

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 6, 2015

Council Chamber

CONVENE: 1:30 p.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Mike White, Vice-Chair
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member (in 1:41 p.m.)
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member

EXCUSED: VOTING MEMBERS:
Councilmember Michael P. Victorino, Member

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

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)

Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Danilo F. Agsalog, Director, Department of Finance (BF-35)
Jeffrey A. Murray, Fire Chief, Department of Fire and Public Safety (BF-33)
Cindy Kagoshima, Business Administrator I, Department of Fire and Public Safety (BF-33)

Michael M. Miyamoto, Deputy Director, Department of Environmental Management (BF-23)

Michael P. Ratte, Solid Waste Division Chief, Department of Environmental Management (BF-23)

Michael L. Kehano, Assistant Solid Waste Division Chief, Department of Environmental Management (BF-23)

Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the audience:

David Taylor, Director, Department of Water Supply (BF-35)

Holly Ficke-Ho, Waterworks Fiscal Officer, Department of Water Supply (BF-35)

Kyle Ginoza, Director, Department of Environmental Management (BF-23)

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Richelle Thomson, Deputy Corporation Counsel, Department of the Corporation
Counsel (BF-23)

OTHERS: **Item BF-35:** Rosemary Robbins
 Item BF-23: Kelly King, Vice President, Pacific Biodiesel

PRESS: Akaku: Maui Community Television, Inc.
 Chris Sugidono, *The Maui News*

CHAIR HOKAMA: . . .*(gavel)*. . . This is our 1:30 meeting for April 6, 2015. Present today we have our Vice-Chairman, Mr. White.

VICE-CHAIR WHITE: Aloha, Chair.

CHAIR HOKAMA: Aloha. And our Committee Members with Mr. Carroll present. Ms. Baisa.

COUNCILMEMBER BAISA: Good afternoon, Chair.

CHAIR HOKAMA: Good afternoon. Mr. Couch.

COUNCILMEMBER COUCH: Good afternoon, Chair.

CHAIR HOKAMA: Good afternoon. Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good afternoon, Chair.

CHAIR HOKAMA: Good afternoon. Mr. Guzman.

COUNCILMEMBER GUZMAN: Good afternoon, thank you, Chair.

CHAIR HOKAMA: Excused is Ms. Cochran and Mr. Victorino. We have three items on the agenda for this afternoon's meeting, Members. We shall take testimony as we have provided in our notice. Anyone wishing to provide testimony has three minutes to speak. I'm not giving a minute for conclusion. We'll assist you with your time. Green light means you can continue speaking, yellow means you have 30 seconds, and the red light means you shall stop. We shall also contact our district offices for any public comment from those areas. So, at this time, I'll ask Rosemary Robbins if she'll please come forward and share her thoughts with the Committee this afternoon.

. . . BEGIN PUBLIC TESTIMONY. . .

MS. ROBBINS: Rosemary Robbins, concerned citizen. Good afternoon, everybody, on this –

CHAIR HOKAMA: Good afternoon.

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MS. ROBBINS: --April 6th 1:30—coming across? Okay—1:30 meeting. I'd like to take a couple of minutes to just talk about Budget and Finance Debt Service, Item 35. We've been down the road before on this one. I was here on the 27th of March when this one was brought up and was deferred on into April here. All of the history on that that was given in testimony that day continues to be history and then where we've gone from here. When I went through the announcement for today's meeting and went back over the Communication 15-88, couple of things I just wanted to talk about. It seems to me that the address of this issue about how far we are in debt as a County is being handled by two different approaches. One is funds that are within a particular category, for example Water, which is my point here today; and the other one is about getting money from beyond that source. So we have, like in the athletic coaches, when we have people identifying "inter" and "intra", some of it is all coming from within the same, some of it is in exchange; and when you get to the water, it looks like the \$950,000 Debt Service that's coming from the Water Department is gonna cancel itself out from another finger on the Water Department setup. And what gets left out on that is that \$950,000 that is going to be decreased as an appropriation for the Department of Water Source [sic] water operations program does not, repeat, not mean that the water operations should stop just because that money is going to another finger on that hand. And I would just remind us all, so we're all on the same footing on this, on the County Charter, 2015 edition—I went back and checked, it was the same --

MR. PIGAO: Thirty seconds.

MS. ROBBINS: --one for last year—says that the Water Department will do duties and functions according to laws. And the Federal Clean Water and Clean Air acts became Federal law in 1972. We've had a long time to learn those and figure out how we're gonna deal with them and not be ending up with what we're dealing now with increasing, increasing, increasing debt services. Those are --

MR. PIGAO: Three minutes.

MS. ROBBINS: --interest payments that the public ends up being hit with; not happy about that. When they talk about rob Peter to pay Paul, they don't want to be robbed Peter, they feel they're already paying some of that by way of what is happening with the increased taxes, so...

CHAIR HOKAMA: Thank you, Ms. Robbins.

MS. ROBBINS: Thank you.

CHAIR HOKAMA: Any questions for the lady on her testimony provided, Members? Having none, Ms. Robbins, we appreciate your coming over this afternoon.

MS. ROBBINS: You're welcome.

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CHAIR HOKAMA: Kelly King, if you'll please come forward and share your thoughts with us please?

MS. KING: Aloha, Mr. Chair, the Councilmembers. Thank you for allowing me to speak. First of all, I want to thank the Chair for a very detailed and informative viewpoint in the paper yesterday, because I think it was...it's been hard for a lot of the public to understand what's going on with the Department of Environmental Management. And I thought that that viewpoint was very clear. You know, we...some of us who have been in the know have been watching some of this stuff going on for months and months. And I'm now feeling like, you know, there's a large and growing population on this island that feels that there's mismanagement in the County Administration and that that speaks to the need for a different system where the County Council would hire a managing director, and so that's being talked about a lot in the public. Also, there seems to be a conflict with Corp. Counsel working for both the Mayor and the County Council, and that's a huge issue. I think that you folks need to reconcile. Also, because I know in the Charter it says that the Council can be...is hired by both bodies, but can only be fired by the Mayor; so that makes it a little one sided, and I hope that that's something that you folks would take up as an issue. A couple of weeks ago, I spoke at the Upcountry Sustainability Group on the...they put together a panel on the landfill issues and recycling in the County: myself, representing Pacific Biodiesel; and then there was a representative from Maui EKO; and a representative from Aloha Recycling. It was well attended. I think it was a room that held 50 and there were over 50 people there. But I wanted to just mention to you folks here that three of the biggest questions... 'cause one of the goals there was to come up with a list of questions that would be then transmitted to the Mayor, yet again, because they have been trying to get answers to some of this and not getting any response. But the biggest question was how can the Mayor execute a contract that will incur millions of dollars in tipping fees and possibly unfulfilled levels of trash deliver without County Council approval? So there's a question of is this just an agreement or is the County encumbered with this agreement? Is it a firm contract; and, if so, how can it not be funded? And is that where some of the encumbered funds are going?

MR. PIGAO: Thirty seconds.

MS. KING: Like it was mentioned in the Viewpoint, this feels like a shell game to the public. Another big question is, when are we going to see the record of the contractor for having done this type of work in another place? Which was one of the requirements of the RFP. So there are two questions. And how are they gonna reach that landfill diversion of 85 percent that they've committed to? Because they've never shown any record of having done that before. But the main thing is, you know, where are the savings? The Administration keeps saying, this is going to save us millions –

MR. PIGAO: Three minutes.

MS. KING: --and they've never been able to show where that's going to come from, so...

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CHAIR HOKAMA: Thank you. Questions for our lady on her testimony given, Members? Okay, having none, thank you for your comments this afternoon, Ms. King. If there is any others wishing to give testimony in the Chambers, make yourself known; we shall provide you with your opportunity. We shall go to our district offices. Ms. Lono, anyone would care to give testimony in the Hana Office?

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

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

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

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

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

CHAIR HOKAMA: Okay. Seeing no one else coming up forward to the Chambers, Members, with no objections, we shall close testimony for this afternoon's Committee meeting.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Thank you, so ordered.

. . .END OF PUBLIC TESTIMONY. . .

**ITEM 35: AMENDING FISCAL YEAR 2015 BUDGET:
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,
DEPARTMENT OF FINANCE, DEPARTMENT OF PARKS
AND RECREATION, DEPARTMENT OF PUBLIC
WORKS, AND DEPARTMENT OF WATER SUPPLY (DEBT
SERVICE) (CC 15-88)**

CHAIR HOKAMA: Let us move to our first item which is BF-35. BF-35 is the heading of Amending the Fiscal Year 2015 Budget: Department of Environmental Management, Department of Finance, Department of Parks and Recreation, Department of Public Works, and the Department of Water Supply. And this, we received through our Communication 15-88, from Mr. Baz, Budget Director. Present today we have our Finance Director, Mr. Agsalog, who is here to give some comment and to respond to any of the Committee's questions. Director Agsalog, if you would please?

MR. AGSALOG: Thank you, Mr. Chair. Again, I really appreciate you having this in the agenda today. Essentially, this is again, as I have mentioned last week, I think it was Monday the 27th of March, mentioned that this was a timing issue that we have done

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when we sold our bonds and the maturity that we selected was June 1st instead of July 1st. So it was just a matter of looking at more savings that we could have gotten if we would've pushed back in June. July 1st we would have paid another 200,000 more on our calculation to the interest because of that maturity, one month maturity. And we know that we would come and ask you for this particular request when we sold the bonds. But our interest on that time was just to get a better structure and a little bit lower interest rate, Mr. Chair. And I'm here to answer any questions that you might have with regards to this particular request, Mr. Chair. And again, I appreciate you putting this in the agenda today.

CHAIR HOKAMA: Okay. Thank you, Mr. Agsalog. Questions? Mr. Guzman, any questions at this time? Mr. White?

COUNCILMEMBER WHITE: No questions, thank you.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No questions at this time, Chair.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: No questions.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No, thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: I'll pass, thank you.

CHAIR HOKAMA: Mr. Carroll? Chair brought this up. I am open to moving this forward. And, again, I have assurances from the Finance Director, we are going to work hard to eliminate this type of request in the future, so we'll be working together to make sure that we get this all squared away. I will ask once more any Member of the Committee the opportunity to ask questions on this request which covers multiple departments, but basically it's for the Debt Service payment. So if you have questions, make it known at this time please. Okay. With no questions, the Chair is open to a motion to move this forward to the Council to have Council to make final determination on the proposed bill for an ordinance, Amending the Fiscal Year 2015 Budget for the County of Maui as it Pertains to Estimated Revenues; Department of Environmental Management, Department of Finance, Department of Parks and Recreation, Department of Public Works, and Department of Water Supply; Total Operating Appropriations; and Total Appropriations (Operating and Capital Improvement Projects)—and is there things we need to file? --

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

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CHAIR HOKAMA: --okay—and all County Communications attached to this item for filing.

COUNCILMEMBER WHITE: So move.

COUNCILMEMBER COUCH: Second.

CHAIR HOKAMA: We have a motion made by Mr. White, seconded by Mr. Couch. We're under discussion, Members, any discussion? Having none, all in favor of the motion, please say, "aye".

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed, say, "no". Motion passes, eight "ayes", one excused, Mr. Victorino.

VOTE: AYES: Chair Hokama, Vice-Chair White, and Councilmembers Baisa, Carroll, Cochran, Couch, Crivello, and Guzman.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Victorino.

MOTION CARRIED.

ACTION: FIRST READING of bill; and FILING of communication

CHAIR HOKAMA: Thank you, Mr. Agsalog, we appreciate you working with us; and you and I will work hard to eliminate this future request.

MR. AGSALOG: I really appreciate it, Mr. Chair. Again, I thank you for your support.

CHAIR HOKAMA: Okay. Thank you very much, Director.

**ITEM 33: AMENDING FISCAL YEAR 2015 BUDGET:
 DEPARTMENT OF FIRE AND PUBLIC SAFETY
 (SALARIES, PREMIUM PAY, AND OPERATIONS) (CC 15-86)**

CHAIR HOKAMA: Let us move one to Item 33 please. This is Amending the Fiscal Year 2015 Budget: Department of Fire and Public Safety (Salaries, Premium Pay, and Operations). Under BF-33. Who we have from the Department? Okay. Thank you for

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being here, Chief. We are in receipt of Communication 15-86, from Mr. Baz. He has given us a bill for an ordinance proposal to amend the current year's budget as well as a certification of additional revenues in the amount of \$2.185068 million. We'll have the Department give their opening comments then the Committee may have their opportunities for questions and comments. Chief, if you would please.

MR. MURRAY: Aloha, Chair, and good afternoon. Opening comments for this Budget Amendment is for the shortages in our salaries, mostly. One real note is on our vehicle parts area, the \$248,000 is part of that. We've been short since November. I know I've brought this up in this past, and I think it's very critical that we take a look at that. I'll be happy to answer any questions that you may have.

CHAIR HOKAMA: Okay. Thank you very much, Chief. Mr. Guzman, any questions for Fire?

COUNCILMEMBER GUZMAN: No, thank you.

CHAIR HOKAMA: Mr. Carroll, any questions for Fire Department? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so primarily—thank you, Chief, for being here, Department—these numbers are strictly, as you said, salaries, looks like...salaries, Premium Pay, and for some operational-type cost.

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: Okay. And this you knew you were going to have these shortfalls previously and now are here to sort of collect on it.

MR. MURRAY: Yes. That was our projection and we're pretty close in the numbers, and we're at that point, at this time in our fiscal year.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Ms. Cochran asked the questions I had.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No questions at this time, Chair.

CHAIR HOKAMA: Thank you. Mr. White?

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VICE-CHAIR WHITE: Thank you, Chair. I'm disappointed to see this come before us. I think the Chief has a lot more oomph in him than he's displaying with this. And the reason I'm disappointed is that last year we were presented with a \$2 million bill for a new provision in the contract called Rank-for-Rank Recall. And with that increased cost of \$2 million we had no change in service. It was simply handing \$2 million to roughly 150 people, the top end of the Department. We've not been given any determination as to how the Premium Pay breaks out between overtime and Rank-for-Rank Recall responsibilities, so it's hard for me to get excited about just simply forking over \$2.1 million to cover these costs that, in my view, through rescheduling how we deal with the various stations, we could've simply made better use of straight time and avoided the significant amount of overtime that we have driven up so far this year. And looks like we will be continuing to do for the rest of the year. You know, we've always...this Council has always said, if you have a significant event that generates a significant cost, come back to us. But in my view, this significant cost could have been avoided by simply thinking out of the box. And many communities, as you well know, around the country are laying fire people off, laying police off, because they don't have the money. But that doesn't, you know, just because we have access to the funds doesn't mean that we shouldn't be spending them very wisely. And when I look, as I brought up last year, at the fact that 87 percent of fire departments nationwide are either fully volunteer or mostly volunteer. That means to me that other communities are looking at their responsibilities to provide for fire safety in a very different way and coming up with solutions that are not costing the same amount of money. And I'm not for a second suggesting that we go to a volunteer force, I'm simply suggesting that we need to take a look at the way we are scheduling our people, the way we're utilizing them, and the number of different companies that we've got involved in our current operations. And, you know, I think the Chief is creative enough to move us down that road. And I'd just like to encourage him, and I hope the rest of us will encourage him, to do so. Because it's the taxpayers money and I take that responsibility very seriously, and I'd like to think that the Chief can be equally as responsible with controlling our costs in a way that we're simply not using resources that other departments would love to have. Two million dollars extra would go a long way in a bunch of other departments that have either been turned down or don't feel comfortable asking. So it's unfortunate that we've gotten to this point, but at this point, you know, I guess we have to pay the piper because we've not looked at different ways of scheduling in a way that we can reduce the Premium Pay. Keep everybody else...keep everybody whole as far as their base pay is concerned, but try to get the Premium Pay to come down a bit. So I won't be supporting the measure, but I thank you for the opportunity to comment.

CHAIR HOKAMA: Okay. Thank you. Further questions by the Members? Mr. Guzman? Okay. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Chief, you heard some of the comments and concerns that Mr. White has, and I share some of those concerns. Question I would have is, with that rescheduling and tweaking the positions, could you have saved the \$2 million?

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CHAIR HOKAMA: Chief?

MR. MURRAY: Well, thank you for that opportunity. I'll answer your question, Mr. Couch. No. Because the way the collective bargaining agreement is written, in the past we were able to adjust, make adjustments for a lower-ranked person to fill those positions—and we still do that—but the way it's written, it allows persons of that rank to be able to take a vacant...not vacant position, but a position that a person is not there at that day to fill in on that day. And what we do gain from that is the experience of that position. So, in other words, we're having captains coming for captains, not 100 percent of the time but only allow the time that is written into the collective bargaining agreement. And we have tried statewide to figure out ways to make it better. 'Cause we're not the only ones having this situation, but this is what we've been dealt with with the collective bargaining agreement that was arbitrated on. That was no choice of mine. Whether I agree or disagree it doesn't matter. My responsibility is to pay the people what their collective bargaining is and stay within that realm. I'm not allowing people to go over that limit. I could see if that was happening. Only in cases of extreme emergency we will allow that to happen. So we try to keep good track of that. And that's the parameters that I've been dealt with, and I think that we've been extremely efficient since I took over to make things, you know, very responsible...or fiscally responsible for that matter. 'Cause we've trimmed pretty much everything since 2008. This arbitration had...I mean was beyond all the chiefs in the whole State of Hawaii. So, you know, I understand, but yet I also have a responsibility to take care of our people.

COUNCILMEMBER COUCH: Just, you know, you made a comment that said, you know, you're not going to let anybody go over the amount that was budgeted. If you have some sort of say on that, couldn't you make it so they don't go beyond what was already budgeted? I mean you're...

MR. MURRAY: Well, we try that, we do that all the time. On a monthly basis, we try to rectify all the numbers and make sure that we keep everybody on track. We have our personnel people tallying up the numbers making sure that people don't go over what they're allotted in the collective bargaining unit, which is 288 hours per rank person. So...

COUNCILMEMBER COUCH: I'm just trying to see if there's any kind of way to think outside the box.

MR. MURRAY: Would you like me to read what that section states in our collective bargaining agreement? 'Cause I think that would lend a lot of –

COUNCILMEMBER COUCH: Sure --

MR. MURRAY: --information on what...

COUNCILMEMBER COUCH: --if it's alright with the Chair.

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CHAIR HOKAMA: Why don't you read it, Chief, and then later on we'll make copies of that provision.

COUNCILMEMBER COUCH: Okay.

MR. MURRAY: Alright. Thank you, Chair. So in Section 27-A, Rank-for-Rank Recall, effective 1 July 2014, the employer and union recognize that the need for to recall employees of rank-for-rank basis to prevent and avoid safety and morale problems. This section shall not interfere with management's right to manage the recalled personnel in compliance with this agreement and existing laws, rules, and regulations. Application of Section 27, temporary assignments shall be modified to accommodate the Rank-for-Rank Recall problem--I mean program, I'm sorry—for each jurisdiction. Item 2, eligible fire fighters shall be offered 12 shifts, total of 288 hours per fiscal year via this program with no premium directly related to overtime work, such as, but not limited to, compensation for travel time to and from work and mileage reimbursement. All eligible fire fighters from the rank Fire Fighter II, III, and Captain for the counties and Airport Equipment Operators for the Airport and Airport Lieutenants and Airport Fire Captains for the State shall notify the Fire Chief of their availability for this Rank-for-Rank Recall Program as provided in the Rank-for-Rank Recall policy. Failure to do so shall result in a waiver of the fire fighter's opportunity for the Rank-for-Rank Recall Program. For purposes of this section, the fire fighters participating in the recall program are not eligible for temporary change in station pay. The Fire Chief or designee in each jurisdiction has the sole responsibility to assign Rank-for-Rank Recall in those previously named positions and shall in good faith endeavor to assign each overtime work on a fair and equitable basis given due consideration to operational requirements. Procedures to implement the Rank-for-Rank Recall Program include proper and timely notification of availability and eligibility limitations for this program pursuant to number two. Above shall be developed in good faith consultation between the parties, there shall be no change in the classification covered by said policy and/or procedures. Each jurisdiction shall in good faith meet with the union at least annually to monitor cost. The operational efficiency, the equitable distribution of overtime among the various fire fighter ranks and to assess the viability of modifying, continuing, or expanding this program prior to the expiration of the Unit II agreement.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Well, something in there. It says, you shall offer that to all captains?

MR. MURRAY: All ranked personnel.

COUNCILMEMBER COUCH: All ranked personnel?

MR. MURRAY: Yes.

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COUNCILMEMBER COUCH: Oh, or the opportunity, it's not saying everybody gets 12...or 288 hours.

MR. MURRAY: Right. So part of the consultation is each jurisdiction had to work out a parameter of where that goes. So if a person is on vacation, sick leave, industrial leave, family leave, training, they're entitled to that or comp. time, they're entitled to that. So once that opportunity arises, the individual calls in and says, hey, I am available on this date and this date. Once that happens, if they're not up to their limit, they're allowed to come and take that day or that...whatever hours that they work.

COUNCILMEMBER COUCH: But how...I mean it sounds like you've got a lot of need for somebody to take over somebody else's spot. Is that what the issue is? People are calling in sick or whatever...

MR. MURRAY: Well, not necessarily sick, it's all types of leave. The only time we don't do it is when there's a permanent vacancy; that's the only time we don't fill that. So if there's an opportunity...say an individual takes a month off and there's three captains that's assigned to that engine, per se, so then the other two are off, so they have their normal work shift and then those two can share or put in for those times that they can work on their days off as long as they don't incur double-time. So when those individuals put in for that and that person is on vacation, they're not within their 288 hours, they're allowed to work that shift in the rank of captain.

COUNCILMEMBER COUCH: Well, you said something else that piqued my interest. You said that if it's a permanent vacancy, you then don't fill the position.

MR. MURRAY: For that time period, yeah. So we hardly have those vacancies, 'cause when people move, we might have six weeks off. The only time we don't do that is because the provisions says that it has to be for a person that's there. So you cannot take a person's rank call if no one's assigned to that, 'cause then that would be unfair.

COUNCILMEMBER COUCH: But the position, the position at that station goes unfilled or...

MR. MURRAY: It gets temporary assigned.

COUNCILMEMBER COUCH: Temporary assigned, okay.

MR. MURRAY: Right.

COUNCILMEMBER COUCH: I was going to say, well, if you couldn't...

MR. MURRAY: No, no, no.

COUNCILMEMBER COUCH: Alright.

MR. MURRAY: Yeah, it's always filled, but then it's filled by a different provision.

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COUNCILMEMBER COUCH: But not rank-to-rank?

MR. MURRAY: Yes.

COUNCILMEMBER COUCH: Okay, Chair, thank you.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Chief. You know I'm trying to listen carefully and, again, openly to this discussion. And it's kind of...seems to me that we're like in a catch 22 here, you know. I understand the concern about well, let's do it better, let's be more careful, let's be more frugal, let's do a better job of scheduling; but I'm also listening to the rules that you have to operate under in the contract. And it sounds like if you're going to make any kind of changes to save money that they have to be made upfront in this bargaining process. But as we're sitting here trying to administer a program that your hands are pretty much tied with what you have to deal with. And the only way we're going to get rid of all this OT is to have more people. You know, people are entitled to sick leave, they're entitled to vacation, they're entitled to holidays, their entitled to CTO. I don't how you guys...if you even do that. But, you know, they're gonna be gone, and we're always going to have these vacancies. I think your problem is trying to anticipate how much of that you're going to have. Is it much, much more? Is it escalating that you have to have more people on Premium Pay or, you know, overtime or whatever?

MR. MURRAY: Well, we have those situations when people are out that we do have to cover. Up until this point, the Rank-for-Rank Program, we have it on one separate sheet that we look at. So as of the end of March, the 31st, we are \$1,181,000 into it and we're not at the end till June 30th. So, you know, I'm not really sure what the total percentage is, but we're pretty close and that's why we've been asking. That we knew we won't make it to the finish line and it's...we don't have other accounts to grab it from.

COUNCILMEMBER BAISA: Right.

MR. MURRAY: You know, and like you said earlier, we're pretty much between a rock and a hard place. And I have the responsibility of carrying that out, and we are extremely frugal when we can be, so...

COUNCILMEMBER BAISA: I think the scary part for me is that kind of work you do. You know, it isn't something that you can delay. You know, when we want the firemen, we want the firemen right now. And so it's difficult because you can't say, oh well, we'll get to it tomorrow or we wait. You got to do it right now. So this is a very difficult situation and I really appreciate the in-depth explanations we're getting. Thank you; and thank you, Chair.

MR. MURRAY: Thank you very much.

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CHAIR HOKAMA: Thank you, Ms. Baisa. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you, Chief, for being here. If I were to pose you...and perhaps you are applying it and listening to Mr. White's concern, how does management have control over Rank-for-Rank?

MR. MURRAY: Our ability to manage the amount of hours that is entitled to them. So in other words 12 shifts, if they work 12 24-hour shifts that comes out to 288 hours. We watch each person's accumulation of that within the rank. Yeah, we try...and we have no control. If a person is sick, they're entitled to get that call to say hey, are you available? It's not whether I call them or not call them, our chiefs have to make that call. So I mean it's really tough trying to administer the program. And it is costly, but if there's availability within that allotted time for that individual, then they have to be offered that as well. So if not, that would be a violation on my part.

COUNCILMEMBER CRIVELLO: In your opinion, are there any abuse coming from your Rank-for-Rank...

MR. MURRAY: You know, we're trying to track that, too, very little if any. You know, 'cause once you reach your max, you're done. So we go back to how we normally run business with temporary assignments if people are not there, but we don't see that as often.

COUNCILMEMBER CRIVELLO: Okay. Good to know, good to hear that. Thank you, Chief.

MR. MURRAY: Thank you.

CHAIR HOKAMA: Okay. Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And in I guess defense of Department, I just want to say, looking at your...the Countywide Workers Compensation Details, it looks like your Department ranks like below Environmental Management, Police, Parks and Rec. So that tells me a lot that what you're doing really is responsible because the type of work you folks do definitely lends itself to some injuries, you know, high probability of injuries and what have you. And also, this year, 2015 claims, you're down from previous years. So I give you, you know, kudos to that 'cause I think that costs us a lot of money when I look down the lines of these dollar amounts. And so I want to just give you, you know, kudos to assisting and somehow keeping up the good work in this Department which is the workers compensation section which I think speaks volumes for you. Thank you.

MR. MURRAY: Well, thank you very much.

COUNCILMEMBER COCHRAN: Thank you, Chair.

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CHAIR HOKAMA: Okay. Thank you. Additional questions, Members, for the Department?
Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. You know, while the focus of the discussion is on Rank-for-Rank, Rank-for-Rank only makes up about 40 percent of the Premium Pay. So it's...that's not really the focus of my concern because I realize that's something we have to abide by. My concern is it doesn't look to me like we're trying very hard to change business as usual in the Fire Department. Business as usual results in a significant amount of overtime through scheduling practices. And, you know, this is a department that is the only one that I'm aware of where there is Bureau Opportunity pay or BOBI pay, and that was negotiated because the people who move into management don't get the same access to overtime when they move to a 40-hour a week job. So I'm not aware of any other department where they're getting overtime-pay-type compensation by moving into a higher position. And so, you know, we have that issue, we have the issue of Rank-for-Rank grew out of the guys in the higher ranks feeling like they were getting left out of the overtime 'cause all the guys in the lower ranks were getting the majority of the overtime. So it bothers me a bit to see a department that is so focused on overtime that it's costing us, the taxpayers, a lot more money than it needs to. And I'd be happy to work with the Chief to figure out if there is some way to get around this because I think there is and I think we just need to take a look at and be realistic about the fact that we can't just simply allow our resources to be taken up in large amounts in this way. You know, if you go back and look at where the Fire Department was in relationship to others prior to everyone having to go on furloughs, if you look at where they are today compared to the HGEA and other units, they've gone sky high. And during the time when everyone else was on furlough, there was nothing offered up by the Fire Department that I'm aware of. So these are just things that I find concerning and I know there are others sitting at the desks here who feel the same way I do, but they're not quite as comfortable saying it. So I'm comfortable saying it, and I think we've got a challenge that we need to take on on behalf of the taxpayers. Make sure that we're getting very well taken care of by the Fire Department, but at a level of resource use that's hopefully a little bit more responsible. Thank you.

CHAIR HOKAMA: Thank you. I would say that I can appreciate the difficulty that the Chief has to administer a collective bargaining contract. Those of us that had to deal with those type of documents understand what I'm saying. But nonetheless, doesn't mean that we're happy with the contract we currently have as appropriators and funders. One of the things that I think this Committee should look forward to, as provided by our Charter, and I'll have the Staff prepare a letter from me to the Commission of this Department since part of their task is to make recommendation for changes that may be desirable to improve the performance. So we'll see if the Commission can do their job and give us recommendations on how to assist the Chief and the Department, since I'm not too happy with this type of cost request. I understand the Chief has to ask it, it's part of his responsibility as the Chief. I don't have to like it. But we'll do what we need to take care and protect our communities. Mr. Couch?

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COUNCILMEMBER COUCH: Yeah, I agree with you, we don't have to like it. And I don't think the Chief likes it, either, the way he's discussing it. But what happens, Chief, what happens say we decided not to do this, you know, say the majority felt the same way Mr. White does, what happens with the Department then?

MR. MURRAY: Then we're not able to pay our personnel.

COUNCILMEMBER COUCH: Or...I mean obviously you can't do that. What about not do the overtimes, not send people to cover for somebody else, what happens there? I know you've got...I think you have six fire fighters per station or...

MR. MURRAY: We got five per crew. So if it's a one-company crew, there's 15 people assigned to that station. Two shifts are off every day. So, yeah, I'm glad that the sentiment is that it's not entirely my decision or not at all my decision on how to run this and be efficient or what have you. Our job is to manage that policy as best as possible. And I assure you that we're doing that. And, you know, like I spoke about last week, you know, our Department is training harder than they ever trained before. They're doing more than they ever done before. And it's not about the pay, it's about what we love to do, and our passion for the people. I know there's been some discussion about volunteer fire departments. Well, we did some research. And the largest volunteer fire department is in Texas, 270 members. You know that when I started we had two areas that was volunteer: Hana and Lanai. And you want to know the reason why they're not volunteer anymore? Is because the companies and the people in those areas just can't afford to do volunteerism. The people in those communities asked the County for 24/7 911 service from the Fire Department, and that's what we did, and we will continue to do that until you tell us otherwise. It's really unfortunate that in some cases collective bargaining ends up in a way that it doesn't look very well, but I can assure you all of our workers weren't asking for this. They just want to come to work, do their job, get paid fairly, and get to work. You know, like the question about abuse, very little, if any. Once it raises a red flag, we're on it, and we have conversations with the individuals and we do everything that we can to keep them, you know, following the rules, within the guides of this collective bargaining unit as well as our rules and regulations. So, yeah, I appreciate the questions and I understand the sentiment and I feel, you know, the same way about our tax money and that's why we try to put together a very good program within the parameters that we're given. So thank you.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Other questions for the Chief? I'm going to take a short recess to confer with the Staff and we shall come back in five minutes. . . .(gavel). . .

RECESS: 2:17 p.m.
RECONVENE: 2:38 p.m.

CHAIR HOKAMA: . . .(gavel). . . We'll return this meeting to order, Members. A few things. This is regarding the current year's budget and the situation the Department faces to

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finish June 30th in a manner that does not jeopardize the ability of the County to perform its requirements. So stating that, I can tell you in the upcoming budget year, Council has various means to deal with issues. One is providing...eliminating the money and the E/P counts; that's one way we can adjust for any program, not just Fire. Could be or EM, Public Works, any department. And I need to find where we can cut, Members. But for this request at this time, to make sure we can end the current fiscal year, I'm not happy, but I will say, I would entertain a motion to move this forward to Council for final decision by the Council including the acknowledgement of the certification of additional revenues, as I said, of \$2.185068 million in Carryover/Savings from the General Fund, things I could have used for the new budget. So that is what I'm willing to consider at this time.

COUNCILMEMBER GUZMAN: So move.

COUNCILMEMBER CRIVELLO: Second.

CHAIR HOKAMA: I have a motion made by Mr. Guzman, seconded by Ms. Crivello. Discussion, Members? Okay. No discussion. All in favor of the motion, please say, "aye".

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed, say, "no".

VICE-CHAIR WHITE: No.

CHAIR HOKAMA: Okay. This is going to move forward with—eight—so seven "ayes", one "no", Mr. White.

VOTE: AYES: Chair Hokama, and Councilmembers Baisa, Carroll, Cochran, Couch, Crivello, and Guzman.

NOES: Vice-Chair White.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Victorino.

MOTION CARRIED.

ACTION: FIRST READING of bill; and FILING of communication

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CHAIR HOKAMA: We shall move this forward. And I will tell you upfront, I would ask if there are any objections to allowing Staff to make any nonsubstantive adjustments to the documents.

COUNCILMEMBERS: No objection.

CHAIR HOKAMA: Thank you, so ordered. Chief, thank you very much for your time this afternoon. We look forward to your continued participation in the Fiscal Year 2016 Budget process.

MR. MURRAY: Thank you, Chair, and have a wonderful afternoon. Thank you.

CHAIR HOKAMA: Thank you. Members, also, with no objections, the Chair will include the filing of the communication.

COUNCILMEMBERS: No objection.

CHAIR HOKAMA: Okay. Thank you, so ordered. Chief, thanks again for your participation.

MR. MURRAY: You're welcome. Thank you.

ITEM 23: AMENDING FISCAL YEAR 2015 BUDGET:
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
(SOLID WASTE MANAGEMENT FUND) (CC 14-306)

CHAIR HOKAMA: Okay. So we'll bring up Environmental Management next under BF-23. Okay, gentlemen, we're burning sunlight, let's go. Okay, Members, we have a Communication 14-306, from Mr. Baz. He transmitted a proposed bill to amend the Fiscal Year 2015 Budget. We have revised proposed bill dated March 19, from the Budget Director, Mr. Baz. In it, again, he is...a proposed revision deletes the request for one E/P in Department of EM Solid Waste Admin., Solid Waste Management Fund. We've changed...the change or the request is now for 3.0 LTAs equivalent personnel and none of this can be filled in this fiscal year. I don't know how they're going to do it in two months. Go through a list, go through DPS. I mean we just had DPS before us few hours ago. Okay. Department, why don't you give us your opening comments, please.

MR. MIYAMOTO: Thank you, Mr. Chair. I'll try to keep this short. I'm not sure if Members got this chart that I put together.

CHAIR HOKAMA: Can you show us the chart again please, Mr. Director? Okay. Why don't we hand that out to the Members please, so as Mr. Miyamoto goes through it we can follow along? Okay. Mr. Miyamoto, we have copies of your document.

MR. MIYAMOTO: Thank you, Mr. Chair. We heard the Committee's comments in the March 27th meeting, so I put together this handout depicting the possible directions

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regarding our Budget Amendment request. Our request follows path A. Circumstances that we have no control over have resulted in projected revenues exceeding the revenue projections we did for Fiscal Year 2015. Path B directs the Department to look within, to find the funds that we are requesting. We have...and Mr. Ratte, after me, will be providing that information. When we looked at the Operations contracts, in order to disencumber sufficient amounts of funding to support our request, we would disencumber portions of the contracts that are addressing long-term regulatory compliance. Since we submitted the Budget Amendment, our proposed Fiscal Year 2015 Budget was submitted and the funds to fund the contracts that are proposed for a disencumberment were not included. So if we are asked to look within, we'll be asking in our 2015 Budget proposal for additional funding for the contracts that we had to disencumber that addressed long-term regulatory compliance. The funding source for that request could be the excess revenue that was identified in path A. The funds in path A will be considered Carryover/Savings for FY '16. Now I'd like to turn it over to Mike Ratte who will discuss the contracts.

CHAIR HOKAMA: Okay. Thank you.

MR. RATTE: Thank you, Chair; thank you, Councilmembers. Just a brief background of...where I came from was from Solid Waste and I'd worked there for over 20 years in...well, in Wastewater before I got transferred to Solid Waste, but I worked in maintenance and operations and management for quite a number of years there, so I brought that to the table and to try to bring about some positive changes for Solid Waste Division. First thing I did as Chief was do an internal audit. We definitely found some areas of compliance concern, we found some inconsistent priorities and lack of measureable goals, and some long-term planning challenges because of the crisis management that the division has been in for so long. We're making progress for sure and we've produced some of those documents for you guys over the last year. However, the worst finding that I found was a difficult level of cooperation perhaps between Council and Administration and it's not a one-way street, there's been challenges from both sides. And, for me, that increased cooperation I think needs to be addressed perhaps, 'cause I think we can all agree that cooperation is more beneficial than finger pointing and trying to place blame back and forth and media war and all that that's happened over this past year. So we're here to attempt to try to start a more cooperative process, and we hope Council's willing to do the same. Recalled it when we first got the budget cut back in last year we started to make some service cuts. I'm going to keep this brief. At that point in time, there was a measure of good faith that we made, and I know this is a different Council body, but it's important for you to know that we did make those cuts in the attempt to reestablish the ability to make it through the fiscal year financially. There was an agreement there between the Mayor and the Council Chair at that time; and in good faith, we did reinstate services with the understanding that we would resubmit our budget after the election period was over. We did that on December 8th, and on March 27th Budget and Finance Committee set up a meeting to discuss that shortfall. So we've been criticized for a lot of different things. Maybe some of it justified, some of it I don't think it was; but, to me, is the Solid Waste Division perfect? Of course not, we're far from it. We've

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openly admitted historical compliance concerns and our lack of resources to address a lot of those things. The '09 audit and the Solid Waste Management Plan both supported the division need for additional resources to build sustainability in the division, so that's what we're trying to do now. We have new priorities, new goals and measures, a five-year plan, we've looked at our compliance issues over the last eight years. Unfortunately, that's a very costly measure that we've had to look at, but it is the facts and that's what we've been working with to try and address. Keep in mind that that ISWMP plan, the Solid Waste Management Plan called for a \$50 million a year budget. Our budgets right now are hovering around 30 million and still we get some cuts there. So I just respectfully wish for this body to realize where we're at budgetwise and what that ISWMP is actually calling for just to meet status quo. Yes, we've been blamed for not doing better; but, to me, this cycle that we're going through needs to be done. We need to look at what's going on in the Division and we need to take an honest approach to building sustainability. Those of us that have worked hard on that for the past couple of years, it's getting more and more difficult to continue to deal with some posturing back and forth and some political things that have happened in the media perhaps. But these issues that we're dealing with in Solid Waste are not political issues. We're talking about environmental protection and building sustainability; that's what my job is. I mean I'm not a politician and I'm not an elected official. My job is just to build resources for the Division so that we can reach and meet the goals and measures that we give Council each year; that's what my job is and that's what we're trying to do. We just want to provide that perspective for Council. So if we don't start to work a little closer together I think and try to realize what's best for the environment and for the taxpayers, you know, we're going to continue with this stalemate of blaming back and forth. So what now? What I suggest is we try to leave the past in the past and try to build a positive future for the Division, something that the Council can agree with, something that we can work with and build sustainability; that's what we're trying to do and that's our goal, that's our goal with the FY '15 Budget as well as the '16. We're committed. We're committed to doing that, whatever it takes and we just ask the same from Council, respectfully. We've listened to Council's recent concerns and some of the things in the media, but some of those concerns are valid about contract monies potentially being available, CIP was brought up. With that in mind, we invested a bit of time to provide this contract status report that should be in front of you today. I believe that's the 11x17 document. I know it's small font. However, we looked at every single contract we had in the Division; we looked at prior year encumbrances; current year; we looked at the balance projections for the end of the fiscal year; the IFAS balance; all those things are on that chart; and, lastly, the end of year balances that we projected, further to the right. In addition, there's a repercussion of cutting those contracts. Just for Council's awareness, when choosing those options and choices of where we go from here, basically, it's limited to two, really. Either we allow the funding of the supplemental budget that we've provided to Council and the suggested changes that were made with this revised supplemental budget. We definitely need those two limited-term positions at the outer landfills just to maintain safety and consistent landfill hours. We would actually be able to fill those sooner rather than later because some of those positions we're actually able to use existing staff to move up and then a labor position or one that's a lower-level position maybe more readily available in the community, but

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getting qualified operators is difficult. So that would reinstate the ability for us to decrease these closures that we've been having. We've had 40 of 'em in our landfills so far this year. It's not what we want to do. We don't believe that that's providing sustainable service to the community and it's not meeting our goals and measures that we gave Council, so it's not something we want to do. The funding source, as Mr. Miyamoto expressed earlier, is in our current Solid Waste Division Fund because of additional revenues; therefore, we recommend this choice, this option one of funding the Supplemental budget. The other option is, and that's where we provided this chart for Council to look at, is to potentially look at cutting some of these contracts or services in the operations program to make up the shortfall. Cutting those contracts only to re-encumber them in FY '16, to me, doesn't make fiscal sense if the money's coming from the same location. If it's either coming from Solid Waste Fund or the General Fund, it makes no difference whether we continue with our efforts that we're doing now versus stopping them now; and some of these are compliance related, and we rather not halt efforts in compliance areas. But only reinstate them or re-encumber that money in FY '16 using the same funding source, I'm not seeing the justification there, but perhaps we can talk about that further. But certainly when we stop efforts in compliance-related projects, we are doing a few different things. One is, if we've identified them as addressing some compliance concerns we have then that's, in effect, us stopping efforts in areas that we shouldn't be stopping. Whether we have extra monies at the end of the fiscal year or not, these are contracts and things that we should continue to address. If we don't certainly we would be in an issue where if we stop contractors or consultants in their tracks and try to re-encumber that money FY '16, we may pay more for re-encumbering that because we've stopped their work, we've stopped their engineers or their contracts in the field. Yeah, there are going to be potential damages there that we have to address. But worse than that I think is the potential for increased risk of stopping identified compliance concerns; that is not recommended again by us to do that. And if the money is coming from the same source, again, we don't feel option two is the best choice for the community or the environment or Council, because of that funding available that we do have. That being said, if that option is chosen or if no options are chosen, that is more or less what we're...we would be forced to do to start cutting those things to make it through the fiscal year. We would respectfully wish for Council to review this chart and just note the contracts that they would see best for us to cut or reduce knowing, you know, the repercussions that we put on there. I know it's a little complicated, but if you look at the far right under repercussions of disencumbering contracts there, you'll see these codes and then those codes relate to things at the bottom of the chart whether it's related to a Solid Waste permit requirement, Clean Air Clean Water Branch compliance requirement or whether there might be safety infractions or risks of injury to our staff out in the field, or for just termination of convenience which a lot of people have talked about recently, and the potential increased cost for doing that as well. So we just cordially request Council to look at those before making the choice to cut those contracts knowing where the funding source is coming from. So, ultimately though, it is Council's choice. We do await your decision. We're willing to speak openly one on one, here today, whenever. Our doors are open. So we appreciate your consideration. Thank you.

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CHAIR HOKAMA: Okay. Thank you very much, Mr. Ratte. I don't recall the Department, last year, coming in and telling us that this was critical 'cause it was a compliance project. Do you recall, Mr. White, that that's how it was presented? This was a compliance, that wasn't, this is...

VICE-CHAIR WHITE: I don't recall. I don't recall which were presented as compliance projects, but I think my recollection is compliance is the rationale used for just about anything in this Department, and possibly rightfully so. But...

CHAIR HOKAMA: Okay. Thank you. Members, I'll open it up to have you present some questions you may have for the Department. Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: This, of course, is a very interesting situation. Chair, I wish that I had had a little bit more time to take a look at what was handed out to us before I can really ask my questions -

CHAIR HOKAMA: Okay.

COUNCILMEMBER BAISA: --so I'll wait if I'll have another opportunity.

CHAIR HOKAMA: Members, why don't you tell me now, who would like a few moments to review the documents that the Department presented this afternoon? I'm happy to give you a short break so that you can prepare some questions that overall would save more time. Okay. Five minutes okay? We'll be in recess till 2:55. . . .(gavel). . .

RECESS: 2:50 p.m.
RECONVENE: 2:58 p.m.

CHAIR HOKAMA: . . .(gavel). . . We shall bring this meeting back to order. I will ask the Members, if you do have a question off the document...and we had a question from the public, too, so we are reviewing that request with Corporation Counsel and we'll give the public a response regarding questions regarding certain documents.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Yes, Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. I can continue now.

CHAIR HOKAMA: Yes, please.

COUNCILMEMBER BAISA: And thank you very much for the break, appreciate it. It gave me an opportunity to understand the different columns. Lot of information here. I would like to ask if Director of Environmental Management or whoever he wants to refer it to or you to explain for us. I'm very interested in the key that's been provided about possible repercussions of disencumbering encumbrances, particularly letter I.

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And the reason I asked the question is, you know, I don't want to put us into any kind of situation again with legal problems and fines and all that stuff.

CHAIR HOKAMA: Okay. Thank you for that question. Mr. Ueoka, you're going to respond?

MR. UEOKA: Can I take that one? Thank you, Chair. Generally speaking, Mrs. Baisa, we'd have to review the specifics of the contract; but, typically, there is some type of penalty, I would say, for that type of termination 'cause it is a contract. So if it's anything ranging from...it's like the stopped work and having demobilization, remobilization type of thing, but it would vary depending on the specifics of each contract. Thank you.

COUNCILMEMBER BAISA: And, Chair, if I might follow up? The other question that I have in this regard--and I guess Corp. Counsel, you probably are the one to answer--but it's been my experience that every time we try to do any paperwork around here, it takes a whole lot time. What kind of, A, timetable are we looking at if we're going to do this? 'Cause we need this settled, from what I get it, now.

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. It's going to take some time 'cause it'll have to be a...possibly, I'm not sure, if it would be a cancellation of the contract to disencumber it or an amendment to the contract to reduce amounts; that type of thing. So that can take anywhere from two to three weeks at a minimum. And furthermore, going into it, on July 1st, assuming the money gets appropriated in the FY '16 Budget, the cycle will start again on having to do the contracts over. And I'm not sure if we'll have to go...again, it'll depend on the specifics of the situation, but might have to go out rebid and everything and that'll take months, so...

COUNCILMEMBER BAISA: Thank you very much. I'm just trying to get a handle on, you know, how practical and possible is it to disencumber and take care of the problem. Thank you, Chair.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. And, yeah, I was just trying to, I don't know, add up all this paperwork and information. But, basically, the ask is the total amount, the \$700,029 and then the back of this December 8th communication is the breakdown, the E/P, the...

CHAIR HOKAMA: The request, yeah, the revised request, that's correct, Ms. Cochran.

COUNCILMEMBER COCHRAN: Okay. And so alright. I'm just trying to see Landfill Attendant, Equipment Operators, Civil Engineer, these are the E/P descriptions that you folks are needing immediately?

CHAIR HOKAMA: Department?

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MR. RATTE: Yes, that's correct.

COUNCILMEMBER COCHRAN: Okay. And so in relation to this huge contract list then how...you didn't really, to me, I didn't really get a clear explanation on this and then this; so I need to tie it all in here.

MR. RATTE: Okay.

COUNCILMEMBER COCHRAN: Can you just elaborate? I don't know.

MR. RATTE: Sure.

COUNCILMEMBER COCHRAN: Give clear details here. Thank you.

MR. RATTE: Yeah, the...it is two different...

CHAIR HOKAMA: Before you respond. Mr. Ueoka, you will monitor his response. If we are entering into an area that I need to consider executive session, you shall inform me.

MR. UEOKA: Yes, Chair.

CHAIR HOKAMA: Thank you. Okay, proceed.

COUNCILMEMBER COCHRAN: Thank you, Chair.

MR. RATTE: Okay. Yeah, it is two different subjects, actually to some extent, where the positions are one component of our supplemental budget and the financial part was the other portion. As we had mentioned at the beginning of the FY '15 Budget deliberations, some of these positions can be outsourced and some cannot. Engineering can be, but our operators and our landfills cannot; so that's why we've had these closures continuously since then because we want to be safe and compliant as best we can at the landfills. The fiscal component of it is higher and it's higher than what we initially asked for and higher than what was cut; and we did our best to try to explain that to Council in that the outsourcing, especially of engineering versus in-house engineering, is sometimes three or even four times the cost of in-house staff. So that's where there's some disparity of fiscal differences between what was cut and what we're looking at now. That being said, you know, we've had supplemental budget requests before Council I believe two out of the last three years. Obviously the Division has had some challenges coping with a new philosophy of compliance and safety first, and we're working through that. And, again, we're not perfect there, but we're getting better most assuredly. Now on the chart that was before you, yeah, I wish we had had more time to go over it in recess there. But basically we went through and scoured every contract that we had in the Division, and that contract number's on the far left. And as you move across, you'll see the vendor, the description, and then further to the right you'll see what our anticipated expenses are between now and the end of the fiscal year, and then what the current year available

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balance may be. Next column is whether or not Council had proviso'd that contract. The ones that were proviso'd, we did not assume were available just because it was Council's intention to maintain those contracts and not allow usage of those monies in our operations budget. So we didn't make any requests to cut any provisos that Council had made during the Budget deliberations. And then we have, the next column over, Estimated Remaining Current Year Encumbrance, and then Potential Disencumbering that we can do. Estimated Remaining Current Year Encumbrance, I'm sorry, and Potential Disencumbering Prior Year Encumbrance, so those are potentials. And the next column over, we're actually disencumbering as many of those as we can, where it says Solid Waste Division Disencumbering Contracts. So those monies we're going to disencumber, but a good portion of those are prior year encumbrances. And our understanding of prior year encumbrances, if we disencumber them now, they're not available for use in FY '16 until they're certified funds, and that can take a good several months if not six months into FY '16. So, unfortunately, disencumbering these prior year expenditures, which is more of a housekeeping effort, that's why a number of these are relatively small numbers. It's something we do every year, you know, whether you had a little extra money or not, you disencumber what you can. Unfortunately, that's not going to help us in FY '16. That'll be available in the Solid Waste Fund for FY '17, is our understanding of that. Nonetheless, we wanted to note it here so that Council was aware of that, and that's a good question as well. The repercussions are, basically, everything that we could come up with that we would have to address or Council would have to at least take into account if recommending cancellation of any contracts. And those codes, I know it's a little complicated, we couldn't think of any other way to display it other than that. But it basically says, you know, whether or not it's a Solid Waste permit requirement; Clean Air Clean Water Branch requirement; whether that's a safety infraction or risk of injury for our staff if we don't address that; or, as we talked about earlier, whether if it's termination for convenience or disencumbering a contract and reestablishing that contract, what those implications may be that Mr. Ueoka expressed earlier. Did you have any further questions?

COUNCILMEMBER COCHRAN: Well, I guess the amounts you're looking at to get adjusted as it increases, I'm just trying to figure out. So you're looking to disencumber or cut in order...I mean if you don't get the money, then how...is there a plan B on this?

MR. RATTE: Basically, we have no plan B so we would be looking to Council to make a recommendation in that area. Our plan A is as we described, the supplemental budget that you had before you. We did recognize and address the source of funds in the Solid Waste Fund account. And since the money is there, yeah, we can do a better job at looking at our contracts, as Mr. White has expressed earlier. We can do a better job at making sure that we don't have CIP contracts or things that could be CIP spent with Operations' money and we're working through that. However, at this point in time, you know, I think our best plan is to use the funding that is in the Solid Waste Fund. It was additional revenue that was above what we had projected at the beginning. Actually that was, gosh, about a year and a half ago, so things change. The C&D revenue that we collected for a couple of weeks there gave us additional monies as well, things of that nature. Kind of happen almost every year and it's kind

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of outside of our control. With that being said, our plan before Council is the supplemental budget, fund it with the Solid Waste Fund monies, not disencumber the contracts especially if they're contracts that Council is going to request re-encumbering next fiscal year anyway, we didn't see the benefit of shuffling that money if it is coming from the same source. Plan B would be up to Council. We provided this chart more or less for Council to realize that, you know, we want to be completely open and straight with Council as to what we got on the books. Hopefully these numbers are close to what you guys have seen in IFAS; that's where we get our numbers from. We've added in what our anticipated expenses are, but at the end of the day, this chart kind of speaks for itself. And we only offer up the repercussions to so that Council understands that if we do this, there may be different repercussions depending on the contract; that's why there's different codes in that far right column there. So, yeah, we have a plan A for you.

COUNCILMEMBER COCHRAN: Okay. That's all for now, Chair, thank you.

CHAIR HOKAMA: Okay. Thank you very much. No matter what, Council will make sure there's repercussions. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. First, I might ask if there was any decision on the getting this out to the...

CHAIR HOKAMA: No, I'm awaiting for some comment from Corporation Counsel.

COUNCILMEMBER COUCH: Gotcha, okay. Mr. Ratte, you said that you can fill the LTAs fairly quickly. From what we heard from Personnel Services this morning, that's very surprising that you could do that.

MR. RATTE: Well, if they're...they are limited term. Initially, in the budget, we requested for permanent positions and, frankly, I believe we remain justified in that; but in a limited-term basis, it can happen much quicker especially if we have in-house staff that have the operator license. In this case, we have two operator positions. If we have in-house staff that can do that or somebody at those locations that can take those positions, limited-term positions can be filled in a matter of weeks, couple of weeks even. With promotion, without exam, we can do interviews, that can happen pretty fast. We used to be able to do 'em in one week. It's basically like an emergency-hire situation. Now if we do that from in-house staff, then that does leave a vacancy below that which we'd also do as LT. But if that's a laborer or an attendant at that level, much easier to find that type of skilled staff that can qualify for those positions even in these remote areas. So that's why...and we, you know, we went down this path to prepare for it, so we feel confident.

COUNCILMEMBER COUCH: Okay. The other big thing is—as you are painfully aware, that this Council doesn't like to add positions—the question I would have is, what are the compliance concerns? And, Mr. Ueoka, stop me if...or I'd rather go into executive session, but...we need to know what the compliance concerns are.

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MR. UEOKA: Chair, if I may?

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you. I would ask that if we go into the details of compliance issues, we enter into executive session. Thank you.

COUNCILMEMBER COUCH: Okay. I don't know, Chair, if you're willing to entertain that, but I really would be...

CHAIR HOKAMA: You know, for me, you know, if it's a general question about compliance and not about a specific issue or specific project, I would ask Mr. Ueoka if that's a concern for us to be in executive session if it's a general question of compliance.

MR. UEOKA: Yes, Chair, if it's a general question regarding compliance...

CHAIR HOKAMA: It's not about a specific situation, a specific project, counselor. It's a general question regarding compliance.

MR. UEOKA: Yeah, I believe that would be okay.

CHAIR HOKAMA: You'll be here, you can monitor the question.

MR. UEOKA: Thank you.

CHAIR HOKAMA: Ask your question.

COUNCILMEMBER COUCH: Okay. Well, I guess, you know, we gave you some expansion positions in FY '15, I believe we gave you a couple. Were you able to fill those?

MR. RATTE: One of those was an engineer position that required a reorganization to be done, takes time to do that. We processed the paperwork, provided it to DPS as soon as we possibly could, there's been progress on that, reorganization has been signed off by Managing Director, and we're actually very close to actually getting that position. So we've done all we can do with that position. The other position that was...

CHAIR HOKAMA: How many months has that position been, that you're describing to us?

MR. RATTE: Well, if we had the position available to us July 1st, we would have processed that immediately as a reorganization. How many months is that, nine months? Yeah. I don't know the reason for that amount of delay. We've done reorganizations in the past that took much quicker, I can't answer that question for other departments. So I can just say that we've done all we can do to process that paperwork. The other position that we had provided to us by Council was a Hana landfill operator. That position, if you recall, the documents we gave Council on our priorities, Hana was further down the list. We requested six positions. I believe that might've been number five, perhaps, or six. I don't know off the top of my head. But Molokai operator was a

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more important and a higher priority for us. So we went through the process to move that position from Hana to Molokai. That process is done and I believe we're in the process of getting the interview set up and filling that position. So it took additional time to move that position. It wasn't what we wanted to do, but we had to stick to the priorities; and if we only had two, that's what we did.

COUNCILMEMBER COUCH: Okay. And did you not get a central Maui landfill attendant? I can't remember if we...

MR. RATTE: Yeah, we did actually, and that was reallocated to an engineer position for us. The reason we did that is to address compliance concerns, to try to grab the lowest hanging fruit we could with positions available to us. Again, we needed the six, but with only the two, we did what we could with the two; that is our management's right to do that, so we reallocated that position. And that reallocation is done, progress has been made with that, and I believe we've actually already started interviews on that process to fill that position.

MR. MIYAMOTO: Mr. Chair, if I may add to it?

CHAIR HOKAMA: Mr. Miyamoto?

MR. MIYAMOTO: Some of the thought that goes into why we prioritized the way we did. For example, why was the Hana attendant lower priority? Hana, being on Maui, we can supplement them with someone from driving from Central Maui Landfill and they can get there within two to three hours; the islands of Molokai and Lanai, you cannot. You have to get 'em on a boat, get 'em on a plane, somehow get them there and it takes hours to get there, much more difficult to support them; and so that's why we chose that Molokai position as probably the one that we needed the most. As far as in engineering, we looked at our compliance and our challenges in that area. And the Division only has two engineers when you look at the amount of work that they have, the compliance issues they have. We've tried in past years to get environmental compliance person, we've had difficulty getting that. So the engineer is being tasked with those types of things: looking at all the permits, what are the requirements of the permits. And so that's where we had placed the priority when we made that change, that decision.

COUNCILMEMBER COUCH: Okay. And I guess, Mr. Chair, they're asking for a couple more, you know, three more positions to fulfill compliance requirements and I would really like to know what those requirements are, but I think that might cause Mr. Ueoka to have a heart attack.

CHAIR HOKAMA: Mr. Ueoka, that requirements would require executive session? Mr. Ueoka, you pay attention to me not Staff.

MR. UEOKA: I think they can keep it general, Chair, and not get into the specifics. I'm not sure how detailed of an explanation Mr. Couch would like, but generally speaking,

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they can describe to you what these positions would be...what the positions would be doing.

CHAIR HOKAMA: Mr. Couch, you have a question?

COUNCILMEMBER COUCH: Well, just what compliance issues are you trying to fulfill by filling those positions?

MR. RATTE: In general, we'll start with Hana for example. Basically, at Hana, as well as Lanai, at this point in time, we have no dedicated operator position there that can work every single day. In Hana, we have no dedicated operator at all. We have a working supervisor position there that's supposed to manage and supervise the facility and do some backup work. Per our permits, we're required to have a backup operator. We don't even have a dedicated operator right now. Thankfully, because of Council's approval, we do have one in Molokai in short order now; however, at Lanai and Hana we do not. So, from a compliance perspective, it's more of a OSHA requirement and safety and why we've had some of these closures to address this lack of staffing is this in a nutshell, basically, at the working face, we need an operator and we need a spotter, somebody to watch the loads coming in making sure there's no hazardous materials making sure that the load is okay to dump. Once they dump it, it's a big problem for us if it's something that's inappropriate. So the spotter and operator are both needed. At a landfill like Hana or Lanai, if our working supervisor is the actual operator on the working face--which we've had to do in the past--and there's no spotter because we're lacking that one staff because somebody's on vacation or on sick leave or extended leave of any kind at any time, we don't have enough staff at those two facilities. So we need the dedicated operator position. We actually had it in the past, funding was cut and we've experience, like I said, over 40 closures just this fiscal year alone so far to try to make sure that our staff's not working on _____. If we have an operator on the working face in heavy equipment on the trash, something happens to his equipment, breaks down because the hydraulics, tires, whatever, and he has to step off that equipment and walk through that working face, he may step on glass, sharp metal, whatever. So...okay, understand. So to be safe, you need the spotter there as well, and that's just something that we want to do. So we don't have that available to us right now, whenever we're one staff short at either those two facilities, so when that happens we cut all management supervision at those facilities and we use our supervisor there as an operator. And we've been trying to get by like that prior to me transferring to the Division, I think that's how it was; but now, it's just...it's not acceptable from a management decision at this point. So we have made management decision to cease that type of activity and make sure that whenever we have an operator on the working face, we also have a spotter there as well. So we've had to pull the guy from the scale house or wherever else, close the gate at the landfill, cease additional materials coming in so that we can, at the end of the day, have our two staff available out there. So that's basically the same for Lanai. Lanai is a little different in that we also collect refuse in Lanai as well, but that's very similar to Hana.

CHAIR HOKAMA: So this is a management thing and not a compliance thing with staffing? If that's what I heard you just explain to Mr. Couch's question?

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MR. RATTE: To clarify, in our permit, it does require us to have backup personnel to operate our equipment that's required in the landfill, and we don't have that backup personnel right now. OSHA's also another major compliance area that is very much in line with this justification.

MR. MIYAMOTO: Mr. Chair?

CHAIR HOKAMA: Mr. Miyamoto?

MR. MIYAMOTO: Mr. Chair, and also, you know, when we only have one operator at these outer landfills, if that person goes down, then we have to bring somebody from Maui to get over there to be the operator. Previously, when we were combined with Public Works, we would always...we had this exchange of funds with Public Works to try and get somebody out there to be an equipment operator. So there was always that assistance within the Departments. That being the end...that being terminated, we now have to depend on ourselves, and Maui is the biggest pool of support that we have for our outer landfills. And that's a challenge, if somebody is unavailable, then we have to support them with the Maui staff in some manner.

CHAIR HOKAMA: Okay. Yes, Mr. Couch?

COUNCILMEMBER COUCH: A follow-up on that. Where does it say in any of our County rules or whatever that you couldn't borrow from Public Works? I know there's issues with how you pay 'em and what not, but I would think it would...you could still have that kind of an agreement on Lanai, Molokai, and potentially even Hana. To say, look, if we need you, can we borrow you and we'll deal with the funding later, kind of thing. I mean it's the same County.

MR. MIYAMOTO: Yeah.

COUNCILMEMBER COUCH: I know it's a program budget and different departments, but it's the same County.

MR. MIYAMOTO: Right. And we have done that in the past when we used to do interfund transfer from Solid Waste into the Public Works program. And, you know, the challenges there are twofold: For us, one, we get someone who may not be totally experienced and qualified on a landfill, you know, if he's driving that compactor on the soap surface the wrong way, he could tip it. So we need to have qualified and trained people. So we would have to do some kind of like cross training like how Fire Department does with Public Works, and Public Works assist with Fire. For Public Works' side, having been on Public Works previously, the challenge for them is that it's sort of like an emergency. So whatever they have planned for that day and everything, their crew who's dependent upon that equipment operator, if we were to request it that day, then all of their other staff that was supposed to be on that project gets put on hold. And so that's the challenge that they've experienced from their side. Let's say they were cleaning out a drainage ditch that day and they were going to need

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five guys on the crew, the equipment operator was going to be driving the equipment to do the clearing. If we take that operator away then now they have to scramble to figure out what to do with the other four guys. So that's been the challenge that they've experienced also when we borrow people from them.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. Last fiscal year, you requested six positions and four positions were approved, is that correct? And before you answer, so am I to understand that out of that four positions, one was for Hana, which you just stated you moved it out of Hana and took her to Molokai. And the other three positions were actually on Maui, right, your Central, is that correct?

MR. MIYAMOTO: Actually we were only given two positions, as Councilmember Couch pointed out. We requested six, we were given two, one at Central, and one at Hana.

COUNCILMEMBER CRIVELLO: Okay. And my...okay. So on Molokai, you took the additional heavy equipment operator from Hana to Molokai.

MR. MIYAMOTO: Yes...

COUNCILMEMBER CRIVELLO: But all those years your driver or working supervisor as well as your additional employees were operating the equipment there at the landfill, is that correct?

MR. MIYAMOTO: Yes, they were. The supervisor was acting as the operator, he wasn't fulfilling his duties as a supervisor, long-term planning compliance that would close the landfill for the island of Molokai. So those were the challenges we were experiencing at that time.

COUNCILMEMBER CRIVELLO: So in 2015, did you have supervisory personnel also transfer to Molokai or is that part of this, yeah, Fiscal '15, yeah?

MR. MIYAMOTO: The actual person there is the overall supervisor for our rural landfills. Like we have one person that oversees Hana, Lanai, and Molokai. And so we had to put him into a budget so basically he's in that index code. But he doesn't physically reside on Lanai 'cause he is always visiting the other two landfills.

COUNCILMEMBER CRIVELLO: So on the average, Molokai, you have three employees; in Hana, you have only one. No?

MR. MIYAMOTO: No. Molokai, we have four employees: we have a cashier, the working sup, the attendant, and the laborer. In Hana, we basically just have the working sup, the attendant, and the laborer.

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COUNCILMEMBER CRIVELLO: You have three then in Hana?

MR. MIYAMOTO: Yes.

COUNCILMEMBER CRIVELLO: I see, okay. So within this...so we have three months left in this fiscal year. And how have you been in compliance for the last nine months? And you're worried about...your concern is meeting compliance to hoorah the last three months.

MR. MIYAMOTO: Yes. So as we said, we prioritize Molokai so we don't have a challenge supporting them. For Hana and Lanai, the working sup is working as the operator, so his supervisor is now doing not only his job, but he's doing their supervisory-type jobs looking at closed facilities, looking at other long-term planning for those facilities. So now we have a supervisor who isn't doing his job also because he's busy doing his subordinate's job also. But they remain in compliance because that's what the permit says, but the challenge there is that supervisor isn't doing his job and he's not a backup for what we were requesting is an operator there, equipment operator, so...

COUNCILMEMBER CRIVELLO: So is the compliance—and Mr. Ueoka can cut me off—so your compliance is in accordance with your Department of Health...meeting your Department of Health permits and okay...so that's a question, is that meeting your Department of Health permits?

MR. MIYAMOTO: As you're aware, you've seen our permits and those permits are based upon how we tell DOH we're going to operate that landfill. So if we vary from that, we need to work with DOH then it becomes a challenge for us. We also have OSHA requirements for safety for our employees. So as Mr. Ratte explained, you know, the attendant watches outside of the equipment that the equipment operator does so that if something dangerous is there, he can let the operator know. The laborer is looking at the public, taking care of the public so when they're in there, that we don't get in conflicts with the public.

COUNCILMEMBER CRIVELLO: Okay. Chair, if I may continue? So I'm going to use Molokai as an example because that's where I take my trash to. So, on Molokai, you have contract workers for your metal recycling, you have your contract workers for your green waste, you have your contract workers for your redemption, okay. So what's your average tonnage that...do you have a formula to measure how many employees...like what amount of tonnage of your landfill accepts that you're going to need this many employees and this many supervisor and heavy equipment operator to meet your compliance? Because...well, I'm just thinking it all depends on your tonnage, also, per month, per week. I mean...

MR. MIYAMOTO: Mr. Chair?

CHAIR HOKAMA: Director?

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MR. MIYAMOTO: The tonnage only comes into effect when you start reading a critical level where you need more equipment because you can't complete all the necessary functions within that day. For example, when you compare Hana, Lanai, and Molokai, Molokai being our larger volume of waste per day, somewhere up, it's between ten and twenty tons per day. Whereas somewhere, like in Hana, it might be somewhere between five and ten. Regardless of the tonnage, there's still certain requirements that they have to do. They have to have an equipment operator, you have to have an attendant to make sure that equipment is operated, the materials around him is safely done. The laborer, somebody needs to watch the residents because we're dumping on an active face for a landfill. So those three are definitely the bare minimum. If somebody looking at this landfill for long-term future, the answer is, if you only have three, no. That's why we had the working supervisor who looks at not only his closed facilities but also the long-term planning for these types of facilities. How to make operational adjustments. I mean we've looked at, for example, we talked about tarping, we've done a lot more tarping now to try and reduce costs. These are all types of decisions that a landfill supervisor would be more in tuned with rather than the guy that's driving the bulldozer, compacting the trash, and putting the dirt on it.

COUNCILMEMBER CRIVELLO: Well, I'm going to use Mr. White's comment when he was dealing with the Fire Department. How much out of the box can you go because how much time does your heavy equipment operator is actually operating the equipment with the limited tonnage; and if you have minimal tonnage, how much time throughout the week? 'Cause why I mention that you have metal contract workers, you have green waste, and then you have your redemption; so that's completely separate and yet, you know, I keep hearing, we need to be in compliance, we need to be in compliance. So how much work? I mean even here in Central you have contract—if I'm not mistaken—with collecting the litter around the fence, you know. So when you're saying within the next three months we've got to meet our...cover our number of employees, we have our contracts to meet, and everything is to be in regulatory implications. And then the concern I get when I hear your Department say, if not granted, we reduce services. So at one point you're saying, increase; and another point, there's like, either grant us this or we reduce services. So that being said, how many do you have from I would say, you know, on the higher management level that have all these oversights?

MR. MIYAMOTO: Mr. Chair?

CHAIR HOKAMA: Department?

MR. MIYAMOTO: In our landfill section, generally, we have an operation superintendent who oversees all of the landfills. Then we have a rural landfill operations superintendent who oversees Hana, Lanai, and Molokai. And then at each facility there you have your management structure from a working supervisory on down to the laborer. To address your concern about, you know, is there enough work, our challenge is the only way we can control when trash arrives at our landfill is by the hours that we're open. So if we want to keep those guys 100 percent busy, we limit the hours, everybody can be there and then they can only fit within that time window. As we try

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to accommodate both commercial and private sector, we try to open as long as we can, but we have no control when they're going to bring us their trash. So even in between loads, the guy on the operator, he's always compacting. If you've been out there, he's always compacting 'cause he's got to compact that load to get optimum density within that landfill to minimize how much airspace we're wasting so he's got enough work to keep him busy. Thing he doesn't have enough time for is checking on our closed landfills. I mean we've had litter control is also a big issue at the end of the closure. You know, we've had some windy days, Mr. Chair, that litter blows everywhere so we're closing early so that the guys can track down this litter 'cause that's part of our DOH permit litter control, we cannot have litter after we closed.

COUNCILMEMBER CRIVELLO: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. Just want to confirm that your request does not include any monies for existing employees.

CHAIR HOKAMA: Department?

MR. MIYAMOTO: Mr. Chair, no. In the chart that we provided I guess in the submittal, it just identifies the limited-term positions.

VICE-CHAIR WHITE: Okay. So you're willing to confirm that you have enough money in your A Account to cover all people currently working in the Department for the remainder of the year?

MR. MIYAMOTO: Yes. For A Account without Premium Pay, yes. Premium Pay, we have no control over. If we have a rainy event, that's going to require us to be out there to do landfill damage, you know, erosion type...address those issues. But for regular salaries, we should have sufficient.

VICE-CHAIR WHITE: Yeah, I ran...and, Chair, if you don't mind having Staff...I guess I can just pass it down.

CHAIR HOKAMA: Mark, if you can assist Mr. White, please? Before you hand that out, Mr. Pigao, make sure that Ms. Bouthillier has –

VICE-CHAIR WHITE: Yeah, it's all marked.

CHAIR HOKAMA: --whatever she needs to do. It's marked?

VICE-CHAIR WHITE: It's all marked.

CHAIR HOKAMA: Okay. Thanks.

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VICE-CHAIR WHITE: Yeah, what I've passed out is just the balances as of 2/28/14 and 2/28/15, and then the monthly expense. And to Mr. Miyamoto's point, yeah, the overtime obviously has to be included. I believe I included the overtime in the \$363,000 number for the monthly expense. But at this point in time, our Operations Fund stand at 1,340,000 compared to 1,068,000 last year. And in the Administration account we have 382,000 versus \$210,000 last year. So that means that as of today we're \$444,000 ahead of where we were last year or about 34.7 percent. Calculating the monthly expense of 418, it shows that we've got a \$50,000 buffer by the end of the fiscal year. So obviously, that's not a big buffer if we have rain events as Mr. Miyamoto mentioned. But I just wanted to confirm that because I think when we start talking, Mr. Chair, about closing landfills and laying everybody off, it's making it sound like we didn't budget enough money to cover our employees, and I just want to make sure that the public understands that this is a challenge that has been created by overcommitting monies that are in this year's operating budget to contractors who are doing various compliance work as they've stated, but this commitment goes way beyond Fiscal Year 2015. What that means is that, as they've stated, there's about \$1.3 million that has been committed to contractors for work that's not going to be done this year, but all the money comes out of this year's budget. So my problem is, I don't have a problem with them complying with everything, I think, you know, obviously, all of us want us to be in compliance. My problem is that the way they have handled the contracting is putting our employees at risk, and the way they've handled the contracting has put monies out of their reach for the use in this fiscal year to cover both employment expenses and operating expenses through the rest of the term, and that's why they're coming back and asking us for these monies now. And, Chair, my concern has been that I don't believe we've gotten an honest budget for the last two years, because the previous budget to this one, we were handed the budget and then the very next day, they decided to announce they were going to close all the recycling centers, then they backed off of that. Well, why didn't they provide us a budget and tell us exactly what was going on? Then last year, they provided us a budget once again and we essentially gave them all but \$140,000 of the funds requested, over 99 percent. And then shortly thereafter, they announced to, before it came to Council for first reading, they announced that they were going to only commit to six months of the contract year for the folks that were doing the recycling for the County and have been in many cases, for over 20 years. So, as you'll recall, we went back and after giving them a budget with all the money in one program so they could use the money in any way they felt, we went back and we said, hey, you're going to use this much for operations, this much for recycling, and this much for equipment. So, again, my concern is that I don't want the public to think we don't have the money to pay our employees because we do. So if I look at this request, other than the employees, yeah recycling tonnages are projected to exceed original FY '15 estimated amounts, and they're suggesting that it's going to cost about \$128,000 more. And I went through and added up the...for the various recyclers: for Aloha Glass Recycling, they're average over the prior 28 months has been \$9,200 and the average of the last eight months under the current contract is \$5,300; Maui Disposal, prior 19 months was at \$37,000, it's down to \$32,000 over the last eight months; EKO Systems was \$209,000 per month for the past 12 months and has been \$2,006 [sic] over the last seven months. Then to see if there was a jump, I looked at the last three billings in this

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most recent three billings where there seem to be a little bit higher numbers, and Aloha Glass Recycling has gone up from 20,000 to 26,000; Maui Disposal up from 112- to 123-; and EKO Systems has gone down from 675- to 629-. So the net result is we're actually down 28,000 so I don't see where the exposure is for that item. With respect to the Hana Makai Berm compliance project, as we stated last time we were together, we set aside \$750,000 for that project in our CIP. The way it looks to me in IFAS is that we initiated a contract with a company back in I believe it was February of 2014 and we encumbered \$117,000. Since encumbering that money, we've spent I believe around 59,000 on the Makai Berm, and I'm not sure what the other billings were for, it just says, engineering for Hana Landfill, so it could be the same project. But, again, this is a CIP project; 59,000 of the 117- has been spent on the CIP project. They have in November, long after they told us they were running out of money, they've encumbered another 280,000 to move forward. So if we take those two amounts and move them to the CIP project, it's money that's going to be available to the tune of about \$300,000 just for that one item. And maybe, Department, can you help me understand? The Brown and Caldwell contract appears to be for design work for replacement of a manhole for the leachate system. Is the leachate system, is that part of the CIP for Central Landfill improvements or is that a separate project?

MR. MIYAMOTO: Mr. Chair?

CHAIR HOKAMA: Department?

MR. MIYAMOTO: Yeah, the sewer manhole, there's an existing sewer manhole where the leachate—leachate is defined as any water that touches landfill waste that gets into the system and we have other protocols to deal with that—that manhole, as you can imagine, deals with some nasty stuff coming out of the landfill, the water that's touched whatever's in the landfill. So the manhole has become deteriorated so the contract is to go ahead and look at how we can replace that. Because it's a relatively deep one. How do you maintain something that you're pretty much always in operations, you know, so that's what pretty much the contract is.

VICE-CHAIR WHITE: So is that...but is that part of last year's request for I think it was 1,050,000 for CIP or is that a repair and maintenance...

MR. MIYAMOTO: No—that's repair maintenance, yeah?—yeah, that would be more of a repair and maintenance 'cause that's something that's utilized on a daily operations. We need to renovate that existing manhole.

VICE-CHAIR WHITE: Okay. So that's not part of the CIP?

MR. MIYAMOTO: No.

VICE-CHAIR WHITE: Okay. And you don't consider that a CIP project?

MR. MIYAMOTO: Because it's an existing facility, I mean it's more of a repair and maintenance, it's in Operations. I mean if it's like, if we were to replace a motor on a

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pump, would that be a CIP or would that be more in a, you know, maintenance-management-type replacement?

VICE-CHAIR WHITE: Okay. And as I mentioned earlier, a bunch of the recycling contractors had their funds encumbered for just six months at a time. So that's a practice that could've been applied to other contracts, is that correct?

MR. MIYAMOTO: Yeah. It can be applied to service-type contracts. Whereas, you know, when you do other CIP-type contracts, consulting contracts, that becomes more problematic 'cause then the cost can go up. The CIP, the service contracts, were pretty much, you know, they're long-term contracts to provide the service for the County dependent upon the budget, annual budget being approved. So what we did was that, you know, six months, if we run into a challenge in the last six months, we'd have that funding available to assist us into funding the regulatory-type work that we felt we needed to do.

VICE-CHAIR WHITE: Okay. There's also a contract for Cornerstone Environmental which was entered into in the last part of January for a two-year period for \$640,000. So that could have been contracted differently, correct?

MR. MIYAMOTO: Yes, we probably could have phased that into multiple-year contracts that, you know, whether that might have...there are cost implications where they're not...you know, when you do it multiple years, then they may say, well, we don't know if you're going to cut the phase two so they may modify their price schedule for...

VICE-CHAIR WHITE: But isn't it correct that you...for a multi-year contract, you only have to encumber the first year?

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. There's a lot of other requirements that go into a multi-year contract, but you're correct, you have to have the funding for the first year and a reasonable assurance—I believe the language in the HRS—that the following year's funding is available.

VICE-CHAIR WHITE: Yeah, just so that the folks that are not familiar with encumbrances can understand, what we do in government effectively puts money in escrow for the...whatever that money is. In this case, \$640,000 goes into escrow and it sits there and we can't touch it for other expenses, but the multi-year contract allows us to only encumber the first year. Obviously, when you sign a contract, you're responsible for paying it. When I sign a contract on behalf of the company that I work for, I'm committing to making those payments, but I'm certainly not taking money out of my current account and sticking it in an escrow account for that company. So what we do in government is very, very different. And I...anyway I won't...moving on to CH2M Hill, what kind of work do they do for the...this is a contract that looked to me like it was a multiple-year contract. Looks like it was an addendum to extend, is that correct? And SSFM?

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MR. MIYAMOTO: Mr. Chair?

CHAIR HOKAMA: Department?

MR. MIYAMOTO: Do you have a contract number so we can look at which ones you're looking at?

VICE-CHAIR WHITE: It's C5676 for CH2M Hill and C5708 for SSFM.

MR. KEHANO: So the CH2M Hill contract, that is for our groundwater monitoring, and so we're...part of that contract is to also evaluate our current system because we believe we may have more wells than we need or may need more wells than we don't have at this point. So that's part of their evaluation. And then, like I said, the second part is to do the actual monitoring and sampling of those wells.

VICE-CHAIR WHITE: That's groundwater, that's not leachate --

MR. KEHANO: Groundwater.

VICE-CHAIR WHITE: --right?

MR. KEHANO: Correct.

VICE-CHAIR WHITE: Okay. And that...it looked to me like that contract is an extension of work that they've been doing for us. 'Cause there's a current contract and we haven't gotten copies of these two that were entered into in February? I'm assuming they're just extensions of the same work.

MR. KEHANO: This actually this contract is...for CH2M Hill is actually new. We did have a different consultant last year doing that same work.

VICE-CHAIR WHITE: But CH2M Hill is still under a contract with a remaining balance.

MR. KEHANO: Correct.

VICE-CHAIR WHITE: Correct?

MR. KEHANO: For the rest of this year, yes.

VICE-CHAIR WHITE: Is that a...so the new work for CH2M Hill is different from the previous contract?

MR. KEHANO: The monitoring part would be similar, but we did, like I said, we wanted to do an evaluation of whether or not we needed the wells that we did have out there, the groundwater-monitoring wells.

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VICE-CHAIR WHITE: Okay. I should probably let others ask questions, Mr. Chair, so I'll stop for a minute.

CHAIR HOKAMA: Mr. Guzman, did I give you your opportunity for questions, sir?

COUNCILMEMBER GUZMAN: No, but I could yield my time with Mr. White. No, I just...you know, just in looking at the charts, Chair, I kind of want to know when the dates of enter into these contracts and the whole previous accounting. It just seems like it's a web of different anomalies that are going on, and then I'm just trying to figure this out in terms of they're using operating money for CIP, and I don't know which contracts are CIP contracts and which are service contracts for maintenance and operations and when were these contracts entered into? It would be nice to know those dates as well. So just other information. Thank you.

CHAIR HOKAMA: Well, the Chair has similar issues with the Members' questions and comments. So one, Mr. Miyamoto, today, could you tell the Committee how much operational money you've used for design work for CIP projects and what those projects are?

MR. MIYAMOTO: Mr. Chair, offhand, you know, I guess the challenge that we have is definition of a CIP project, what constitutes that. For example, like our Hana Landfill, we did have CIP monies for it, as Councilmember White pointed out, we had 750,000 for work at that landfill; but under the CIP definition, we're not building a structure at that location we're doing a remedial action of prior inappropriate actions by putting waste in a conservation area. I'd have to go back and look to really see where, you know, if...where we've...by definition had money, construction money in a CIP and where the design funds came from for that CIP project. I'd have to go back and look at it.

CHAIR HOKAMA: Okay. I going tell you this, for me, that's a no-no. That already continues to erode the level of my confidence in the Divisions and the Departments. You guys want to talk about trusting who, because on Page 694, Members, there is a \$1 million+ request and one of it is this leachate recirculation system P2, which is one of the contracts on the document provided. So why wouldn't this be part of the planning design from the CIP monies? So we are definitely going to put a stop to whatever practice whoever started this baloney of using operational money for capital improvement projects is going to end this budget session. You don't want to be upfront with us, live with no money. A zero-based budget means you going be punished for this type of action. Lying to the Committee and the Council, that won't be tolerated at all. We'll go through another round of requests. Mr. Carroll, any questions for this Department on this area? Ms. Baisa?

COUNCILMEMBER BAISA: No thank you, Chair. There's a lot of information. I still don't feel comfortable after asking the question about the possible legal consequences of disencumbering or whatever we want to call it. So I need to have that answer, thank you.

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CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, I share your frustration here. I guess just looking at this whole list, and then the repercussions section. You have one, Item H for safety infraction and risk of injury and death; yet, none of these pertain to that potential repercussion but you listed it. So just wondering why it's even listed. If none of your contracts per se, if not carried through, is going to relate to such a potential risk. Just thought it was odd.

CHAIR HOKAMA: Department?

MR. RATTE: Council Chair, may I? Okay. Yeah, it was an oversight.

COUNCILMEMBER COCHRAN: Oh.

MR. RATTE: We initially had positions. And the LTs on this chart, we took those off to just have contracts only. So that was related to positions that we needed at the outer landfills rather than contracts per se here.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you, Chair, that's all.

CHAIR HOKAMA: And on the chart, Members, that the Division was kind enough to put forth for your information today. Just for those that may not be aware of, the second column says, index code or sub-object code. Normally, and I say "normally", if it starts with the number 9 in the front of it, 9 is normally the indicator that it is operational funds. So if you look at it, it's all basically operational funds. Okay. Mr. Couch, your opportunity.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I noticed, you know, in all the fund moving back and forth and whatnot, I mean something has come up that affects my district for sure and that's the cancelation of the 3 Can Plan, which was funded completely through the end of the year. So if you've canceled the 3 Can Plan, what happened to that funding?

CHAIR HOKAMA: Department?

MR. RATTE: I guess you're assuming that if the supplemental budget wasn't funded by the Solid Waste Fund and contracts were cut, I guess we would look to Council to make recommendations as to which contracts were cut so that we can properly prioritize.

COUNCILMEMBER COUCH: Well, I thought we proviso'd in last year's budget to pretty much fully fund the 3 Can Plan in recycling and that was...I thought it was a proviso. It's listed here on...in the ordinance. Proviso number 4, provided that 3.4 million shall be for Solid Waste alternative programs and that the recycling...program shall be maintained. So you're saying that's not really 3 Can Plan?

MR. RATTE: Correct. That 3 Can Plan was not proviso'd by Council.

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COUNCILMEMBER COUCH: Okay. So you move...alright, so you canceled it, but it was fully funded was it not through June of this year?

MR. RATTE: Fully funded in the amount that we had put in the budget, still subsidized.

COUNCILMEMBER COUCH: Sure

MR. RATTE: But, yes, that's correct.

COUNCILMEMBER COUCH: So since you canceled it, I think it was February 1st, you have four months of funding that you had allocated for a 3 Can Plan, where did that go?

MR. RATTE: We'll check exactly how much savings that was. I don't think it was a significant amount, but bear with us for a sec.

CHAIR HOKAMA: Okay. We'll give 'em some time to look...

COUNCILMEMBER COUCH: Okay. 'Cause I know that plan is in our area and my constituents are a bit miffed that it got canceled when it was supposedly fully funded, so...

CHAIR HOKAMA: I understand, Mr. Couch.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: Department?

MR. RATTE: The cancelation of that program has much more to do with additional items in addition to just this FY '15 Budget. It had to do with an evaluation that the County had done. Big picture evaluation of the cost of 3 Can Plan versus other recycling alternatives. I believe the current year available balance looks to be about \$8,300. But we can confirm that.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: So it sounds like you saved \$8,000 for cutting it off four months early? I mean I...

MR. RATTE: Yeah, correct.

COUNCILMEMBER COUCH: Okay. Thank you.

MR. RATTE: We probably actually saved a fair bit more than that because of the additional subsidies that it does cost to run that program in addition to what the funding was for that line item.

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COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: And one of the things we need to keep in mind and ask the questions at the right time is, who is in charge of the policy? Why wouldn't the appropriate standing committee of the Council make a policy decision on the 3 Can Plan and come to this Committee regarding the monies? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Don't think I'll have too many more questions except for the fact that you make mention in this chart...again, I have to go back that if not granted the additional funding, you will reduce services. Does services include high management or is it just your workforce? Not that you managers are not workforce, but...

CHAIR HOKAMA: Department?

MR. RATTE: I'm sorry, can you...

COUNCILMEMBER CRIVELLO: This is just your...

MR. RATTE: For which page?

COUNCILMEMBER CRIVELLO: To reduce services, does that include the higher paid level of employees? Your chart, your reduction, if you don't get the money?

MR. RATTE: This chart here, okay. This one here? Oh, does reducing services include higher-level management? I mean most of the service contracts that we have in Operations, if they're contracted out to subcontractors or general contractors that's where the savings is going to be.

COUNCILMEMBER CRIVELLO: Oh, you're referring to contractors not necessarily employees then.

MR. RATTE: Yeah, I guess I misunderstood the question, I'm sorry.

COUNCILMEMBER CRIVELLO: Oh, okay.

MR. MIYAMOTO: What we were saying is when you reduce services, we reduce the man hours, the hours of our landfill that are open to the public. So generally, rather than pay the guys overtime to do litter control or what you've seen is we've had 40 early land closures so that we can do the litter control. So, generally, we're not looking to really cut the hours of our staff, but rather cut the services that we serve that we provide to the public like we've done over 40 times this past year, so far this year. We reduce the services that we provide the public that way we have adequate time for staff to do the permit-required-type things like pick up litter and make sure everything's covered, the landfill's covered and compacted.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

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CHAIR HOKAMA: Thank you. Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. I've passed out a spreadsheet. I know everyone would be disappointed if I didn't bring a spreadsheet today. But the first six contracts listed are some of the ones that we've discussed already. And, again, you know, my point is, you know, I expect the Department to act on behalf of the taxpayer just as much as we do. And, for me, this is all about working within the budget you've been given. And to have arrived at this point to find out that they have encumbered \$1.7 million more than they had last year, that waves a red flag that maybe we're able to do things differently so that we're not putting services and employees at risk and not reducing services to our taxpayers. The first six contracts have been entered into since receipt of the Budget Amendment, so they already knew that they were running out of money. Had they contracted these differently, they could have harvested over a million dollars. Well, except for the sixth contract which is the convenience center; that was proviso'd so that would require them to come back to Council, so that would reduce that to 870,000. The next two contracts are ones entered into since the decision to reduce pick-ups and landfill hours. And, of course, I mean this list is not as extensive as theirs because I just cherry picked the larger numbers. The one for A MEHR has to do with the Hana Landfill Makai Berm project, which is the CIP project; I've already spoken to that. That contract being switched to CIP would harvest another 280,000 and possibly more if you reclassify the amounts spent on the Makai Berm already. The Refrigerant Recycling contract is a one-year contract, and it looks like...you know, had we only encumbered what was necessary through the...no, it looks like we're going to have that much left over by the end of this fiscal year. So the total of 2015 funds made unavailable due to overencumbering of contracts is 1.46 or 1.26 depending whether you include the convenience center or not. And the bottom section is accounts with no activity for the last nine to twenty-two months. And you can see the contracts there: Munekiyo and Hiraga, Maui Printing, Aloha Glass Recycling, Maui Disposal, EKO Systems on it. I'm assuming that the Department would utilize these funds if the funds in the other recycling area were not sufficient to get to the end of the year, but those are funds that are available. So if you add all of that up, it's 1.6 million or 1.46 million if you take out the convenience center. So again, you know, Chair, I'm not happy because I think we've handed them more than enough money by a considerable measure. And had they contracted responsibly, because they've known since—when did they cut services, in August?—they've known since then that this was...at least they have suggested since then that we're running out of money. I don't believe we were, I don't believe we underbudgeted them. I think they could've made the contracting work for them instead of working against them. And, for me, I'd like to start the 2016 Budget with a clean slate; but, for me, this is a real problem to approve just because of all that we went through during the fall and all that we've been told and all the threats to the community that they're going to close the landfill and lay everybody off. And I also, Chair, I understand the concern that there needs to be some legal situations, but I honestly don't feel there would be any legal problem if we were to go to these contractors and say, you know, we'd like to adjust the contract to fit our financial needs just for now so we can pay our bills because we've overextended ourselves? I don't think any one of these contractors

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would have a problem if you say, we're gonna continue this and we'll just have a little break in the encumbrance, but that's just me, Chair, thank you.

CHAIR HOKAMA: Well, maybe we can have the Department of Management do a little bit more managing, especially with contracts and CIP projects. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I don't want to dilute Mr. White's presentation. And thank you very much for producing a chart and these are the questions that I'd asked previously, the dates, the terms. And must've been reading my mind because all of a sudden this thing popped out. Very good. It's probably is not a full reflection of all of the potential availability of funds or if we went through the entire chart that was produced by the Department. In this fashion that Mr. White has produced we might have even more instead of 1.4 mil. But probably have to go through a more in-depth analysis. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Mr. Carroll, any other further questions? Ms. Baisa, any further questions at this time?

COUNCILMEMBER BAISA: Not really a question, but I'd like Corp. Counsel to give us his mana`o about the legal thing.

CHAIR HOKAMA: Mr. Ueoka, if you could address Ms. Baisa's area please?

MR. UEOKA: Thank you, Chair. It would get really technical and I'd have to look at each individual contract and read it. I'm not familiar with them off the top of my head, so I can't give you a specific answer. But there may be repercussions and there may not be if they're willing to negotiate with us. But, as I mentioned with your original question, it will take time regardless of whether or not there's any financial penalty or anything, but it will take time. Thank you.

COUNCILMEMBER BAISA: Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, not a question, but just curious if Department has received the spreadsheet and if—I don't know if we want to go into it—but if they have any comments, general, overall comments.

CHAIR HOKAMA: Do you have a copy, Department? Yes, they do.

MR. MIYAMOTO: Yes, we do.

COUNCILMEMBER COCHRAN: Would be nice. Thank you, Chair.

CHAIR HOKAMA: Okay. You wanted anything from Mr. Miyamoto?

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COUNCILMEMBER COCHRAN: Yeah. Whoever. I mean I think it spells it out pretty nicely and clearly and concisely, as Mr. White has explained. So what is your folks' initial take and comment back to this, please?

CHAIR HOKAMA: Mr. Miyamoto?

MR. MIYAMOTO: Thank you, Mr. Chair. It's hard to disagree with these numbers. As you look at the contract dates of a lot of this, it's after we had submitted our supplemental budget. Unfortunately, in December, a decision was made that...an agreement was made that we continue services and that all we needed to do was supplement a...do a supplemental budget amendment and that, you know, that would handle our challenges. Unfortunately, we're here today and it's a much far different date. So these contracts were initiated with the assertion that from the December timeframe when we were told to continue on as is, the supplemental budget would be the one that would resolve those issues. So I can't argue with the dates, I can't argue with the contract amounts. And all I can say is explain why we kept going when we did. We were told, we were instructed to do so; it's all I can say.

CHAIR COCHRAN: Okay.

CHAIR HOKAMA: By the Mayor? Who instructed the Department?

MR. MIYAMOTO: It was pretty much...the Mayor's our boss. Yes, he is the, you know, with the agreement with the then Council Chair at the time. He reached an agreement so he instructed us to continue on.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: And so seeing this spelled out I guess, it's put as overencumbering, do you feel a need, you know, on your Department's behalf or whatever, to sort of take a look at how this practice is and perhaps changing it in the future? And I understand, it's not going to take just your decision as the Department, but as you said, your boss, the Mayor, too. So I just on record if you see that there is potential for better usage of the monies versus this practice of over--per se--encumbering it, in these contracts.

CHAIR HOKAMA: Department?

MR. MIYAMOTO: Mr. Chair, for the Department, it's a very difficult situation as we were put between an agreement that was made and what we felt was appropriately to, as Member White says manage properly and not spend what we don't have, we were really challenged this past year to do that. And, you know, since December, we had submitted our supplemental budget. We were wondering when it was going to be heard. Here we are, it's April, it's being heard; and that's why we had to look where we could save the funding, the monies, where are the monies. And we met with our Corporation Counsel, we have some challenges with some of the contracts that we have in that they're looking to stave off some potential noncompliance issues down the

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road. So we're really challenged in that aspect of it. I mean had that agreement not been in place, we possibly wouldn't be here today to be honest.

COUNCILMEMBER COCHRAN: Okay. Thank you, Department. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you. Just as a follow-up to my other question, I don't know if you said you were going to get the information, but I would like information of, you know, the actual versus budgeted amount for the 3 Can Plan 'cause that could or could not be a large amount of money.

CHAIR HOKAMA: You want a verified response, Mr. Couch?

COUNCILMEMBER COUCH: Yeah, if I mean if that's what is necessary. But I would like that budget versus actual.

CHAIR HOKAMA: Department?

MR. MIYAMOTO: We're probably going to have to look it up because it was sort of the funding was from a vendor specific for the recycling, 'cause that required a materials-recovery facility. To be honest, I'd have to really go back and look at it.

COUNCILMEMBER COUCH: I guess it just confuses me, Mr. Chair, that they're able to stop that contract without repercussions, or apparent repercussions, but others they can't. So I guess that's where the confusion is.

CHAIR HOKAMA: Okay. We'll follow up on your behalf, Mr. Couch.

COUNCILMEMBER COUCH: Okay. Thank you.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. I'm sorry, but I'm so hung up on your public announcement about reduction with employees, so I come back to that question. Do you have enough monies to meet payroll?

CHAIR HOKAMA: The Deputy responded, yes, if it did not include overtime or Premium Pay. He responded he can finish the fiscal year without those additional unforeseen Premium Pay or overtime cost.

COUNCILMEMBER CRIVELLO: Okay, okay.

CHAIR HOKAMA: Am I correct in my understanding, Mr. Miyamoto, that's what was your statement?

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MR. MIYAMOTO: Yes, and that's, you know, in order to meet that A Account amount, we would cut, you know, like a lot of the services that drain from that overall program. So, you know, if we have to pay the employees, we have to find that funds within the program to do it whether it's A Account, B Account. You know, the A Account, if we don't touch it, then we cut the services in the B Account.

COUNCILMEMBER CRIVELLO: So you don't...so, in actuality, you don't have the funds to meet payroll, is that my understanding? So I guess, too, if you have reduction in services, does that mean reduction for employees' work hours or are you just concerned about your overtime? So if it's just your regular time, will you be able to provide your services and meet all the payroll requirements or...I mean even if you reduce services, aren't you bind by contract to put in notice and what have you with reduction?

MR. MIYAMOTO: Yes. The UPW contract says we need to give every employee a date certain at when we would be laying them off 90 days in advance. HGEA doesn't have that designation of specific. In order to meet payroll, you know, the direction there is to disencumber contracts that are on the Operations in order to make the payroll be sufficient.

COUNCILMEMBER CRIVELLO: Oh, I see. So you would have to go through the process of disencumbering contracts to meet payrolls for your existing employees?

MR. MIYAMOTO: Yes.

COUNCILMEMBER CRIVELLO: Wow.

CHAIR HOKAMA: That's a different answer from the earlier answer we got.

COUNCILMEMBER CRIVELLO: Yeah.

CHAIR HOKAMA: So which is the right answer?

COUNCILMEMBER CRIVELLO: I don't...

CHAIR HOKAMA: Well, that's part of the problem with this request, we keep getting a different version of the answer.

COUNCILMEMBER CRIVELLO: Can I ask another question? So if you're talking about not having enough payroll for your employees and reducing services, does that include your payroll?

MR. MIYAMOTO: The monies that we're asking for is in our operational program not the administrative program.

COUNCILMEMBER CRIVELLO: Just putting it out there.

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CHAIR HOKAMA: Which means they get paid yet.

COUNCILMEMBER CRIVELLO: Thank you.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: I think it's interesting that they separate Operations from Administration. And then they can say, they don't have enough money. But if they combine the two, because of the savings in Administration, they have more than enough money to cover payroll. I think it's, you know, I don't like this saying, we don't have enough money. The only reason you don't have enough money is because they've overcontracted, they've overcommitted \$1.3 million in two future fiscal years. I don't know why we have such a hard time with the math here. They're taking money out of our employees' pockets, essentially, by overcontracting and overcommitting to outside contractors. And they have more than enough money to cover the employment costs except other than, Mr. Miyamoto said, if there's an unusually high amount of overtime. The, you know, the monthly expense that I put on my spreadsheet is the monthly expense over the past...the first eight months. That includes overtime of about \$400,000. So they have the money in the payroll accounts to cover all of our employees and they can move it around any way they like just like they moved 1.3 or more out of our reach because they encumbered it. So, you know, I think I need to ask the question, if you simply postponed engineering services for Central Maui Landfill of 105- and postpone for three months the replacement of the tank and pumps in phase IV-A wet well, and postponed the professional services, or contract services, for recycling tonnages, actually the monies...I think the money is clearly there for those, so I don't really see if we can postpone three little projects that they're asking for money for. They're saying we have money for everything else, so why do we need this Budget Amendment in the first place?

CHAIR HOKAMA: Mr. Miyamoto?

VICE-CHAIR WHITE: That way we don't have to disencumber any projects, and if we need to cover some of them, we can move roughly \$350,000 from Operations to the Hana Landfill Berm project. And postpone...well, is there any...are there any contracts that are on my list that you feel...or on your list that you feel could be postponed to start dates that are after July 1?

CHAIR HOKAMA: Director?

MR. MIYAMOTO: Mr. Chair, to respond again, given your contract dates and everything, I can only apologize. We were just, you know, we're dependent upon an agreement that was there so we continued on as we felt necessary for addressing compliance. Certainly, in our chart, we've identified a lot of the contracts with funds that are available if you look at the column that's identified as Estimated Remaining Current Year Encumbrance. That identifies several contracts that, you know, if you look at two columns over, we say we need this much more to get through the year, that would leave this much we could encumber of the current year contract, so we've identified

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that in that spreadsheet. We look for guidance as to which ones, you know, we have the far column on the right, what are the implications of disencumbering a lot of those funds, but we've also identified that we need X amount of funds to complete the year so that way the contract is still working through the year, through this budget year. And then when the new funding comes available, we go through the process of refunding the contract. You know, as Mr. Ueoka pointed out, it depends on what the contract says whether we can...we have to terminate or if we're able to do an amendment to...but that would have to come after this Council goes through the 2016 Budget simply because...unless the amount we cut is put in the '16 Budget, we're not going to have that money in the '16 Budget to continue on those contracts.

VICE-CHAIR WHITE: Okay. So are you saying that the...do your numbers include us spending the full 105,000 on professional services on the top of your list, 105,000 professional services, 150,000 on contract services, 25- on contract services, 120-, and then on professional service for the Makai Berm at Hana, and then 128,000 on contract services? Are you suggesting that even with this you're going to run out of money? Or which of these can you postpone? I don't know that I got an answer to my question, whether these four projects can be postponed.

CHAIR HOKAMA: Director?

MR. MIYAMOTO: Mr. Chair. Yeah, I'm trying to compare your list with our list. For example, in contract 5658...

VICE-CHAIR WHITE: No, I'm sorry, I'm just looking at your list.

MR. MIYAMOTO: Oh, I'm sorry.

VICE-CHAIR WHITE: I'm looking at your Budget Amendment summary. And while you're looking for your list, one of the things that you mentioned was you hired an engineer because the landfill operator wasn't as critical and you've...so does that mean that the one that you hired can do this consulting work to develop specifications and bid services and construction management? You keep telling us that you need engineers to do that for you, and you just changed the landfill operator to an engineer.

CHAIR HOKAMA: Department?

MR. RATTE: Actually, if you're referring CML's landfill attendant position that we changed to an engineer to address maintenance programs and long-term planning for Operations at CML at Central Maui Landfill. So that position, actually, was reallocated reorganization and now we're in the process of hiring that position, but it wasn't an operator, it was a landfill attendant for Central Maui and it wasn't targeted to do CIP or major operations design or plans and specs of that nature.

VICE-CHAIR WHITE: Okay. But is it possible to postpone that \$105,000 expense until July 1st?

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MR. RATTE: Yeah, I think we could do that knowing the potential repercussions of the delay. Any of these delays that we're talking about whether they're in contracts or positions further open us up to potential concerns that we've identified under the contracts as well as in the response to the Budget and Finance Committee. I believe that was March 6th. We submitted a breakdown of all the positions that we needed and that might help answer Ms. Crivello's questions earlier as well, but I think that's the date that we provided that response.

VICE-CHAIR WHITE: Okay. And what work has been done thus far on the repair and replace tanks and pumps for phase IV-A wet well?

MR. KEHANO: So this one, the design is complete and then I believe we're working on going out to bid here soon. And I think this is the one we talked about in the last meeting where we have CIP funding for it and we plan to hopefully have a contract encumbered by August of this calendar year.

VICE-CHAIR WHITE: So how much of the 150,000 have you already spent?

MR. KEHANO: So I should...that's the Brown & Caldwell contract that you probably...I think it's the 5658, and you have 13,252, but...yeah. So I think we did a later time when we ran the report, but we're at 37,000 or thereabouts, and then we anticipating getting progress payments adding up to about another 43,000. So...

VICE-CHAIR WHITE: Okay. So we've already got 94,000 of that set aside. You've already encumbered that right? So you only need 55- for that. Would that be correct?

MR. KEHANO: So to get us through the rest of this year, you're asking?

VICE-CHAIR WHITE: Well, to satisfy the \$150,000 request.

MR. MIYAMOTO: If you look at the index code for that item 150, the 150,000 and you look at the chart that we provided, you'll see that that index code of 919509 also supports several other contracts. We're using those funds to support other contracts that we have on this list.

VICE-CHAIR WHITE: I understand that, but I'm asking how much of the 150,000 have you spent thus far? 'Cause it's ending up showing up on both lists, right, because you've got contracts that you've started that seem to be included in part of this total. You've already started spending the money that you requested. And, Mr. Kehano, you mentioned that this was for a CIP project. Could you identify which CIP project it's for?

MR. KEHANO: So under FY '15 it's titled Central Maui Landfill Improvements. So that was the million fifty-thousand. So there was three different projects all combined into one request.

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VICE-CHAIR WHITE: Okay. So, Chair, we have another amount that potentially could be for a CIP. So we have the 105- that they're saying they can hold off until July 1st. We have the 150- that sounds like it's largely involved in CIP. Then we have the 120- for the Makai Berm in Hana that's another CIP project. And 128,000 for existing contracts for recycling. I believe the money is there. So it's there under the...anyway I think I've said enough.

CHAIR HOKAMA: Thank you. Mr. Guzman, questions at this time? Well, Members, additional questions? I'm going to take a short recess and look at the various options that I can present to you for the Committee. Recess till 4:45. . . .(gavel). . .

RECESS: 4:40 p.m.
RECONVENE: 4:45 p.m.

CHAIR HOKAMA: . . .(gavel). . . Okay. We shall bring this 1:30 agendaized Committee meeting back to order. Regarding the final item on the agenda for today which is BF-23 regarding an amendment for the Fiscal Year 2015 Budget, Department of Environmental Management. This is where your Chair is at this point in time right now, I have no problem deferring this item. I think...I mean there's enough of us on this Council, this Committee, that can figure out there's more ways to skin the cat. So I will give the Department a hint, 'cause I shouldn't be the one coming up with the answer; but I'm tired of this issue. And the hint to you is, source of funding. And I think you guys are sharp enough to figure that out. So, Members, any objections, I'm going to defer this item? There's enough time. I think I can also look at the April 14th date; that's another date to bring this back forward on a specialized agenda if I feel it's appropriate. But I don't think we're ready for the decision this evening. So that's where I am. I think the Department can investigate a couple of other options of getting this done internally because how they perform on this is how I'm going to respond to the 16th request. Questions for your Chair? If not, any objections state it now.

COUNCILMEMBER COUCH: Wait.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: You asked for questions. I do have a question maybe for you or Mr. Ueoka. If these contracts are disencumbered—I mean I think that's a good route—are we going to be...have some issues with compliance if they were to disencumber some of these contracts that we're talking about?

CHAIR HOKAMA: Mr. Ueoka, are you prepared to respond to the question?

MR. UEOKA: Again, Mr. Chair, at this time, I don't know what contracts they'll disencumber, I don't know if they're going to disencumber any contracts. But we definitely would advise the Department when they make that decision. But I believe the Chair didn't mention disencumbering contracts.

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COUNCILMEMBER COUCH: Well, I understand but that seems to be the solution on the table without...

CHAIR HOKAMA: Not necessarily, Mr. Couch.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: I said there's more ways to skin the cat --

COUNCILMEMBER COUCH: Yeah, that's true, very true.

CHAIR HOKAMA: --than what we have been told, and I've done it before. So it's doable, Members. Other questions for your Chair? If not, any objections to the deferral?

COUNCILMEMBERS: No objections. (Excused MV)

ACTION: DEFER pending further discussion.

CHAIR HOKAMA: Okay. This meeting is adjourned. . . .(gavel). . .

ADJOURN: 4:48 p.m.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

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Transcribed by: Raynette Yap