why wouldn't we go for something better?

MR. KULP: Our first issue with our investments is safety to make sure that we don't lose any money. The principal, the corpus has to be maintained. The second is liquidity, so our concern is to make sure that we can pay all our bills on a monthly basis. And, Mr. Chair, we have about 250 million, \$255 million right now because we divested last year for the EUTF.

CHAIR HOKAMA: That is another issue the Chair has and we can talk about that later.

MR. KULP: It's the difference in the size of the portfolio, sir.

CHAIR HOKAMA: Well my issue is more than just the size of portfolio, it's the amount of return we're getting on our cash.

MR. KULP: Yes, sir, I understand that. We've taken the portfolio which when I first came here was kind of disjointed, and we, the first thing we did is reestablish it so that we knew that we had return coming in every month, maturities that is. Once we had a constant, a stabilized maturity structure then we started beginning to expand it, and that's why you can see every month the increase in the yields that we're getting. So there is a logic behind it, sir.

CHAIR HOKAMA: And like the State, I think the Committee needs to review the investment policy and whether or not Council needs to take action and place specific ordinance guidelines in what we shall invest in, requirements of that investment, and the reporting of those investments. Because this Committee, this Council needs to know what is going on with short-term. It's the cash. Like Mr. Kulp just said, it pays the bills. But I can tell you I'm not satisfied with the current performance. Questions, Members? Mr. Carroll, any questions? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran?

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COUNCILMEMBER COCHRAN: Not at this time. Thank you.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: No, thank you.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Not at the moment. Thank you, Chair.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Would that be accomplished through a drafting of ordinance or...

CHAIR HOKAMA: I'm looking at something like how the State is doing it through a statute.

COUNCILMEMBER GUZMAN: Right.

CHAIR HOKAMA: I would consider proposing an ordinance --

COUNCILMEMBER GUZMAN: Right.

CHAIR HOKAMA: --to allow certain instruments if the Council feels appropriate that it could be considered as one of the investment options.

COUNCILMEMBER GUZMAN: Yeah, I think that's appropriate. If you don't mind, Chair, I'd like to look into that. Okay, thank you.

CHAIR HOKAMA: Thank you. Mr. Victorino, questions?

COUNCILMEMBER VICTORINO: No, no. I think you've explained it very well and I think we may be at a point where some of these changes are necessary. So I'll take for your, take that from your lead, sir.

CHAIR HOKAMA: Okay. Members, you've also had...anything for Mr. Kulp, Members? Okay, thank you very much, Mr. Kulp.

MR. KULP: Okay.

CHAIR HOKAMA: Questions for the Treasurer on other portions of the Treasury program? Mr. Victorino?

COUNCILMEMBER VICTORINO: You know...no. I, I'll hold back, I don't want to ask this question. I'll ask some...it'll come at a later ____.

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CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: Okay, thank you.

CHAIR HOKAMA: Yeah, yeah. That's fine. Mr. Guzman?

COUNCILMEMBER GUZMAN: I'm okay. Thank you, Chair.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, thank you, Chair.

CHAIR HOKAMA: Okay.

COUNCILMEMBER CRIVELLO: Thank you for being here.

CHAIR HOKAMA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, Chair. Just as in going back to the Details on 6-40, the Bank Charges, the \$134,000. What type as a charge? That seems like such a huge fee from a bank to...

CHAIR HOKAMA: Ms. De La Pena, if you could.

COUNCILMEMBER COCHRAN: Is there like a breakdown of what that's for? Is that just one type of service a bank charges us?

MS. DE LA PENA: These are two banks. We have two banks for this, and they have set amounts, they're almost the same. If you look at last fiscal year, it's, we are, it's consistent with last fiscal year.

MR. WALKER: Basically what the banks do is they give you credit for money you keep with them, they pay you almost like an interest rate, but they also charge you for the number of checks that you run through them. And, I mean, and the sort of net amount. The, you know, if you keep a ton of money and don't write any checks you'll be in the plus, if you still keep a ton of money but write a lot of checks like we do you end up paying fees. And we've, I believe at the Budget and Finance Committee's request, did go back to the banks and got them to actually reduce their fees. But yeah, I mean it's a big number, we have a lot of transactions, and I guess that would be my best answer is.

COUNCILMEMBER COCHRAN: Okay. Yeah, no, I understand --

MR. WALKER: Yeah.

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COUNCILMEMBER COCHRAN: --we have...yeah.

MR. WALKER: Yeah.

COUNCILMEMBER COCHRAN: But I guess...

MR. WALKER: We don't get the senior checking.

COUNCILMEMBER COCHRAN: But we're a guaranteed, you know, user and --

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --provider of service, I suppose. So I would think they would...

CHAIR HOKAMA: You would want our account, Ms. Cochran.

COUNCILMEMBER COCHRAN: That's right. I would think...yeah. So anyways, okay. I just thought it was a pretty huge number for...thank you, Chair.

CHAIR HOKAMA: No, but I would say about maybe seven-eight years ago this Committee made a big push to work with the Administration to let the banks know that if they wanted the County's business including letting us park our cash in their banks or their institutions...even if they hold it for one day, smart people know what to do with 250 million for 24 hours, trust me.

MS. DE LA PENA: Mr. Chair?

CHAIR HOKAMA: Yes, ma'am.

MS. DE LA PENA: As Mr. Walker mentioned, bank charges for the other bank went down. It's because they increased the interest earning rate for our money sitting in there from .005 percent to .015 percent.

CHAIR HOKAMA: Okay. Yeah, no, that's good news. That was very good news. Yeah, thank you for that reminder. Yeah. So yeah, the banks want to work with the County. Want to work with the County. Question, further questions? Mr. Victorino.

COUNCILMEMBER VICTORINO: You know since we brought up transactions and you don't have to give me an answer now, you could provide that, what is an average year of transactions? How many transactions do we run on average between the two banks? No, no, I'm not asking for now, can you send that later, and, you know, I'll wait for mister, you know, you can send it to the Committee. But be interested to see what the number is, you know. I think, you know, I think we might be very surprised at that large number. But if you don't mind, later.

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MS. DE LA PENA: We will provide that to you, Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, provide it to us. Thank you.

CHAIR HOKAMA: Yeah. It's humungous.

COUNCILMEMBER VICTORINO: Yeah, I realize. Yeah.

CHAIR HOKAMA: Yeah, thank you. Any...so, okay, Mr. Victorino, no further questions for Mr. Walker or Ms. De La Pena on Treasury? Mr. Guzman, anything else? Ms. Crivello, you're okay at this time?

COUNCILMEMBER CRIVELLO: I'm good. Thank you.

CHAIR HOKAMA: Mr. Couch, you're okay?

COUNCILMEMBER COUCH: I'm fine. Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran, anything further? Ms. Baisa? Okay, thank you. Ms. De La Pena, we thank you for being patient with the Committee and being present today for assisting us with your responses. And anything you can offer us, we look forward to those.

MS. DE LA PENA: I just want to thank you, Chair, for this opportunity. And, Councilmembers, thank you.

CHAIR HOKAMA: Thank you again for being here. Mr. Walker, any closing comments for the Department of...oh, there is one thing though.

COUNCILMEMBER COUCH: Yeah, yeah.

COUNCILMEMBER CRIVELLO: Get Budget Program.

COUNCILMEMBER COUCH: Budget Program.

CHAIR HOKAMA: The Budget Program.

MR. WALKER: Yeah, I had asked at the beginning, I don't have a lot of information on it. It was above my pay grade that this was being...and expected the, Sandy to be here. So --

CHAIR HOKAMA: Yeah, yeah, yeah.

MR. WALKER: --I think we can...

CHAIR HOKAMA: So we'll let Mr. Baz --

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MR. WALKER: Yeah.

CHAIR HOKAMA: --present it 'cause he knows I have --

MR. WALKER: Yeah.

CHAIR HOKAMA: --some issues with this.

MR. WALKER: Right. Okay.

CHAIR HOKAMA: So if anything to close, Mr. Walker? We appreciate...

MR. WALKER: No, I appreciate your patience with us, and thank you for your good questions, we'll get you the answers and information you requested. And if that leads to more information, please feel free to ask. And --

CHAIR HOKAMA: Thank you.

MR. WALKER: --we'll be available to provide it. Thank you for your time.

CHAIR HOKAMA: Yeah. Thank you very much, Director.

MR. WALKER: Thank you.

CHAIR HOKAMA: Thank you, Ms. De La Pena. Members, do you want a short break or shall we go straight into Fire?

COUNCILMEMBER VICTORINO: Let's go straight.

COUNCILMEMBERS: Short break.

CHAIR HOKAMA: . . .*(chuckling)*. . . Okay, five minute. We'll take a five-minute break and then we'll get Fire started. . . .*(gavel)*. . .

RECESS: 4:34 p.m.
RECONVENE: 4:42 p.m.

DEPARTMENT OF FIRE AND PUBLIC SAFETY

CHAIR HOKAMA: . . .*(gavel)*. . . We shall return to order. This is the Council's Budget Committee. We are reviewing the Mayor's Fiscal Year '16 proposal. We shall now start with the review of Fire. Gentlemen, I don't know if you were here earlier when I gave my opening comments, but part of it is this Chair is going on a zero-based budgeting which means there is no guarantee you get what you got last year. Everything must

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be re-justified and then we'll work also then on any expansion or additional requests. We will have everything presented by divisions in categories, starting with Salaries, A, and then B and C. So with that, Chief, why don't you start with the Administration/Maintenance component of your budget, and let's start with Category A, please.

MR. MURRAY: All right. Aloha, Budget Chair and Councilmembers. All right, we have the Administration/Maintenance Program.

CHAIR HOKAMA: Okay.

MR. MURRAY: All right. That would be on Page 7-1.

CHAIR HOKAMA: Okay. So under Category A, Chief, any comments?

MR. MURRAY: Chair, are we going to go line by line or you want me to give an overall?

CHAIR HOKAMA: You can give me just an overall. I leave it up to you, Chief, how you want to bring forth your Salary and Wages for the Admin/Maintenance Program. You can take it in summary form or you can go by position. I leave it up to your preference on how you want to explain your Department's requests.

MR. MURRAY: All right. Salaries and Wages for the Administration/Maintenance Program for proposed FY '16 is 1,688,402, a change amount of 242,794, and that is due to collective bargaining wage changes.

CHAIR HOKAMA: So the whole increase is from just contract requirements, Chief? The 16.8 percent is all contract requirements?

MR. MURRAY: For the most part, yes, and then there's also two positions that have been sent up. First one would be the Secretary III an SR-18C and an Information/Communications Systems Manager. So Secretary III would be responsible for assisting with the Deputy Fire Chief and his duties. And the Information/Communication System Manager is to assist with our radio system, mobile data terminals, and our records management.

CHAIR HOKAMA: Okay. Questions, Members? Let's see, Fire is under PIA. Mr. Victorino?

COUNCILMEMBER VICTORINO: Chair, thank you. So these two expansion positions, elaborate a little bit more, what specific job are they providing to you and the Department.

MR. MURRAY: All right. Secretary III provides administrative support for our Deputy Fire Chief's Office, will also assist with our assistant chiefs as well.

COUNCILMEMBER VICTORINO: So right now they don't have...

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MR. MURRAY: Currently we have none.

COUNCILMEMBER VICTORINO: So they do their own paperwork or whatever needs to be done --

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: --is done by them and --

MR. MURRAY: Yeah. And...

COUNCILMEMBER VICTORINO: --by them, exactly. Yeah.

MR. MURRAY: Right. Most of the thing is done by them. The assistant chiefs do all of their work. The Deputy has assistance from my office when available to utilize for paperwork and what have you.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: And, you know, a Department of our size, throughout the County most deputies have a secretary. We are, have been without throughout our existence.

COUNCILMEMBER VICTORINO: And the other position?

MR. MURRAY: The other position is the Information/Communication System Manager.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: That is specifically for our mobile data terminals which we will have in all of our response vehicles. They're computers, similar to the police, and this person will work closely with the Police Department and their radio system. See right now we're not affording them the assistance that they need for a department of our size.

COUNCILMEMBER VICTORINO: So right now when there's a problem with the radios or your communication system, your mobile communication system, who resolves it then for you?

MR. MURRAY: The Police Department.

COUNCILMEMBER VICTORINO: So you've been going to them for assistance?

MR. MURRAY: Yes.

COUNCILMEMBER VICTORINO: So now you're trying to get someone to do your specific vehicles all across the board?

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MR. MURRAY: Right. And also help with tying in everything that we have with the Police Department. They've been asking us for the last five years to put in for something like this, and I think the last three years we've had this come up to Administration to push through because of the assistance. And as you know, MPD has lost some really, really good people through retirements and taking care of their IT as we all as radio system, so it's time for us to have a person that they can have a point of contact to work with our Department.

COUNCILMEMBER VICTORINO: Okay. Okay. Well, I'll let the other Members ask some more questions in that regard, but...

CHAIR HOKAMA: Okay, thank you.

COUNCILMEMBER VICTORINO: Thank you, sir.

CHAIR HOKAMA: Mr. Carroll, any questions for the Chief in this area? Ms. Baisa?

COUNCILMEMBER BAISA: Thank you, Chair. Following up on the new positions which I think deserve a lot of attention because of you know how we feel additional people, so I know that it's very difficult, you have to keep trying to justify what these people do. Would you say, Chief, that the need is increasing, is there more paperwork than there was? You know apparently we've been asking about for this for a long time, but is it getting to be more and more, is it getting to be to the point where, you know, it's detrimental?

MR. MURRAY: Well, thank you for that question. Yes, that is the case. You know a department of our size only has 14 support staff, and that includes our fire mechanics. So if you're looking at clerical staff that assists us and also as we move forward in trying to take in another division, this is going to, you know, really, really hinder us from moving forward, let alone day-to-day operations. So it's an integral time and really critical for us to move forward with these positions, because we, you know, we'll be taking on all of that radio system as well on both of those positions just, you know, out of the Deputy's Office as well as the radio system. So thank you for that question.

COUNCILMEMBER BAISA: Well, the other part is, you know, on this person that you're using the Police Department to help you with the work, is that a real problem or are they able to accommodate you fairly well? Do you have to wait?

MR. MURRAY: They accommodate us as best as possible. Right now I have two people that work on overtime on their days off to help take care of the system that we have now to assist them, because it's not their responsibility to take care of us. They already take care of the system as a whole, and I think we have a really good system. But, you know, after those two guys...and we've already had a person before that who did it for eight years, got totally overwhelmed and had to stop. So now we had two people to fill

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in to help assist that whole process, and I don't think it's fair to the Police Department. And they also need someone of a point of contact that is, this position is designed to be a civilian so we'll have continuity over a long period of time and have an understanding of the systems as they change and develop and progress.

COUNCILMEMBER BAISA: I get the idea. Thank you very much. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so I'm just, I guess the two main questions before we really jump into anything is what happened to the accreditation? And is this assisting that? 'Cause I remember when that was the big hubbub with the Department for years now, so I just haven't heard much talk in regards to it. And number two, and these are big questions, Chair, is the merger occurring? Has it occurred? 'Cause...

MR. MURRAY: Let me answer your first question about the accreditation manager. We are in still need of that, it didn't pass Administration, but I'm going to tell you that I did ask for that again. We are in the process and we've had the go ahead from Administration to move forward with the accreditation process for our Department, and we are currently working on that. We just got approval several weeks ago for that, so we're finally ready to move. And on the merger, there's still a lot of moving parts that we work on diligently with the Parks Department every two weeks. And our slated date for the merger to happen is July 1st but there's still a lot of unanswered questions and policies, meeting with the unions and what have you. So I'll spend a lot of time with that when we get into our Ocean Safety Program, because I do have it in our budget at this time.

COUNCILMEMBER COCHRAN: You do?

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: Okay, okay. Chair, nothing in this section. Thank you, Chair.

CHAIR HOKAMA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Hello, Chief.

MR. MURRAY: Hello.

COUNCILMEMBER CRIVELLO: Thank you for being here.

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MR. MURRAY: You're welcome.

COUNCILMEMBER CRIVELLO: When you talk about your secretary or slash, clerical, will that, I know you're going to talk about Ocean Safety later on, but will that transition include the position of secretary or clerical?

MR. MURRAY: Yes. Right now we have two positions within that program that is specifically for clerical. One would be for personnel and the other one would be clerical for the . . . *(inaudible)* . . .

COUNCILMEMBER CRIVELLO: So your secretary is really to assist on the Fire Department side?

MR. MURRAY: Yes. We're already short on the Fire side, yes. And of course as you know and a department of our size and the nature of the things that we deal with, there's a lot of overlap that happens. I mean I have a lot of people working on overtime. My Personnel Office, two of the individuals that work in there are working overtime constantly and they report directly to our Business Manager. Constant overtime. I have constant overtime in my office to handle all the overload of work, so if those positions do not correlate and come in at the same time it will definitely hinder our day-to-day operation. And, you know, we have asked for these positions for quite some time now. I believe the Secretary III is going on for five years and this is the first time I think we've got it this far.

COUNCILMEMBER CRIVELLO: Can you tell me what step that will be? What SR?

MR. MURRAY: It's SR-18C.

COUNCILMEMBER CRIVELLO: Okay. Thank you, Chair.

MR. MURRAY: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR HOKAMA: Mr. Guzman, questions?

COUNCILMEMBER GUZMAN: I guess the Chief did answer my initial question was whether the Secretary III position was appropriated last budget but it appears it hasn't.

MR. MURRAY: No, it was not.

COUNCILMEMBER GUZMAN: So yeah, I get that. The other question was the premium, the Other Premium Pay of the proposed 100,880 and the change in the amount, 64,000. That's 173.5 percent change. Can you explain what's going on there? That would be on Page 271.

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MR. MURRAY: All right. The change, if you see in '15 I believe 911008 on Page 7-6. The allocation there is already too little because that was cut or, you know, brought down from last year's request. So in other words, what we're trying to do is allow ourselves to get right where we need to be for the entire fiscal year.

COUNCILMEMBER GUZMAN: Can you elaborate more in detail? What do you mean you need to get right where you are at?

MR. MURRAY: Yeah, so if you look at it in FY '14, the actual --

COUNCILMEMBER GUZMAN: Right.

MR. MURRAY: --yeah, we would be one third in 2015. So when we add the 64,000 for the expansion, all it is is taking us back to where we need to be.

COUNCILMEMBER GUZMAN: Oh, I see that.

MR. MURRAY: And this has happened throughout our budget so I will continue to answer that question.

COUNCILMEMBER GUZMAN: Okay.

MR. MURRAY: Thank you.

COUNCILMEMBER GUZMAN: Thank you, Chief.

CHAIR HOKAMA: Mr. Victorino, do you have a question?

COUNCILMEMBER VICTORINO: Yeah, going back to those expansion positions. Those are, again, eight months allotment, right? I mean they're not...

MR. MURRAY: Yes, it is.

COUNCILMEMBER VICTORINO: Yeah. Again, you know, 'cause sometimes you look at figures and they're kind of, you know, I understand that generally it's always eight months or, you know, because of the timeframe to get them hired and all that. So that really would be more like 50-something thousand and probably more like 40 or, you know, that's for a full year.

MR. MURRAY: Right, full year.

COUNCILMEMBER VICTORINO: For the...

MR. MURRAY: She's trying to get that figures for you right now.

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COUNCILMEMBER VICTORINO: Yeah, please. Yeah.

MR. MURRAY: But, you know, at, on an eight-month funding we rarely get the position in by January 1st anyway, so it, you know, we'll be without that position for a minimum of six months.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: So but thank you for that question. And yes, yeah, it is, the numbers on an annual basis is not quite this number. Yeah.

COUNCILMEMBER VICTORINO: Okay. Okay. I kind of saw that right away and said uh-uh.

MR. MURRAY: Yeah, I wouldn't do that job.

COUNCILMEMBER VICTORINO: But I don't know who would be...

MR. MURRAY: I couldn't afford to do that job.

COUNCILMEMBER VICTORINO: Yeah. Well the mobile guy, the mobile...

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: I mean you gotta have some expertise in this area, training, you know.

MR. MURRAY: Right. Absolutely.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: I mean you want to have some technological skills.

COUNCILMEMBER VICTORINO: Yes. Okay. Okay, thank you. I got it. Thank you very much. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. So, Chief, my understanding is your private secretary retired and that you have a replacement. At what level is the new employee at? Did it, are you paying it at the exit level of the retiree?

MR. MURRAY: Hold on one second, let me get that. Okay, yes, we did have a retirement. We're paying that person at an M level, SR-20M.

CHAIR HOKAMA: So it's higher than the person that retired. That would be correct?

MR. MURRAY: Yes.

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CHAIR HOKAMA: Okay, thank you. And tell me if my understanding is wrong, Fire Command Chief, EM-05, you know, that was Chief Mainaga, he retired, so we lost another good person. My understanding is this position got reallocated to one EM-03, but why is the salary higher?

MR. MURRAY: That person who retired was an EM-03 at the time of retirement. The salaries that we're putting in is based on the probability of who will possibly get promoted, so we're taking the average of what that person would get promoted from and eventually getting into that position. So we're not taking it at the lowest rate because we don't know who will be picked for that position. So this allows us that flexibility. If we have someone with 30 years that gets chosen for that position then that's the allocation that they would have.

CHAIR HOKAMA: Okay. Let's go to your B and C categories, Chief --

MR. MURRAY: Okay.

CHAIR HOKAMA: --for this program area. Your Ops, Equipment.

MR. MURRAY: All right. So on Page 7-7, we have an area of increase in Small Equipment - Under \$1,000. So that would be the related cost for the proposed Secretary III and Information/Communication System Manager positions at the amount of \$5,000.

CHAIR HOKAMA: Okay.

MR. MURRAY: And then we also have a change in Professional Services, a decrease due to a one-time appropriation to contract out updated, updating the Department's Standard Operating Procedures.

CHAIR HOKAMA: So this is fully completed, Chief, your SOPs?

MR. MURRAY: No, we are not done yet.

CHAIR HOKAMA: What's your anticipated date you're looking at your target to get this squared away? 'Cause I think this is an important document --

MR. MURRAY: Oh, absolutely.

CHAIR HOKAMA: --you're working on, so --

MR. MURRAY: Absolutely, Chair. You know and it's been...

CHAIR HOKAMA: --I understand it's priority. So when do you feel you can get this squared away, Chief?

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MR. MURRAY: Well, we're hoping to have about 95 percent of it done by the first quarter of next fiscal year, so by October 1st.

CHAIR HOKAMA: Okay. Mr. Victorino, questions in your, our B and C Accounts for the Chief, please?

COUNCILMEMBER VICTORINO: How far are we going, Chair? All the way?

CHAIR HOKAMA: This is under the Admin/Maintenance Program.

COUNCILMEMBER VICTORINO: Yeah, yeah.

CHAIR HOKAMA: So they're on 7-7, 7-8, part of 7-9.

COUNCILMEMBER VICTORINO: Seven-nine, yeah? Okay.

CHAIR HOKAMA: Yeah.

COUNCILMEMBER VICTORINO: I guess my big questions and these are the big expenditures and may be very necessary and I hope they are. First one is the Auto Parts.

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: They're jumping it, they're expanding it, ho, 150,000, and I realize that parts are not getting cheaper. But that's...

CHAIR HOKAMA: Can you give us a...

COUNCILMEMBER VICTORINO: Oh, 7-9.

CHAIR HOKAMA: Okay, thank you, 7-9.

COUNCILMEMBER VICTORINO: I'm sorry, 7-9.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER VICTORINO: And it more than doubles your last year budget. And I know you had 188 in 2014 but your explanation wouldn't work real well on this one, but maybe it's just you really need it so I'm asking, you know.

MR. MURRAY: Well, thank you for that question, and I really appreciate that. Part of our budget amendment is for the shortage of 248,000 in this current year. What we originally asked for in this position here was \$200,000.

COUNCILMEMBER VICTORINO: Okay.

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MR. MURRAY: And, you know, everything to do with our auto maintenance is all about safety and having our vehicles and apparatus and response units always ready to go all the time. And when they're on the road we want them to be safe. So we've asked for this type of funding throughout the years, it never really gets that much attention, but we're already short in this current fiscal year. And we broke it apart because we also have another one that addresses the tire issue.

COUNCILMEMBER VICTORINO: Yeah, I was going to that one next. Okay, fine. Yeah --

MR. MURRAY: Okay. So...

COUNCILMEMBER VICTORINO: --if it's 100,000 . . . *(inaudible)*. . . --

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: --yes.

MR. MURRAY: So in that one we originally asked for \$215,000, this is all that made it to you. Again, we would end up in the same situation come March of next year and we'll be back for about \$250,000 for a budget amendment. Right now we're curtailing as much of the repair that we can afford, but that puts us in a bind because we have backup units that we need to care of, we need frontline units that we need to take care of. And we cannot skimp on auto maintenance. So I think that should be an item that, you know, annually we should really take a look at and keep it at our request level.

COUNCILMEMBER VICTORINO: Okay. You heard Mr. Hokama at the zero budget level and so you better have some really good justification, because again, I'm not knocking it, I think it's important. I mean I would hate to have a callout and equipment not working properly or it takes you longer to get there because whatever reason and then the apparatus is not working properly when it does arrive. You know that doesn't solve the problem, especially when you're talking --

MR. MURRAY: Right, absolutely.

COUNCILMEMBER VICTORINO: --the welfare and safety of people, yeah.

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: You know our population or our visitors, or anybody. So if this is really...remember I asked you when you walked in, what do you really need and what can you live with.

MR. MURRAY: We really need that.

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COUNCILMEMBER VICTORINO: If you're telling us you can then, you know, let us, show us what you really, really, and like Mr. Hokama said, he's not taking budget amendments anytime, there's going to be only specific times that we'll accept budget amendments and they --

MR. MURRAY: Understood.

COUNCILMEMBER VICTORINO: --better be justified.

MR. MURRAY: Yeah, I don't want to come back either.

COUNCILMEMBER VICTORINO: Yeah well, I don't want you coming back. That's not what I'm saying, okay.

MR. MURRAY: No, no, I understand. And, you know, it's a time issue, it's a lot of work for our Department, it's a lot of work for all of you. And I think if we show up, you know, I mean we've set up our plan --

COUNCILMEMBER VICTORINO: Yeah.

MR. MURRAY: --and our historical data to move forward and this is all about maintenance. I mean we're talking you fund us for a million-dollar truck, the parts have to be a lot more than the average truck that's driving on the street. So that's the issue too because we have to ship it from the mainland and it, I mean we don't control what breaks down too. And once we start having issues of vehicles that we utilize off road, we have a lot of issues. Especially during the summertime we find ourselves repairing that, so when we start the fiscal year we're already behind the eight-ball and that's why we're in this situation today. But thank you for that question.

COUNCILMEMBER VICTORINO: Okay. Well I think this is important. I want the public to hear it, you know, that's very important. And let me and finally this is the last thing I'll ask you, overall, your vehicles, what's the average age? How many years have many, your vehicles, especially your fire apparatus because I think that's what we look at first and foremost. That, Hazmat, all of that frontline equipment, what is the average age?

MR. MURRAY: Frontline we got equipment anywhere from less than a year 'cause we just put on two new ones --

COUNCILMEMBER VICTORINO: I saw that.

MR. MURRAY: --last week, thank you for that, and up to about 15 years. So our replacement policy allows us to, we have it timed so we come in at about 10-to-12 years and we start asking at that point because we're starting to have issues. And for, you know, one case like the ladder truck, it just arrived here, we're going to do training next month, we're going to put it online the first week of May and that goes

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to Lahaina. We had one year when we did multiple repairs where that truck was out 9 months out of a 12-month period. That's a frontline ladder for all of our hotels, all of our high rise on the West Side, and we spent upwards to \$200,000 keeping that thing running. Okay. So sometimes vehicles like that take up all of our money for the whole year and doing just regular maintenance, you know. So we run 24/7, 365. So when we make a request like this, it's extremely important that we stay on top of it, if not, we're, you know, we gotta stop things that we purchase that we need.

COUNCILMEMBER VICTORINO: And again as you mentioned earlier, this is what's gotten to us, it's not what you really asked for?

MR. MURRAY: Absolutely.

COUNCILMEMBER VICTORINO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, any questions for the Chief?

VICE-CHAIR CARROLL: No, not at this time.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Not in this area. Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. And nice to see you here, Chief.

MR. MURRAY: Thank you.

COUNCILMEMBER COCHRAN: Where was I? I was looking at the, I know we spoke about the Weis Draft --

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: --Commander. Did, so did you, did we give you money to purchase one?

MR. MURRAY: No, we did not.

COUNCILMEMBER COCHRAN: Or is this asking again?

MR. MURRAY: We're asking again.

COUNCILMEMBER COCHRAN: Okay, you're asking again.

MR. MURRAY: Yes.

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COUNCILMEMBER COCHRAN: Okay.

MR. MURRAY: Can I...oh, go ahead.

COUNCILMEMBER COCHRAN: Yeah. And then I see an additional cost to ship, so this is in reference to one piece of equipment you would be shipping to Lanai and Molokai --

MR. MURRAY: Absolutely.

COUNCILMEMBER COCHRAN: --to be testing the trucks --

MR. MURRAY: Right.

COUNCILMEMBER COCHRAN: --there?

MR. MURRAY: Yes. And so annually what this thing is, the Weis Commander is a tool that we use to test our fire pumps to certify it on an annual basis, so and to do it in a safe manner. So what we'll do, we'll ship it to Molokai, test all of their pumpers and all the devices that pump water and then we'll also do it on Lanai. So on an annual basis this needs to be conducted. So right now we try to do it as best as possible, but it's extremely dangerous on the process that we use on the off-island. Yeah.

COUNCILMEMBER COCHRAN: Okay. And...

MR. MURRAY: And it makes the process a lot quicker. Yeah.

COUNCILMEMBER COCHRAN: Right.

MR. MURRAY: Less wear and tear.

COUNCILMEMBER COCHRAN: And this is...okay, thank you. And this is an apparatus that like how long until you need to replace something like this?

MR. MURRAY: Well --

COUNCILMEMBER COCHRAN: On average use.

MR. MURRAY: --we're hoping about 15-20 years.

COUNCILMEMBER COCHRAN: Oh, okay.

MR. MURRAY: Yeah.

COUNCILMEMBER COCHRAN: So it's kind of a long ____.

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MR. MURRAY: So it's a trailer that we move around and then it helps the water, the pump provide the testing process for pumping. For instance, if we're doing a high rise the pump has to pump at its capacity of 1,500 gallons per minute, and we need to certify on an annual basis that the pump actually does that. Yeah. It's one of the criteria for the pumper truck. Yeah. Ladders and all of those as well.

COUNCILMEMBER COCHRAN: Okay, thank you.

MR. MURRAY: You're welcome.

COUNCILMEMBER COCHRAN: And looking at that page of 7-11 on the very far left corner it says priority numbers. And so this is, you have Priority 33 for the first item, Fire Equipment, Priority 29. Is that prioritized out of 1 through...so this would be your 29th priority item you would wish to have, so where's 1 through 28? I mean is that what that means?

MR. MURRAY: Some of them never made the cut. I put in for 47 items for --

COUNCILMEMBER COCHRAN: Okay.

MR. MURRAY: --a total of six million and a half dollars, and these are reoccurring things that we've constantly put in that never made the cut. So the priority items are the ones that we originally put in. So there's some items missing in between those. And, you know, from our perspective, you know, we sit in a room with all of my staff and all the people that work on the vehicles and all of the equipment and all of those things, and we try to prioritize. And really, on any given day anyone can take, any part of these, all of this request could be number one and it's all dependent on what you need that day. So what we do is look at what we need overall for that year and what we didn't get in the past years. So the priorities stay pretty close to how we've been doing it thus far, and it's just us trying to get one step ahead. So you'll see a lot of things that may have made it the first time here but may have been multiple times in previous years.

COUNCILMEMBER COCHRAN: Okay. Thank you.

MR. MURRAY: Thank you.

COUNCILMEMBER COCHRAN: Interesting to see the 47 items but we have 2 to work on right now. And then, Chair, real quickly. In the...what are we calling this? This binder here.

UNIDENTIFIED SPEAKER: The narrative.

COUNCILMEMBER COCHRAN: The narrative, yeah. External factor description, grant funding opportunities. We've been talking--I don't know if you've been following us--a

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lot about grants and especially with Finance having been here earlier. So do you have a particular person that solely focuses on your grants in your Department alone?

MR. MURRAY: We have a person that oversees it. We have a grant team that takes a look at it that they're paid overtime to do that as well because there's a lot of work in helping maintain it and also going for it as well. And we try every source that's possible. And when we get to that grant process, you'll see the list of items that we actually go for and we rarely get anything on an annual basis. Yeah. But we try.

COUNCILMEMBER COCHRAN: Keep trying. Okay.

MR. MURRAY: We will.

COUNCILMEMBER COCHRAN: Thank you. That's all. Thank you, Chair.

COUNCILMEMBER VICTORINO: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Chief, for being here. You know we're talking your million-dollar trucks and that are very important to your work. Have you thought of and I'm not sure if I brought up this last year or not, but have you thought of a little bit of thinking outside the box? I know you guys need to have all your people who are manning the station, if you need to go to the store, if you need to go to a project or even to a call, a medical call versus a fire, you put everybody in the truck and go to that call. Have you talked about or thought about getting a utility vehicle that can take two people with all the medical equipment needed and go to a traffic accident or go to wherever you need to go? And if there is a fire...and leave the rest of the guys there at the station. And then if there is a fire you take the big million-dollar vehicle out to that call as opposed to driving that big truck to a fender bender or a car accident.

MR. MURRAY: Okay, that's a really good question. We've definitely thought of those things. You folks put in a bunch of utilities for us in this year's budget that we should be getting shortly. The issue is it's not the call that you're going to, it's the next one that you get called to. So in some cases where we have multiple companies we allow that to happen because it allows us to save on maintenance and fuel and wear and tear and what have you, but it's all dependent on the call. So in some cases we may do that and we try to do that especially in our outer-lying areas because of accessibility anyway. So what normally happens is we'll take the big truck along because a lot of the equipment is set forth in that truck. And we cannot take the call as it's described to us by central dispatch. One of the issues with that is, okay, we're responding to a vehicle accident, one car rollover, we get there, now there's four cars. Only one caller called in and that's the description that central dispatch got, but as the scene progresses, sometimes we don't get that information because of inability by the caller or what have you or they just cannot see or whatever it is. So we have to be prepared when we're responding to these things with all of the tools and all of the personnel at that time. So in some cases, yes, we'll be able to do that but not in all cases, we

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haven't come to that point yet. We will be researching that and really checking on that through the accreditation process.

COUNCILMEMBER COUCH: Yeah, 'cause that seems like it would save a lot of wear and tear on the big million-dollar vehicle.

MR. MURRAY: It sure does.

COUNCILMEMBER COUCH: Yeah.

MR. MURRAY: Yeah. So in cases that we can, we actually make that happen, yes, with the utility. So thank you for that question.

COUNCILMEMBER COUCH: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: I don't have any questions right now.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: I'm good. Thank you, Chair.

COUNCILMEMBER VICTORINO: Chair? One more.

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah. Chief --

MR. MURRAY: Sir.

COUNCILMEMBER VICTORINO: --you're talking, Ms. Cochran brought up about the Weis Commander, you know. How have you guys been testing the trucks all these years without it?

MR. MURRAY: Right now on Maui we have an area that we've built into Kahului Station back in '91 that was to help with that process. It's not efficient but we can do it safely. The issue is when we go to off-island. So when we go to Molokai, we don't have the water...we have the water sources, our issue is how do we recapture that water, 'cause it has to run for X amount of minutes at the maximum pressure to, with all the gauges to find out exactly what's being expelled by the truck. So that's what meets the standard of that pump itself. So what we do now is we borrow a dump truck from Public Works --

COUNCILMEMBER VICTORINO: Okay.

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MR. MURRAY: --and we try to recapture that with a pool, a portable pool and re-suck that water back in so we're not wasting water so David Taylor doesn't get too excited. But --

COUNCILMEMBER VICTORINO: Yeah. No, no, good.

MR. MURRAY: --it's extremely dangerous, I mean talk about out of the box. Yeah, firemen can make it happen.

COUNCILMEMBER VICTORINO: No, and I think that's something that the public has to understand. You know some of these equipment we've done without it and we've been doing it in what I call "a not-so-safe situation" and someday somebody gets hurt and it's too late at that point.

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: But more importantly how effective it is without this piece of equipment, because now here you can do it but you can't do it on the outlying --

MR. MURRAY: Right.

COUNCILMEMBER VICTORINO: --I mean the neighbor islands.

MR. MURRAY: Right. So...

COUNCILMEMBER VICTORINO: So all the other trucks come in from Hana, from Lanai --

MR. MURRAY: Yes.

COUNCILMEMBER VICTORINO: --I mean Lahaina. Everyone comes in, does this test --

MR. MURRAY: Yes.

COUNCILMEMBER VICTORINO: --goes back out.

MR. MURRAY: So now we can do it onsite at their station.

COUNCILMEMBER VICTORINO: Oh, so you take the truck out there?

MR. MURRAY: Yeah. So the trailer would get trailed to those positions on Maui as well as the ones off island, yeah.

COUNCILMEMBER VICTORINO: Oh, okay. Okay.

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MR. MURRAY: So we don't have to bring them to a central location, that would save on wear and tear, that would save on time, that would also get our guys involved in the process of how testing pumps goes. Yeah.

COUNCILMEMBER VICTORINO: Thank you for that clarification. Thank you, Chair.

CHAIR HOKAMA: Okay, very good. Chief, other components in this area that'd you like to share under B and C? Anything else you might want to highlight or bring our attention to?

MR. MURRAY: Just that those two areas, Auto Parts and Tires and Tubes if we could...

CHAIR HOKAMA: Give me an explanation, please, Chief --

MR. MURRAY: Yes.

CHAIR HOKAMA: --this 16,000 for Turnouts.

MR. MURRAY: Okay. So the 16,000 for Turnouts is for the personnel that's in Admin Program. So what that is, majority of our Turnouts now is coming on the end of their shelf life which was ten years. So we're at little over nine years now, and it's a compliance issue and you're going to see a huge amount in our Fire Operations Program. And...

CHAIR HOKAMA: First, so we can appreciate the request, tell us what is a Turnout, please, Chief.

MR. MURRAY: I'm sorry, Chair. A Turnout is clothing that the firefighters wear. We're all, all uniformed personnel are assigned that, and at one point we had two sets per person. And we're trying to get back on a replacement program with that because it's compliance issues, OSHA, safety.

CHAIR HOKAMA: So what you're currently wearing and I guess for us is more like a uniform, a chief's uniform --

MR. MURRAY: Yes.

CHAIR HOKAMA: --this wouldn't be considered a Turnout?

MR. MURRAY: No. Turnouts is the firefighting gear that we wear.

CHAIR HOKAMA: So that would be the safety jacket, the helmet, the air tank equipment --

MR. MURRAY: Yes.

CHAIR HOKAMA: --the boots, that is the Turnout?

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MR. MURRAY: Pants. Yeah, pants, boots, pants, the whole gear that goes in with a firefighter excluding the self-contained breathing apparatus is within this cost, and the helmets are within there too 'cause our helmets are coming up on their shelf life as well.

CHAIR HOKAMA: Okay, okay. So this is by contract we are required to provide the employees?

MR. MURRAY: Okay, wait. Contractually it is the employer's job to provide the equipment necessary for their employees at the safest level possible, so, you know, that can be looked at different ways. But we run all of our products and tools through a research and development process, number one, to meet the safety standards of that product. So this would be for firefighting coats or pants or what have you, they go through that process. Once they meet that, then we go through a testing process of actually how it's used, which one would benefit and give the most mobility and safety for our firefighters, and then it goes through that process. So we do that with all of our equipment.

CHAIR HOKAMA: Okay. Is this a contractual requirement on the County's part to provide the employee?

MR. MURRAY: Yes.

CHAIR HOKAMA: Okay. So then the employee gets no benefit under their taxes then for being, to write off their equipment and their uniforms because we're paying for everything?

MR. MURRAY: Yes. So the Turnout and uniforms are two different things.

CHAIR HOKAMA: But is the Turnouts considered the personal property of the employee?

MR. MURRAY: No, it's the Department's property.

CHAIR HOKAMA: Okay. Okay. And that's not the t-shirt, your blue t-shirts and . . . *(inaudible)* . . .

MR. MURRAY: No. The t-shirts is, comes under uniform, and there's an item in there as well.

CHAIR HOKAMA: Yeah, yeah. So yeah, I'm, we're just trying to understand what is Turnouts, what is the uniform --

MR. MURRAY: Okay.

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CHAIR HOKAMA: --component, 'cause we've noticed you have a request to us and we're just trying to get a good understanding of what each component is. Okay. So, Members, yeah, the Turnouts, well, under this section, it's only 6 but they have like 300 I believe units they're requesting. So okay, any other...yes, Chief, you have something?

MR. MURRAY: Chair, would I be able to share a little bit about our actuals with our mechanic shop? Would that be okay?

CHAIR HOKAMA: Yeah. It's under Maintenance, that's, would be appreciated.

MR. MURRAY: Okay. So...okay. So in 2015 under Auto Parts we were allowed \$226,000, I mean 126,000, I'm sorry. The actuals we went over budget in November at \$140,000. So that would be eight months of holding back repairs. And, you know, I want to tell you this, when we took over in 2008, that was one of the highest priorities that the Fire Commission put upon us, to straighten up and provide the best maintenance for our vehicles as possible and that's what we did. And we've sustained cuts in the last four years and trying to deal with all of that. So and I know last year you folks gave us an extra mechanic and that's helped us immensely and we've saved a ton of money not contracting out, but we still have the responsibility of maintaining those vehicles. So really think about that cost factor that, you know, came up to you and also the item, the total cost that I said that we actually need, 'cause I don't want to come in again for a budget amendment. And realize that we're not trying to spend money there but it's a necessity to keep everything safe for all of us. So thank you for that opportunity.

CHAIR HOKAMA: No, Chief, we appreciate you highlighting those areas of concern for yourself and your Department, so not a problem. We appreciate you speaking up and sharing those comments with the Committee.

MR. MURRAY: Thank you, Chair.

CHAIR HOKAMA: Members, anything else in this area, B and C Accounts? Okay, we shall move on. You know, Members, I know you're tired. I believe we have Training and Fire Rescue which is the big boy, and then we also have Fire Prevention...

MR. MURRAY: And Ocean Safety.

COUNCILMEMBER VICTORINO: And Ocean Safety. You don't want to leave that one out, yeah.

MR. MURRAY: Oh, no, it's very important.

COUNCILMEMBER VICTORINO: I was going to be upset if it wasn't there so I'm glad to hear it's there.

CHAIR HOKAMA: And Ocean.

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MR. MURRAY: Okay, that's the first step.

CHAIR HOKAMA: And Ocean Safety, Members. I had wanted us to finish Fire tonight, but this is our first day and, you know, like all good chairmans, your plans don't go always as laid out. So I'm going to look at maybe, depending how long we take on Training, but I am going to stop at halfway of the Department's review, I want us more fresh and ready for tomorrow. So I'm looking at not longer than another hour, Members, at the max 6:30. So that's your Chair's intention. And of course time depends upon the amount of questions, the amount of requirements. I'm not trying to hinder your questions 'cause it is critical to making the better decision, and I will not, I will allow the departments to give as much comment as they feel it's important to get their message across to us regarding their priorities and their requirements. But I'm aware of time, of both you and our Staff, so that's what I'm looking at at this point in time, Members. But I'm not going to run us too long today. So, Chief, if you would now take us through the Training Program component, please, under Category A, Salary and Wages.

MR. MURRAY: All right, Category A.

CHAIR HOKAMA: And if any of your other chiefs need, can assist you, Chief, please bring them forward. We are happy, whoever you may need --

MR. MURRAY: All right.

CHAIR HOKAMA: --for your resources.

MR. MURRAY: Thank you. So if you look at the Training Program as we progress through the three pages, all of it consists of collective bargaining agreement changes.

CHAIR HOKAMA: Okay.

MR. MURRAY: And there's minimum to no Premium Pay within that area, not that it doesn't happen, but we've tried to minimize within that area.

CHAIR HOKAMA: Okay. And this is the one area that has BOBI, right, Chief?

MR. MURRAY: Yes, it is, sir.

CHAIR HOKAMA: Okay. Members, if you have questions regarding BOBI which is Bureau Opportunity Benefit Incentive. Okay. And the Chief has to work with this. I believe this is a collective bargaining component. Chief, is this, was that an accurate understanding?

MR. MURRAY: Yes, it is. It is part of our collective bargaining.

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CHAIR HOKAMA: So if you can see under explanation of changes, Members, almost every single one is a BOBI comment. So saying that, is there any questions from the Members regarding Category A, Salaries for the Training Program? Any Member has a question?

COUNCILMEMBER VICTORINO: No, no.

CHAIR HOKAMA: Okay. Let us move to Categories B and C, Chief, under Ops and Equipment under this program area, please.

MR. MURRAY: All right. So as we go on Page 7-16, you'll see some areas that are inflationary adjustments based on the Budget Director's analysis.

CHAIR HOKAMA: Okay.

MR. MURRAY: And then you'll some decreases --

CHAIR HOKAMA: Thank you.

MR. MURRAY: --in the Medical and Safety Supplies, and this was for the one-time purchase for dive equipment for firefighters. And then you'll see an opposite of that which is an expansion for a one-time purchase of structural firefighting helmets and face, with face shields. So those were the compliance issues that we talked about and the end of the life of those helmets and face shields.

CHAIR HOKAMA: Okay. And this would be part of your Turnout requirements, Chief? Is that accurate on our part?

MR. MURRAY: The total ensemble for firefighting, yes, that would be considered that, but the Turnouts are specifically for the coats and pants and firefighting boots which is non-station boots. And then the helmets we separated it so it would be a little bit easier for us to explain.

CHAIR HOKAMA: Okay. Mr. Victorino, questions so far?

COUNCILMEMBER VICTORINO: No, I...I guess the question I would have is what does one of these helmets cost? I mean I see the total figure, is that for all of the stations throughout the County of Maui for all Firefighter Is, Firefighter...you're shaking your head. Okay. Go ahead.

MR. MURRAY: No.

COUNCILMEMBER VICTORINO: Explain that to me.

MR. MURRAY: Thank you for that question.

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COUNCILMEMBER VICTORINO: I'm sorry.

MR. MURRAY: No, no, don't be. Each program for the uniform firefighters will have a cost for the helmet specifically and Turnout specifically --

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: --and it's for each person. Yeah. So...

COUNCILMEMBER VICTORINO: Okay. This is just for the Training Division then?

MR. MURRAY: Just for the Training Division.

COUNCILMEMBER VICTORINO: So these are new recruits who got training? No? Oh, see, wait.

MR. MURRAY: Okay. She's just informed me that that's for the whole Department.

COUNCILMEMBER VICTORINO: Ho, thank you.

CHAIR HOKAMA: So this is like 300 helmets more or less?

MR. MURRAY: Three hundred and three or 304 helmets.

COUNCILMEMBER VICTORINO: Oh, okay. Okay, Chair, I can swallow that one, you know. He was just telling me this was just for Training. My next question...

MR. MURRAY: 'Cause I was thinking wow, we're getting a lot of recruits.

COUNCILMEMBER VICTORINO: I was just going to say how many recruits are you anticipating this year. Okay, I got it. Thank you, Chair. That's all I had. I'll leave the other questions for the rest.

CHAIR HOKAMA: You know it's a problem that I think the Chief would appreciate having that many recruits that would like to be a firefighter.

COUNCILMEMBER VICTORINO: Oh yeah.

CHAIR HOKAMA: That means we get good choices to make.

COUNCILMEMBER VICTORINO: Yeah. Yeah, absolutely. And again, I've always said as far as Fire and Police getting the best equipment to keep them safe, and when they go out and they have to do their job, I want them to have the best equipment possible for that purpose. And, you know, I've never, I don't want to skimp, you know what I'm saying? But I just wanted to know when you said only for Training, I was like wow, we got some big recruit class coming up.

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MR. MURRAY: Yeah, I was looking at the wrong number.

COUNCILMEMBER VICTORINO: Oh.

MR. MURRAY: Sorry.

COUNCILMEMBER VICTORINO: That's all right. Cool.

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR HOKAMA: Mr. Guzman, questions?

COUNCILMEMBER GUZMAN: Just on the Small Equipment on the, that 59,800 --

CHAIR HOKAMA: Okay.

COUNCILMEMBER GUZMAN: --one-time appropriation to purchase gym equipment for each station. What is this all about? Don't you have equipment already for the _____?

MR. MURRAY: We do have, but these are the updated items and for all the stations. With the new workout programs that we utilize that encompass aerobic as well as weight training, these are the tools that they'll need to, you know --

CHAIR HOKAMA: So...

MR. MURRAY: --stay healthy.

CHAIR HOKAMA: So, Chief, this equipment is part of a organized program that's recommended for fire departments on how to keep the men in shape and fit for duty?

MR. MURRAY: Yes. This is the research and development team's diagnosis of what each station needed to provide them with that. And just for your knowledge, majority of our stations the weights over time have been donated by either firefighters or community members, so they've brought all of their own things to the stations. And all we're trying to do is allow them the items that they need for this specific type of exercise.

CHAIR HOKAMA: Okay. Mr. Guzman?

COUNCILMEMBER GUZMAN: That's...thanks.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: We're still under the Training, right?

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CHAIR HOKAMA: Yes.

COUNCILMEMBER CRIVELLO: Thank you, Chair. I note here on, with your Meal Allowance on Page 7-17 there's quite an expansion for the one-time request to purchase meal. Can you explain that for us, please?

MR. MURRAY: So those are the military meals. Meals ready to eat is what MRE stands for, and that's currently what the military utilizes, so it has a pretty good shelf life. So what we utilize that is for areas when we have our firefighters out on extended calls, they're allowed to have that on their truck, and if they need to provide themselves some nourishment and we cannot get to them, this provides us that opportunity. And also when we're in situations of natural disaster and we don't have the ability to go to Subway or what have you to get our guys food, this would at least allow them some nourishment up until those provisions can be made.

COUNCILMEMBER CRIVELLO: So in 2015 you requested only 1,500, so have you exhausted your inventory?

MR. MURRAY: Yeah, we actually had our friends at the National Guard give us a bunch of boxes that was getting close to expiration, and then, you know, we had that amount for us and we, and it went over really well. So once we did that study then we said hey, this is the opportunity for us to move forward and provide that nourishment for our people when they need it, and they can carry it around all the time.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. I give our people credit 'cause I've ate those military packets and...

COUNCILMEMBER COCHRAN: Sorry? You're getting samples?

COUNCILMEMBER BAISA: Tonight, midnight.

CHAIR HOKAMA: You better have...

MR. MURRAY: No.

CHAIR HOKAMA: All I can tell you is the marine colonel gave me two packets, one was turkey ala king and I forget the second one, but the interesting thing is the colonel ate his own lunch that he brought from home.

COUNCILMEMBER VICTORINO: Oh, and you had start wondering about that.

MR. MURRAY: Yeah.

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CHAIR HOKAMA: Well I understand what the Chief is asking, and so you're asking for about 2,700 packets about. Three meals a day, 300 personnel, 3, at 3 times a day, right? So that's like 2,700 packets.

MR. MURRAY: Yeah, that's...yeah. Yes, sir. My gallery out there, what's the shelf life on that MRE? Five years.

CHAIR HOKAMA: Okay, thank you for that, Chief.

MR. MURRAY: Thank you.

CHAIR HOKAMA: Chief, you've tried it, Chief?

MR. MURRAY: Yeah. Let me tell you one story. So when I first was in the military, we had C-rations and I know World War II people know that, and then right in the middle of that whole process, they switched to MREs, and let me tell you, the MREs are better but not compared to anything that we eat out in our community so or at home. So yeah, you know, it's just to sustain us during that processes when we cannot get food to anybody, especially our personnel. So --

CHAIR HOKAMA: Right, right.

MR. MURRAY: --thank you.

CHAIR HOKAMA: No. Okay. Let's see, Mr. Couch, questions? Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I was waiting for the samples. But...just kidding.

CHAIR HOKAMA: You really don't want it.

COUNCILMEMBER COCHRAN: No, not really.

MR. MURRAY: I'll give you the samples and I'll eat the other food.

COUNCILMEMBER COCHRAN: Oh, I guess my question as in expiration, so, you know, we're seeing reoccurring amounts, budgets. This is like a mandated thing, you gotta switch out the helmets, the Turnouts, the bottles, the masks, the helmets, you know, on and on it goes. So are they repurposed anywhere? I mean can we like...it lived out its, you know, lifespan per se, 'cause this has to happen nationwide.

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: I mean where is, I mean it just goes into the landfill or does it go back to the manufacturers and can they somehow, I don't know, reuse, repurpose and we get like a discount for giving back something? I don't know.

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MR. MURRAY: No. The only time we can utilize that is if we're giving it to another country, and we've had offers like that for the South Pacific 'cause they have nothing. And our only issue is that our sizes is not the sizes that they need. They can outfit their six-year-old son with that as you know. But that is a process that all the county fire chiefs and the State Fire Chief we kind of talk about to see what we can do. We've sent things to Brazil as a goodwill gesture. We've sent stuff to Palau and other, those areas. But once it exceeds that shelf life, unless they have no OSHA or what have you then they're probably the only ones that can actually use that. Yeah. It's really unfortunate but --

COUNCILMEMBER COCHRAN: Okay.

MR. MURRAY: --that's the world we live in, compliance and safety.

COUNCILMEMBER COCHRAN: Right. Which is important.

MR. MURRAY: Right.

COUNCILMEMBER COCHRAN: But I was just, you know, thinking of the end side of it all and where does it actually end up and go, and if there's a, yeah, a better use for it. So thank you for that.

MR. MURRAY: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Thank you. Which way was I going? Ms. Baisa? Mr. Carroll, anything? Okay, thank you. Mr. Victorino.

COUNCILMEMBER VICTORINO: Real quick question. So, Chief, you're saying their...and I'm not being facetious, I really mean this, 'cause I know in football now a lot of the helmets are taken back after so many years and they're sent back and they're refurbished, put new padding, whatever, and they can be...there is nothing like that in the Fire Department? There's no way you can reequip that?

MR. MURRAY: No.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: The equipment that we're having nowadays lasts a whole lot longer than before.

COUNCILMEMBER VICTORINO: Okay.

MR. MURRAY: So before we used to replace this on three-to-five-year programs, now it's up to ten years. So we're paying a little bit more but we're getting a whole lot more usage

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out of these items, and we also in years past, we've purchased extractors that are specifically used to clean these things for blood-borne pathogens and any type of soot that's in there. So we have the processes to take care of them a whole lot better and ultimately keep our firefighters safe and in, away from getting, contracting diseases and stuff like that. So thank you for that question.

COUNCILMEMBER VICTORINO: Well, thank you. And it'd be nice if there was somehow it could be refurbished and reequipped and reused but unfortunately no, I guess not. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. One suggestion, Chief, next year when you come in for your Small Equipment I would rather you tell us you want us to consider purchasing fitness equipment or whatnot.

MR. MURRAY: Yes, sir.

CHAIR HOKAMA: Conditioning equipment. I mean just the word gym gives people like, why are we giving firefighters gym equipment?

MR. MURRAY: All right. Thank you.

CHAIR HOKAMA: But I know what you're asking for, you're asking for conditioning --

MR. MURRAY: Yes.

CHAIR HOKAMA: --and, you know, for flex, keeping their flexibility --

MR. MURRAY: Strength, yeah.

CHAIR HOKAMA: --you know, those kind of requirements of a firefighter, so I understand what you're asking for.

MR. MURRAY: Thank you.

CHAIR HOKAMA: The second one and again just so we can understand, under Uniform Allowance, Chief, Training Program, can you give just so we...I have no idea, rash guard, Nomex trousers and things like that.

MR. MURRAY: Okay.

CHAIR HOKAMA: Give us a little understanding.

MR. MURRAY: So the Department right after the negotiation and closing arbitration of our collective bargaining agreement, the, we as the employer went into a supplemental agreement with the union to allow 100 percent uniform allowance. Prior to that we had 75 percent and they had an extra set of uniforms. So let me break this down as

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it's in the comments. Okay, so a rash guard is for our ocean and stream rescues that we do. It's high-visibility orange, so it distinguishes ourselves from anybody else that we have out in the public if we're going after them, and it gives us high visibility in the evening time and what have you. And it also protects them from the weather. The six t-shirts is duty shirts, so each individual will have the six t-shirts, and this is annually. Anything over the six t-shirts that they utilize it has to come out of their pocket. The two sets of Nomex is a fire retardant type of uniform, and through the process and discussion and the negotiation of this memorandum of understanding was that it is part of their personal protective gear. Because it is fire retardant, it allows them an extra layer of fire protection, so that's what...our Department has been in that process for about ten years now. And we're on the forefront of that protective gear for our firefighters. And that's what Nomex specifically means on the uniform. My shirt that I'm wearing is not Nomex so I'm not allowed near a fire scene with this. My pants is and my undershirt is. We have one set that is Nomex for the chiefs which is blue like everybody else. And so we forgo one pair of trousers which were Nomex at, I believe they run about \$109 a piece and we supplemented that with shorts. So we had some offset of that, but we're actually saving a whole lot of money during that uniform allowance. But this is for that beginning stage of when we do that changeover. So this allows us the money to fit with that memorandum of agreement. And what that provides the Department is the ability to control how our personnel look and keep them looking professional at all times. And also very identifiable to our chiefs, the public, so that gives us a lot of flexibility in how we control that. For instance, if a individual was to say hey, Chief, I cannot afford to buy any more, I utilized my uniform allowance for the year, I have no grounds to discipline that person because he's allowed to have 25 percent is his, he owns that or she owns that. So to eliminate that and to provide us with a little bit more control and accountability, that's why we entered into that agreement.

CHAIR HOKAMA: Okay. Very good, Chief. Thank you for that explanation. So on the next Page, Chief, 7-18 you've asked us for another expansion of 10,000 to your budget, and this is for your Nomex hood, helmet with face shield, structural boots. Is there a reason why you folks broken up...now this is under Medical and Safety Supplies, brush jacket, safety vest. So why is this broken up the way it's broken up between Uniform, Medical Supplies, and whatnot?

MR. MURRAY: All right. This one specifically we put it on a different line because this is specifically for our recruits.

CHAIR HOKAMA: Okay.

MR. MURRAY: So on an average we'll hire about 12 annually. So this allows us to purchase those items and assign it to those individuals so that they can do their job in training and when they get at the station.

CHAIR HOKAMA: Okay. If they fail training and do not become a County firefighter?

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MR. MURRAY: Everything is turned in.

CHAIR HOKAMA: Okay. And --

MR. MURRAY: In fact...

CHAIR HOKAMA: --that's recycled for the next training class?

MR. MURRAY: If it's useable and safe and we have the ability to sanitize it then yes.

CHAIR HOKAMA: Okay, okay. Okay. So you know when we talked about the earlier one, Chief, under Uniform Allowance --

MR. MURRAY: Yes, sir.

CHAIR HOKAMA: --that is only for the trainees also, that component? I mean it's all under Training Program so I'm just trying to figure out, you know, if this is only for the recruits. Because I think when we talked about helmets, the response was it was for the whole Department.

MR. MURRAY: It's only for the personnel that are assigned to that two divisions, Health and Safety and Training.

CHAIR HOKAMA: Okay. Is there any other things that you would book in this Sub-Object 6034 besides these required apparel and support equipment for the recruits? Anything else you guys place in this account under Medical, Safety Supplies?

MR. MURRAY: Medical supplies is the other item in there.

CHAIR HOKAMA: And that is what, mostly just your first aid requirements, Chief, your first aid kits? It's not anything like a EMS responder would have like hypodermic needles, gloves to do blood samples.

MR. MURRAY: Yes, that includes that.

CHAIR HOKAMA: That would be all part of --

MR. MURRAY: Bandages, yeah.

CHAIR HOKAMA: --your medical supplies?

MR. MURRAY: It sure does. Yes, sir.

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CHAIR HOKAMA: Okay, okay. Okay. So, Chief, under...and then here I go, I found your other priorities, Ms. Cochran, they're on 7-20. So, Chief, can you tell us under this component why three Turnouts only? I thought you had Turnouts on the other line.

MR. MURRAY: These are for our Health and Safety Division. You see it has Hazard Materials Division. And we have three personnel. And that's all we have assigned there.

CHAIR HOKAMA: This is your Hazmat crew, Chief?

MR. MURRAY: No, this is our 40-hour Health and Safety Bureau.

CHAIR HOKAMA: Okay. Okay. And all your SCBA comes under this component for your Department, 50?

MR. MURRAY: Yes. That's...so replacement, what we do on an annual basis is we try to order 50 a year. I think last year we only had 40. But what that does is keep us current with all of the bottles, and those things only last about five years as well. So every year we only do 50 because we don't want to, we want to have it on a cycle so that we always have bottles available on all islands. And this is the Division that is charged with maintaining and ordering that, so this is the area that it comes out of. So that will go, it'll go back and forth between Operations and Hazmat, I mean and Health and Safety, I'm sorry.

CHAIR HOKAMA: Okay. Mr. Carroll, any questions for the Chief in this area, Training Program B and C Accounts?

VICE-CHAIR CARROLL: It's been covered adequately. Thank you.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, it's been a really great discussion. Thank you.

MR. MURRAY: All right. Thank you.

COUNCILMEMBER BAISA: Very informative.

MR. MURRAY: Thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And just I guess an overall kind of question on, at times I believe that you folks utilize other departments, I mean whether it's Public Works and their equipment to assist in, on fires or I don't know if you use Water or, you know, I'm not sure, well obviously you use water but Water Department personnel. I'm mainly speaking towards personnel, possibly equipment

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and things of that nature. How does the Department assist as in, I don't know, paying like a cost, fuel, maintenance, any kind of hazard pay? I don't know, help assist in, you know, if you're utilizing their personnel from another department to assist in your type of work.

MR. MURRAY: So for example if we utilize Public Works and we utilize their tanker trucks and bulldozers and what have you, they assume the overtime and all of those things, and that's why it's usually a request from either my staff that goes through Director Goode for those situations. And of course there's an afterhours protocol that we utilize. So we try to utilize the County's resources as much as possible. It's all dependent on where the situation is and accessibility to the resources. But yes, we utilize that, and most of the time they take care of their personnel and the cost for that. We usually run their meals and what have you if we need. Yeah.

COUNCILMEMBER COCHRAN: Okay, okay. Just wondering how the collaboration and assistance --

MR. MURRAY: There's a lot of collaboration.

COUNCILMEMBER COCHRAN: --with one another, with other departments. And I also know there's private entities, perhaps Goodfellow Brothers or whoever will assist also with the utilization of their equipment, too, if needed.

MR. MURRAY: Right, absolutely.

COUNCILMEMBER COCHRAN: Clearing roads or...

MR. MURRAY: Yeah, we couldn't do it without them.

COUNCILMEMBER COCHRAN: Right, right.

MR. MURRAY: Yeah. All of us, yeah, absolutely.

COUNCILMEMBER COCHRAN: Pull together. Okay.

MR. MURRAY: Yeah.

COUNCILMEMBER COCHRAN: Thank you.

MR. MURRAY: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Ms. Crivello, any questions?

COUNCILMEMBER CRIVELLO: No, not at that moment. Thank you, Chief.

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CHAIR HOKAMA: Okay, thank you.

COUNCILMEMBER CRIVELLO: Thank you, Chair.

MR. MURRAY: Thank you.

CHAIR HOKAMA: Mr. Guzman, any questions?

COUNCILMEMBER GUZMAN: No, Chairman. . . .*(inaudible)*. . .

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: I'm fine. Thank you.

CHAIR HOKAMA: Okay. I've reached the point where I'm willing to finish today's version and allow the Department to return tomorrow morning, and we'll finish Fire tomorrow morning first thing, Chief, if you don't mind.

MR. MURRAY: Absolutely, sir. Whatever time. Two o'clock. No, just joking.

CHAIR HOKAMA: Oh, one day we may be.

MR. MURRAY: No, no, no, no.

COUNCILMEMBER VICTORINO: Six thirty a.m.

MR. MURRAY: I hope that's not our Department. Yeah, the guys need some rest.

CHAIR HOKAMA: Okay. So we're adjourned, yeah?

COUNCILMEMBER COCHRAN: Can we just run through what we're doing tomorrow?

CHAIR HOKAMA: Okay. Okay, so I'm going to adjourn this meeting, we...yes, Mr. Couch.

COUNCILMEMBER COCHRAN: Sorry, Chair?

CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: Is there...can you...yeah, thank you. Can we just get the rundown of what's going to be on our agenda for tomorrow? We are going to finish Fire.

CHAIR HOKAMA: We are going to finish Fire and then what did I have scheduled? We've had to make adjustments because actually part of today was the budget overview from Director Baz.

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COUNCILMEMBER COCHRAN: Right and he's out.

CHAIR HOKAMA: And we've agreed with him to adjust the schedule so he can still present what he feels is very critical for our deliberations and review. So I've made, I was making adjustments by the day. Who do I have for tomorrow, please?

MS. YOSHIMURA: So for tomorrow, you have the completion of the Fire Department, Office of the Mayor, the Managing Director's Office, the Planning Department, the Prosecuting Attorney's Office, and the Department of Corporation Counsel.

COUNCILMEMBER VICTORINO: So we may stay 'til 10 o'clock in the morning.

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: Well, Members, you know, my, the thought here is I want to go through a quick initial review because we are going to make adjustments, definitely. And I would like to give the departments time and opportunity to respond to the adjustments, I think that is fair. And so please, you know, bear with me, in my madness I have a plan. And that this initial review, I want to keep it moving forward because as I said I would like to hear the departments' response to proposed adjustments that we'll be making to the budget. Okay, any further questions for the Chair? Chief, anything you need from me before tomorrow morning?

MR. MURRAY: No. We convene at 9 o'clock?

CHAIR HOKAMA: Nine o'clock, sir.

MR. MURRAY: All right. Thank you very much.

CHAIR HOKAMA: After testimony --

MR. MURRAY: Right.

CHAIR HOKAMA: --you'll be first up.

MR. MURRAY: Well, thank you for the opportunity, and I hope you folks have a very safe evening. I look forward to tomorrow morning. We'll be all nice and bright-eyed and bushy-tailed. So thank you very much for the opportunity. We'll see you in the morning.

CHAIR HOKAMA: Okay, thank you very much. Members, this Committee meeting is adjourned. . . .*(gavel)*. . .

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ACTION: DEFER pending further discussion.

ADJOURN: 5:58 p.m.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:150331:ds

Transcribed by: Daniel Schoenbeck

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CERTIFICATE

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

DATED the 14th day of April, 2015, in Kula, Hawaii



Daniel Schoenbeck