

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 22, 2015

Council Chamber

CONVENE: 9:03 a.m.

PRESENT: Councilmember Mike White, Vice-Chair
Councilmember Gladys C. Baisa, Member (out 3:55 p.m.)
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (in 9:35 a.m.)
Councilmember Michael P. Victorino, Member (out 3:22 p.m.)

EXCUSED: VOTING MEMBERS:
Councilmember Riki Hokama, Chair
Councilmember Don Couch, Member

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

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

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

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

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor
Teena Rasmussen, Economic Development Director, Office of the Mayor
Tina Silva, Economic Development Specialist II, Office of the Mayor
Tracy Bennett, Economic Development Specialist III, Office of the Mayor
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Richard Lucas, Program Manager, Friends of Old Maui High School
Lehua Cosma, President Hui Laulima O Hana (via telephone conference bridge)
Duke Sevilla, Ke Ao I Ka Makani Hoehaili
Bob Richardson, Project Coordinator, University of Hawaii Sea Grant
Lis Richardson, South Maui Volunteer

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Terryl Vencl, Executive Director, Maui Visitors Bureau
Sarai Lokahia Stricklin, Artist of Maui Nui
Dan Clegg, Vice Chair, Central Maui Soil and Water Conservation District
Warren Watanabe, Executive Director, Maui County Farm Bureau
Lisa Paulson, Executive Director, Maui Hotel and Lodging Association
Teya Penniman, Manager, Maui Invasive Species Committee
Jeanne Skog, President and Chief Executive Officer, Maui Economic Development Board
Leslie Wilkins, Vice President and Program Director, Maui Economic Development Board
Robin Newbold
Cindy Reeves, Maui County Administrator, Maui County Administrator, University of Hawaii College of Tropical Agriculture and Human Resources, Maui Cooperative Extension Service
Craig Swift, Director, Business Development Center, Maui Economic Opportunity, Inc.
William Jacintho, President, Maui Cattlemen's Association
Sydney Smith, President, Maui Coffee Association
Kathy Louis, Director, Personal Care Program, Hale Mahaolu
Charles Head, General Manager, Fairmont Kea Lani
Tamara Sherrill, Executive Director, Maui Nui Botanical Gardens
Gerry Ross
Michelle Jones, Owner, Two Chicks in a Hammock, LLC
Laurel Loesberg
John Gerry
Susie Thieman, Executive Director, Lokahi Pacific
Yuki Lei Sugimura, Coordinator, Tri-Isle RC&D
Pamela Tumpap, President, Maui Chamber of Commerce
Che Frausto, Maui Nui Seabirds Recovery Project
Others (15)

PRESS: Akaku: Maui Community Television, Inc.

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

VICE-CHAIR WHITE: . . . *(gavel)*. . . Good morning, this Budget and Finance Committee meeting will please come to order. Members, this morning we have to move through the review of the OED Grants, and before we get started, I'd like to welcome Member Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

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VICE-CHAIR WHITE: Good morning. Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

VICE-CHAIR WHITE: Hi. Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha and good morning, Chair.

VICE-CHAIR WHITE: Good morning. Stacy Crivello.

COUNCILMEMBER CRIVELLO: Good morning, Chair.

VICE-CHAIR WHITE: Good morning. And Mike Victorino.

COUNCILMEMBER VICTORINO: Good morning, Chair and point of personal privilege if I may, sir.

VICE-CHAIR WHITE: Please.

COUNCILMEMBER VICTORINO: Today is Professional Staff Day. And I want to make sure that all of our staff throughout this County, throughout the State that helps make us look good doing our job both in our offices, here in the Chamber and downstairs and throughout this County, I want to wish them a great day, and bosses, take them to lunch, 'cause if you forget, work won't get done as expediently. So I just wanted to put that out, Mr. Chair. Thank you very much for allowing me that moment.

VICE-CHAIR WHITE: We all understand that we are at their mercy and depend on them for so, so, so much. This morning, Members Couch and Hokama are excused and Mr. Guzman will be joining us shortly. So with that, Members, without objections, we'll open public testimony.

COUNCILMEMBERS: No objections.

VICE-CHAIR WHITE: Thank you. And our first testifier this morning is Richard Lucas and he'll be followed by Duke Sevilla.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. LUCAS: Mr. Chairman, members of the County Council and --

VICE-CHAIR WHITE: Good morning.

MR. LUCAS: --the hardworking members of the Council Staff, good morning and aloha. My name is Richard Lucas, I'm the program manager for Friends of Old Maui High School, and on behalf of our organization and our more than 4,000 alumni members, I would

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like to thank the Mayor and the County Council for their continued support of our program. We have been working hard to restore the old Maui High School campus and put it back into use. And the purpose of my appearance here today is to speak in support of the budget request of the Office of Economic Development. We have been fortunate to have our grant under the Office of Economic Development and I say fortunate because over the years, OED has not only administered our grant but they have been a partner with us in bringing about the success of our program and the rejuvenation of Old Maui High School. The director, Teena Rasmussen has been very generous with her time and has taken a personal interest in our project and has provided us with guidance, with contacts, with other stakeholders who can help in the success of our program and has been instrumental in the RFP process, which has identified some new and unique possible end uses for the rejuvenated campus and for that we are extremely grateful. At a time when our economy is so often dominated by conglomerates and large corporations, it's crucially important to have an organization that supports the small organizations, the small businesses and the entrepreneurs and that's what OED does on Maui. But for their input and their support many businesses that started years ago and are now highly successful would not be here. They would simply be caught up in the larger businesses dominating the marketplace. If we are truly committed to the idea of keeping Maui, Maui then organizations like OED are vitally important in the success of that effort. And I am here today simply to urge you to continue your support of the important work that the Office of Economic Development does for Maui and for its people. Thank you.

VICE-CHAIR WHITE: Thank you very much, Mr. Lucas. Any questions for the testifier, Members? Seeing none, thanks for coming this morning. And before Mr. Sevilla comes up I, Mr. Victorino threw me off a little bit, we were supposed to go to Hana first because we have a testifier that needs to get to work.

COUNCILMEMBER VICTORINO: I apologize.

VICE-CHAIR WHITE: So, no, it's my fault not yours. So we'll go first to Hana, Dawn, do you have your testifier ready to go?

MS. LONO: Yes, Chair, this is, Dawn Lono at the Hana Office and I do have a testifier, Lehua Cosma on BF-1, and I just wanted to let you know we can hear the testifier through the Polycom very well, but we cannot hear you or the other Councilmembers through the Polycom.

VICE-CHAIR WHITE: Well, that's troubling I'm pretty close to my mic.

MS. LONO: I heard you just now, I have it all the way, I have the volume all the way up, but it's hard to understand what you're saying.

VICE-CHAIR WHITE: Okay. Well my wife tells me that all the time.

MS. LONO: Okay. Here's Lehua Cosma.

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VICE-CHAIR WHITE: Okay. Thank you.

MS. COSMA: Aloha, Chair Mike White and members of the Maui County Council. Good morning.

VICE-CHAIR WHITE: Good morning.

MS. COSMA: I'm Lehua Cosma, I come to you representing our Hana Dialysis Home Program, which is a part of the budget request. I'm here because I want to say thank you but at the same time if anybody has questions I'm available now to answer any one of your concerns.

COUNCILMEMBER VICTORINO: Mr. Chair.

VICE-CHAIR WHITE: Yes. So does that conclude your testimony? Does that conclude your testimony?

MS. LONO: Did that conclude your testimony?

MS. COSMA: Yes.

VICE-CHAIR WHITE: Okay. Mr. Victorino has a question for you.

COUNCILMEMBER VICTORINO: And I'll speak right in the mic so if she can't hear me we're in trouble.

MS. COSMA: I can hear you.

COUNCILMEMBER VICTORINO: Okay. Thank you. Lehua, I was, it was my understanding that some of the expansion, additional revenue that you were asking for, the Hana Dialysis program was asking for was for the ability to treat visitors who come to Hana and not have to have them drive all the way back into town for dialysis treatment, is that correct?

MS. COSMA: No.

COUNCILMEMBER VICTORINO: Okay. I apologize. I was...

MS. COSMA: It's not. It's for the current services that we are, that's existing right now. The numbers that have increased, that will be part of this program, like we are taking on a fourth patient next week, those, that budget request is just for salaries. But I do recall that we did talk about extending or expanding to offer extended-families this type of services too at one time. We left that up to Liberty Dialysis and it's been over six months since that was brought up to them, we have not heard back since but we are still trying and by next week, I'm hopeful they will be coming out to Hana and we will

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discuss this topic further. But as for now, the budget request is for the existing services and the numbers of new patients that will become part of this program.

COUNCILMEMBER VICTORINO: Okay, Lehua, thank you for that clarification. I apologize that I misread, well, I mean I'm glad that you said we did discuss it 'cause I remember that very distinctly. But thank you very much and hopefully something can be worked out with Liberty and that in the future you can serve those visitors, because that is a heck of a long trek for any visitor who's in Hana to come out and get treatment here in Central Maui. So let's see what happens but thank you and keep up the good work.

MS. COSMA: Thank you. But I do want to say when we talk about visitors, these are extended families that come to Hana for funerals, family reunions, weddings, you know all those special events that they do have ties in Hana, and it's unfortunate that at this moment, we have to turn them away, but in the near future we are hopeful that Liberty will support something, so just to bring clarity, these visitors are extended families. Thank you.

COUNCILMEMBER VICTORINO: Thank you for that clarification. Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you. Members, any other questions for Ms. Cosma? Seeing none, thank very much, Lehua.

MS. COSMA: Thank you.

VICE-CHAIR WHITE: And Dawn, do you have any other testifiers there?

MS. LONO: There are no other testifiers waiting in Hana.

VICE-CHAIR WHITE: Okay. We'll go next to our Molokai Office, Ella, do you have testifiers this morning.

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

VICE-CHAIR WHITE: Thank you. We'll next go to the Lanai District Office, Denise, do you have testifiers?

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

VICE-CHAIR WHITE: Thank you, ladies. As we did yesterday, if you have anyone that comes in to testify, please e-mail the Staff here so we know to come back to you and if we don't hear from you we'll just proceed with the testifiers in the Chamber. Thank you very much, and our next testifier here in the Chambers is Duke Sevilla, he'll be followed by Bob Richardson.

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MR. SEVILLA: Aloha and good morning, Chairman White --

VICE-CHAIR WHITE: Good morning.

MR. SEVILLA: --Councilmembers Carroll, Baisa, Elle Cochran, Stacy Crivello, and Mike Victorino.

COUNCILMEMBER VICTORINO: Aloha.

MR. SEVILLA: And Sandy Baz. I no forget you, Sandy. I'm here humbled and with much gratitude for receiving funds from the Office of Economic Development for Ke Ao I Ka Makani Ho'eh'ili, a nonprofit organization started for the care of the Ka'ehu Bay property. I want to thank each and every one of you for your commitment to open space preservation and to continue funding Office of Economic Development so that they can continue to help organizations like ours in our infancy years. We have already started with cleaning up Paukukalo's river mouth which we call Nehe Point, all the trash left behind from the squatters that left the area. With the partnership of the Police Department, Juvenile Section, POI program headed by Lieutenant Pladera, and Juvenile Supervisor, Viki Roemmling, we started organizing the trash for easy removal by bagging and sorting out the metals, tires, wood and miscellaneous items into separate piles. This has not been the first, second or third time cleaning up after people with no values of taking care of the, and abusing Nehe Point. For me I'm optimistic that we will never have to do this again at Nehe Point. Also with the help of, Bobby Houpu and Donnalyn Santos and neighbors around the area, David Lanning, his wife Shannon, Sharon excuse me and Jeff Buchwald having volunteered many hours using their own weed eaters and mowers with the upkeep of areas that needed maintenance and picking up of trash. Hawaii Wildlife Fund for having groups of volunteers come down once a month to clean up the beach of trash that have been swept up on the beaches from God knows where. Mahalo. And there is a lot of work that must be done. Cleaning out the auwais and the drainage pipe that spills into the wetlands, restoring the wetlands, kalo and fish ponds which at this very moment with the restoration of mauka-to-makai stream flow from the Wailuku River, springs are flowing again, eradication of plants that are invasive, and planting of native plants. Inch by inch, step by step, we all need to take action and we invite all of you to come and visit. The funding from OED gives us much needed support and motivation. We hope that the Council will continue to support the Office of Economic Development in their quest of distributing funds to organizations that help with smart management of our resources in Maui County, and thank you, Rob Parsons and Tina Silva, in guiding us through the grant process. Mahalo, Mayor Arakawa, for your support and visiting Ka'ehu and sharing of your days fishing and diving in the bay. Mahalo for Mike Victorino for being bold and making the motion to acquire Ka'ehu bay a few years back, and by the way, Keith Moniz said shaka, brah! I thank all of you for giving me time to share and as I leave, have an awesome and safe day. Mahalo. Peace out.

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VICE-CHAIR WHITE: Thank you, Mr. Sevilla. Any questions for the testifier? Seeing none, thank you for coming this morning. And Bob Richardson will be followed by Lis Richardson.

MR. RICHARDSON: Aloha. Council Chair White and Councilmembers, my name is Bob Richardson, I live in Kihei, I'm testifying on, in support for the position of costal process extension agent. Working through the Planning Department and UH Sea Grant, UH Sea Grant provides the science behind the dune restoration projects that my group has worked in, in Kihei for over ten years. The Sea Grant agent answers questions for us like what our sand dunes should look like and what do we plant on them, and how do we handle the invasive species, where should beach pathways be built to eliminate erosion, and also a question about how handicapped access should have access to our beaches in a way that protects the shoreline. Those are the small problems that we deal with through UH Sea Grant, but what we read about in the paper are the Countywide problems, for instance, where is the sand going to come from for the black rock beach nourishment project and who do you want making that decision? How do we deal with shoreline protection in areas where there is new development like at the Maui Lu renovation project, and will there be a dune restoration effort at the wastewater treatment plant and who will design it? We need those decisions to be based on science and that science should be local. All of our small projects we've worked with the Parks Department, the Planning Department and Public Works Department and always, always the science behind the decisions for our dunes has come from UH Sea Grant. In nature, the balance that keeps sand on our beaches and protects our dunes happens naturally. In communities like we live in here, where man has such a big impact on our shoreline, we need to know that the science is behind our decisions. Thank you for your consideration and for all the work you do on these budget issues. Much appreciated. Mahalo.

VICE-CHAIR WHITE: Thank you, Mr. Richardson. Members, any questions for the testifier? Seeing none, appreciate your coming this morning.

MR. RICHARDSON: Thank you.

VICE-CHAIR WHITE: And Lis Richardson will be followed by Terryl Vencl.

MS. RICHARDSON: Good morning. Aloha.

VICE-CHAIR WHITE: Good morning.

MS. RICHARDSON: Chair and the Councilmembers, my name is Lis Richardson and I live in Kihei. I'm testifying in support of the OED environmental protection grant program. Our group, Hoaloha `Aina or South Maui Volunteers has been a grant recipient for the last few years and we hope to be considered again in this coming budget year, and thank you all for approving those grants in the past. Our group works with Parks Department and UH Sea Grant on a dune restoration efforts at a number of our beaches in South Maui and occasionally even out further into other parts of Maui

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County. Our beaches and dunes are a precious natural resource, and this grant has allowed us to expand our volunteer scope and outreach capability. In addition to our core group of regular volunteers, we work weekly with local school groups on our dunes and beaches and also work with volunteers on vacation and snow birds that return to Maui every year for their vacations enjoying our islands. Our beaches and dunes are a part of a natural cycle, our dune systems are subject to both natural and human-caused threats from storms, blowouts, invasive species, development, foot traffic, irrigation issues and shoreline access issues. Working with UH Sea Grant to help explain the natural cycles of how we can work it to rebalance those systems and protect the dune after human impact or storm events while still providing beach accessibility is an important part of the volunteer effort. Thanks to grant funding such as the OED grant, we have been able to plan, build and install six dune walkovers, ramps at the Kamaole Beach Parks, three of which are ADA accessible that means what we have three ADA wheelchair ramps in Kihei so into service our locals and visitors alike no matter what their ability level. These efforts would not be possible without your support and we want to let you know that we really appreciate the opportunity to work for Maui County. Thank you and thank you so much for your support.

VICE-CHAIR WHITE: Thank you Mrs. Richardson. Members any questions for the testifier?
Seeing none --

MS. RICHARDSON: Thank you.

VICE-CHAIR WHITE: --thank you for your presence this morning. Terryl Vencl will be followed by Sarai Stricklin.

MS. VENCL: Aloha. Good morning, Chairman and Budget Committee Members. My name is Terryl Vencl, I'm speaking today on behalf and in support of the Maui Visitor's Bureau budget and the Office of Economic Development. I am the executive director of the Maui Visitor's Bureau and as you know our charge is to market the three islands of Maui Nui. We're grateful for the support you and the Administration have provided us over the years to help keep Maui top of mind. Our strategic goal is to keep our economy healthy and residents employed. As a bureau, our tactical goal is keeping Maui top of mind across the world. My biggest concern in this upcoming year is about competition. While we have added airlift which is wonderful for us so have our competitors. The Caribbean uses \$350 air credits to entice the traveling public, the consumer confidence right now is high but in real dollars when adjusted for inflation expenditures and room rates are not at the level that we saw in '05 or as UHERO says in all the way back to 1989. Other competitor marketing budgets this year are heads above ours, I have provided you with some backup information that you may look at, at your leisure. Mexico is spending 42 million plus air credits. California is doubling their budget from 50 to 100 million. According to the Wall Street Journal's survey recently of March 15th, travel is on the rise. The good news for us is that a lot of them are looking at staying in the U.S. which is our basic, biggest market; 55 percent of those 50-plus and older said they would plan on traveling only

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in the U.S. and 42 percent said they would travel both domestically and internationally. Together that's a possible 92 percent of the traveling U.S. market that we need to market to. Having said that, Europe is the top hot spot internationally right now for travel abroad. The types of trips people are taking are multi-generational, holiday, wedding and romance, family reunions, summer vacation but one of the largest percentages is bucket list. That would be us, we are the bucket list for many people. Of desired destinations in the Continental U.S., the South has won the battle, with the West coming in second. There's a renewed interest in places like the Carolinas and Georgia much easier to access and less costly. When asked about foreign destinations, it was Europe followed by Caribbean, Central and South America. Now how do we plan to keep their attention? Keep doing what we're doing because it works, we will be doing a new campaign and we will be doing a lot more in the field of social media. We've already begun to add the platforms of You Tube, Pinterest, Google Plus and others for the social media. A new PR campaign called, Chef's Exchange is another plan that we have this year already taking place where we take our chefs and we know how important ag and culinary is to our community. We take our chefs to those planners for group sessions, we take them to travel agents and to the media and share with them what we have in products and how great we are and what our ingenuity is in providing culinary experiences for them. You have some other information before you from, Conde Nast. I just wanted to share with you the importance of being in that publication, which is a very expensive publication but is well worth the return. Additionally this year we're adding --

MR. MOLINA: Four minutes.

MS. VENCL: --a new publication called, Departures which is a similar kind of thing targeted to our demographic.

VICE-CHAIR WHITE: Ms. Vencl, if you could...

MS. VENCL: I will wrap up by saying, I thank you again for your support, you have my testimony and you may finish the last paragraph. Quick mahalo to OED, Mr. Chairman, for helping us this year with that safety video, which is a huge step for us.

VICE-CHAIR WHITE: Thank you very much.

MS VENCL: Thank you.

VICE-CHAIR WHITE: Members, any questions for the testifier?

COUNCILMEMBER VICTORINO: Mr. Chair.

VICE-CHAIR WHITE: Mr. Victorino.

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COUNCILMEMBER VICTORINO: Thank you and I had the pleasure of seeing the safety video when I returned from New York last week so I got to, you got to wait for your luggage, it's right there by the luggage. The unfortunate thing is I also looked at all the people that had disembarked on my flight and nobody, I repeat nobody, looked that way. They were worried about their luggage and that was it. Now I know that's just one area, but I think and this is something I'd like to encourage the Visitors Bureau throughout the State to get to the airlines and have it on the plane when you still have 'em captive. 'Cause once they get off the plane, their mind is strictly let's go get our bags, get to the hotel and start enjoying my vacation. On the plane is still the best. I asked the flight attendants on United, they said, no, they had never been, they never heard about that. So I would like, Mr. Chair, if on behalf of the Council, you would write a letter to the Visitors Bureau requesting that they look at that as another option of getting that word out, because it was a great video, really gave some great information how, what, where you know to protect yourself and your family. But nobody paid attention, I stood there for 15 minutes, nobody looked that way, they were all looking for their bags, and I was like wow, you know what a wasted opportunity if you know what I'm saying. So anyhow that's my only comment, great video but I don't think it's hitting where we really need it, where it really needs to be hit with those arrivals at the airport if that's what you guys are trying to do. I know it's in other areas, in the hotels too I think I believe it's in the hotels, but I still think the best time, first-time captive audience is when they're on the plane 'cause they're not going anywhere and if you have that as one of those like we have with the ag form and all that, I think that might work out real good. But anyhow that's my suggestion. Thank you, Mr. Chair.

VICE-CHAIR WHITE: My guess is that the Visitors Bureau has already tried to get that on the airplanes but --

COUNCILMEMBER VICTORINO: Okay. If they are thank you very much.

VICE-CHAIR WHITE: --I'd be happy to send a letter.

MS. VENCL: Do you want a response or no?

VICE-CHAIR WHITE: If you have a quick one.

MS. VENCL: We actually two weeks ago, I was in an airlines meeting at the airport and with the newer iPads, the digiplayers, all of those kinds of things, it's I think, I'm hoping, it's a much easier process to get it on the airplane than it was with just the big screen.

COUNCILMEMBER VICTORINO: Right.

MS. VENCL: Competition for the big screen, big bucks and there is by the way some stuff already on, Hawaiian has had a digiplayer for a long time and but then you have to choose that button, you know and so people choose other things sometimes, but we

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are working on it, we're certainly aware of it and we'll keep trying to put it out wherever we can.

COUNCILMEMBER VICTORINO: Thank you, thank you very much, Terry. Thank you Chair.

VICE-CHAIR WHITE: Members any other questions for the testifier? Thank you for the information that you provided with your testimony. I'm sure everyone will take a look at it.

MS. VENCL: Thank you.

VICE-CHAIR WHITE: Thank you. Our next testifier is Sarai Stricklin will be followed by Dan Clegg.

MS. STRICKLIN: Good morning.

VICE-CHAIR WHITE: Good morning.

MS. STRICKLIN: Thank you for having me here. Aloha, everybody. I'm here on behalf of the Office of Economic Development in talking about the Made in Maui County Festival and how grateful we are as a community to have such a wonderful administration now and in years past that have created such a loving atmosphere for small businesses and entrepreneurs. I'm an artist and therefore I have a different mindset perhaps, I opened my first studio in Hana in 1982 and then moved to Molokai and opened up my educational art studio at the Puaoi Homestead in 2000 where I taught many keiki on Molokai, and they now have a business going. So why I came back to Maui after teaching on Molokai was to carve out a path to market a voice of Hawaiian children, young adults who now have a found a way to share the beauty of their island homes and stay home whether it be on Molokai or Maui and the atmosphere here on Maui with our wonderful business people, Susie with the MEO class I took that four core class and I'm different, I didn't apply at all but I know the rules. And the point I want to get to is we have a very unique feeling here on Maui and I moved out to Wailuku to "make it happen". The Disney Aulani picked me up, I did work in Honolulu, did giant hotels and dusted my feet and said, I just want to make it happen here. You know I don't want to be in that feeling, it's brutal, and we're kind here and I pray we stay kind and support one another. And so to keep it short and sweet, I just want to support Teena and her efforts and say thank you to Susie and everybody, all the behind the scenes people, today's that special day. I don't know how many hundreds of volunteers help make the Maui County Festival rock, but thank you to you all for your time. Aloha.

VICE-CHAIR WHITE: Thank you very much, Ms. Stricklin. Members, any questions for the testifier? Seeing none, thank you for your testimony this morning.

MS. STRICKLIN: You're welcome.

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VICE-CHAIR WHITE: And Dan Clegg will be followed by Warren Watanabe.

MR. CLEGG: Alright. Good morning.

VICE-CHAIR WHITE: Good morning.

MR. CLEGG: Thank you, Chair, Councilmembers. So my name is Dan Clegg and I'm the vice chair of the Central Maui Soil and Water Conservation District. So I'm here actually on behalf of the four districts in, on Maui island to first of all thank the County for their support that we received from OED in helping staff, our team with conservation specialists, and people that can do on-site inspections for the conservation plans that we help serve the community with through, for our farmers, our ranchers and landowners, but on top of that we also support the DSA in reviewing grubbing and grading permits. So it's a very important function that keep things moving through the County, and so these services that we provide to the community are very, very important. The members that serve the four different districts in Maui island, like myself, the chair and the other board members, it's all volunteer time. So we'll give our time away but we do have some paid staff members that do the nuts and bolts, administrative work and they're very important. I've left a packet with you folks that gives you a good idea, there's an org chart in here that helps clarify a little bit on how the soil and water conservation districts fit within the State system as well. So if you have any questions on this after the fact, you guys got my phone number and my address and all that, you can get a hold of me I'd be glad to answer any questions you have. But this is critically important for preserving our resources, our land and water resources especially. So I would ask that we continue to keep the commitment at the same level so we can continue to help the citizens of Maui County. That's all I got.

VICE-CHAIR WHITE: Thank you, Mr. Clegg. Members, any questions for the testifier?
Seeing none --

MR. CLEGG: Alright, thank you, guys.

VICE-CHAIR WHITE: --thank you for coming this morning, and Mr. Watanabe will be followed by Lisa Paulson.

MR. WATANABE: Good morning, Chair White, Members of the Council. My name is Warren Watanabe, I'm the executive director of the Maui County Farm Bureau. The Maui County Farm Bureau expresses our gratitude to the Mayor and the County Council for your support of our grant in agriculture industry in Maui County. MCFB is one of the grantees under the Office of Economic Development. We also appreciate their leadership integral to implementing our programs to not only increase the viability of our farmers and ranchers but providing the basis to increase the levels of local agriculture production consistent with the Council's vision of greater agriculture sustainability in the County. I won't read my entire testimony, you have copies of it. But some of the programs we do with our grant funding is our Grown on Maui

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program which is designed to help our farmers and ranchers be competitive in a global marketplace, and you know the campaign focuses on increasing the use of local agricultural products by residents and visitors. We also do our Ag in the Classroom program which is a program that we invite all of our public and private schools on Maui, to do an in-class program which we call, Where Will We Be Without Seeds? And this is open to all the second grade level students. And then we finally culminate it with a field day at Maui Tropical Plantation, and we have quite a few partners that help us put on this program for the students, and a point of interest is that the State Department of Education is planning to officially align this program into their curriculum, so we're working with them to again promote agriculture among our students. Related to that, the Hawaii Ag Foundation and under the leadership of Chef Alan Wong have started a Localicious program where they, funds from a designated menu by participating restaurants are donated to this program and what they do is purchase grow kits called Veggie U. And so again you know with the help of various organizations, we are trying to strengthen and get our students actively interested in agriculture. We do work with FFA. State Farm Bureau has a bill in legislature right now. It is in conference committee to get funding for our FFA program. We really want to get reactivated along with 4-H. We also do an educate a program with MEDB where we leverage funds with MEDB and with that program, we do have summer interns to help with our agricultural farms and our ranches. Another partnership and I think you know, Terryl did touch on it, we work with MVB and other organizations, and I think that's critical for any organization to find partners to get the most out of it and leverage our funding. We also do professional development programs for our members, we have been active in the Department of Labor, and FSMA, the food safety. And I would like to conclude with that we do our, have our Maui County Ag Fest which is our biggest promotional event. And also critical to our funding which is included the Farm Bureau grant is funding for our three commodity groups including the Maui Cattlemen's Association, the Maui Coffee Association and the Maui Association of Landscape Professionals. We support their programs and what they do for their members and we wholeheartedly support them. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Watanabe. Members, questions for the testifier?

COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Yes. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. Good morning, Mr. --

MR. WATANABE: Good morning.

COUNCILMEMBER COCHRAN: --Watanabe, nice to see you and thank you, I was trying recall the three commodity groups that --

MR. WATANABE: Right.

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COUNCILMEMBER COCHRAN: --you folks are associated with. And so those groups they, are you like a pass-through grant, I mean you assist them with monetary funding also in their programs?

MR. WATANABE: Well the three commodity groups do their own individual budgets which they submit to Farm Bureau and it is included in our grant. So you know whatever they propose as their budget is usually we permit it. And again we do support them, I think they're critical components to the agriculture industry and they deserve as much support as they can get.

COUNCILMEMBER COCHRAN: Okay. Thank you. And that includes you folks taking care of I guess of their accounting? Bookkeeping end?

MR. WATANABE: We do assist with their, we do handle their reimbursements to the County to OED, we do provide that service, yes.

COUNCILMEMBER COCHRAN: Okay. But and Chair, one last in regards to the Coffee Association are, have they branched off though? Or are they looking to branch out on their own?

MR. WATANABE: Well, you know we have representatives in the association

COUNCILMEMBER COCHRAN: Okay. then we could probably --

MR. WATANABE: So I'm sure they can answer that

COUNCILMEMBER COCHRAN: --talk to them then if that's the case. Thank you, Mr. Watanabe for being here.

VICE-CHAIR WHITE: Any other questions, Members? Seeing none, thank you --

MR. WATANABE: Thank you.

VICE-CHAIR WHITE: --very much, Mr. Watanabe. And Lisa Paulson will be followed by Teya Penniman.

MS. PAULSON: Good morning, Chair White and Members of the Committee. My name is, Lisa Paulson, executive director of the Maui Hotel and Lodging Association. We are the legislative arm of the visitor industry. Our membership includes over 150 property and allied business members in Maui County, all of whom who have an interest in the visitor industry. Collectively our membership employs over 20,000 and represents over 19,500 rooms. On behalf of the Maui Hotel & Lodging Association, I ask for your support of the 3.8 million funding for the Maui Visitors Bureau in the County's Fiscal Year 2016 Budget. As the economic engine for the County, the marketing and promotion of Maui as a destination is crucial to the future viability of our island. The County funds are critical in giving us the ability to compete against other sun

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destinations especially now when we are seeing an increased amount of competition with new resort locations and other destinations deeply discounted air/hotel packages. I do want to thank Maui County Mayor Alan Arakawa, the County Council and the Office of Economic Development for their foresight and fiscal planning to invest in the visitor industry. The results of Maui Visitor Bureau's efforts have positively impacted the economic health of Maui County. Their success is tangible resulting in an economic engine that provides salaries and wages to a significant portion of Maui County residents. The visitor industry directly employs 40 percent of Maui's residents and indirectly that percentage increases to 75 percent. The tourism industry has an overwhelming economic importance to Maui, and therefore it is our responsibility to continue to care for the industry that supports so many of us today. As a global leader in tourism marketing, we strongly believe in the value that MVB brings to our community and we urge you to support their important work. Chair, I would also like to mention that I have submitted separate written testimony in support of our AOHT line item funding in support of our efforts for workforce development for our high school students. Thank you for the opportunity to testify.

VICE-CHAIR WHITE: Thank you, Ms. Paulson. Members, any questions for the testifier? Seeing none, thank you for your presence this morning.

MS. PAULSON: Thank you very much.

VICE-CHAIR WHITE: Teya Penniman will be followed by Jeanne Skog.

MS. PENNIMAN: Good morning, Chair White, Councilmembers. I'm Teya Penniman, manager of the Maui Invasive Species Committee, and I am testifying in support of the Office of Economic Development. Most of our Maui County funding for work on Maui and Molokai comes from the Office of Economic Development under the environmental protection line. Our funds are leveraged, County funds are leveraged at least one-to-one with other State, Federal, private foundations and contributions. Our work has significant economic benefits in addition to environmental protection. Whether it's protecting real estate or visitor accommodations from coqui frogs and little fire ants or supporting ag productivity by keeping little fire ants out of orchards and farms. We also buy local and hire local where ever possible, we have an average longevity of staff with the project of nine and a half years, so we're providing opportunities for local folks to get work in conservation and also provide opportunities for interns, folks working through MEO and AmeriCorps to have opportunities to work with us. We want to thank Councilmember Carroll for his work in trying to move us forward on little fire ants in Nahiku and Huelo. And while we're working to add staff to address coqui and fire ants, adding one position and hopefully another two by this summer, a lot of work still remains to be done. I thank the Council for their ongoing support, we've been very fortunate to be able to work with Rob Parsons as a strong advocate for invasive species work and environmental protection and Kenneth Yamamura on ag-related issues and also just the staff at OED has just been outstanding to work with, they're efficient and visionary in the work that they do and also holistic, I really appreciate the way that Teena helped create the project to connect the students from

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the Huliau project with projects under environmental protection and to create videos linking different projects. So thank you very much for your ongoing support, and I'd be happy to answer any questions you might have.

VICE-CHAIR WHITE: Thank you, Ms. Penniman.

COUNCILMEMBER VICTORINO: Chair.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, thank you. Thank you, Teya, I know you guys do a great job and thank you very, very much, we do appreciate it. I've been getting some e-mails from residents in Maliko Gulch, you know they're claiming that coqui frogs has become infestated [sic] and is moving out of Maliko Gulch, and I was under the understanding that was pretty much controlled within Maliko Gulch but what's occurring on that? Because if more funding is needed 'cause I know firsthand what happened to the Big Island and I refuse to let that happen here, Mr. Chair. If I gotta go out there and spray some of them little buggers I'm not letting those guys get out of Maliko Gulch. 'Cause once they do, there's no going back, and they are devastating once they get going, and if you've been to the Big Island especially Hilo, side you know what I'm referring to, so, Ms. Penniman, would you kinda address that one for me please.

MS. PENNIMAN: Yes, I'd be happy to address it, I was actually going to mention I know that folks in Maliko are very concerned about that issue and they have good reason to be concerned. We've always considered Maliko to be, have a line in the sand, if we lose Maliko we lose Maui. And they are spreading up more onto the rim of the gulch, that's been our focus is to try to keep them in the gulch, but at the same time, we're also being diverted to trace down and attack those single frog populations, it's kinda like fighting the fire, or are you gonna work on that one where the major thing is raging or you gonna address the spot fires and unfortunately because we keep getting frogs from the Big Island, we're spread thin. We don't have enough resources, we have never had enough resources to be honest. We probably need about 500,000 a year just to work on Maliko for a number of years. With enough resources we could be done but we never have enough resources. And I, if you, I would be happy to put together a business plan approach to doing that if that would be helpful for the Council.

COUNCILMEMBER VICTORINO: Well, I'd appreciate that, I don't know about you, Mr. Chair, but I think we need to address and I know the fire ants is another one, I mean we got a lot of invasive species that are hurting us and can hurt us big time. But I know this coqui frogs once they get out of Maliko Gulch, I agree with you there's no stopping them, and it's even worse than the fire ants. So, I don't know, Mr. Chair, I'd like to see a business plan and see if there's some means, and again we're gonna be working on this for the next couple of weeks, some means of additional revenue to help specifically that area, because we know that is the concentrated area for the coqui frogs here in

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Maui County. And I just don't want it getting out, you know so. We can discuss it a little bit more, Mr. Chair. Thank you.

VICE-CHAIR WHITE: Yeah --

MS. PENNIMAN: Thank you.

VICE-CHAIR WHITE: --Ms. Penniman, if you would be kind enough to provide that, I'm sure the Committee would like to review it.

MS. PENNIMAN: Okay. Thank you, I will do that.

VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Teya, for being here. You said something that concerns me, you said that we're still getting coqui frogs from the Big Island. We've been hearing for many, many, longtime now about those frogs coming and how they were coming. What can we do to help you so that we stop that, and I know the thing about the ag inspectors, but is there anything that we can do? Because we don't want those things to keep coming, because what's the point we try to fight it and we let it keep coming, doesn't make any sense.

MS. PENNIMAN: It doesn't make any sense, it's crazy making. If it we're, I look at it as a waste of taxpayer dollars.

COUNCILMEMBER BAISA: Yes, I do too.

MS. PENNIMAN: Because it's just it doesn't make any sense. I was hopeful that this year we have been working at the State level trying to get some meaningful legislation passed to address that issue. We actually had some funding this last year using the little fire ants as a key study to look at the different laws and regulations and will have that report coming out soon, but I was hopeful this year there would be some legislation to address it, but I'm not sure how far that's going to go, and even if you have it, doesn't mean it gets implemented. And there are valid concerns from the industry, you know, it's a balance, we can't just say nothing comes from the Big Island. But I would be happy to work with Councilmembers to look to see whether or not there's something we can do from a County level, are there steps we can take to protect ourselves that are within the jurisdiction of the County.

COUNCILMEMBER BAISA: Good. That kinda doesn't make sense if we keep putting money into coqui program eradication and we continue to allow it to come in, it doesn't make any sense, it's like pouring water through a sieve and hoping they will get some.

MS. PENNIMAN: That's correct and the same is very true for little fire ants as well. We are hopeful, as an example later this year we will be, anticipate by the end of this year, bringing in detector dogs which realistically we should have those at the port at our

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harbors, the airport and the harbors to detect fire ants, coqui frogs, whatever, you know ideally they don't get here to begin with. But at least if we had those tools here that would go a long way to protecting our farms, our nurseries. If we don't have that then we're gonna move towards creating that ourselves here to at least find them before they get too big, before we get another Nahiku.

COUNCILMEMBER BAISA: Ask one more question and you don't have to answer it now, but if you could kinda give us a proposal to how we could stop that stuff, what would it take, maybe we can work on it as Council, I don't know.

MS. PENNIMAN: Yeah.

COUNCILMEMBER BAISA: Depends on my colleagues and what we want to do. But it makes perfect sense to me, but we don't know, we, somebody has to tell us what do we need.

MS. PENNIMAN: Thank you. I will do that and what I would love to see that be would be done not just as a here's my mana'o or here's what I think but a working group that involves all the relevant stakeholders, that involves the Maui County Farm Bureau, the, you know, Maui Association of Landscape Professionals, let's bring the, not just what we want to do but also the parties that would be affected by anything like that so we can do the best thing we can.

COUNCILMEMBER BAISA: Thank you very much. It sounds like something more than just money. Thank you, Chair.

MS. PENNIMAN: Yes.

VICE-CHAIR WHITE: Thank you, good questions. Thank you, Ms. Penniman. Our next testifier is Jeanne Skog, she'll be followed by Leslie Wilkins.

MS. SKOG: Good morning, Chair White and Members of the Budget and Finance Committee. I'm Jeanne Skog, President and CEO of the Maui Economic Development Board. And first of all I really want to thank you all for the support last year, which included additional funding toward creating new business and new jobs from that funding. We do ask for your support again for the line item this year. We prepared a more detailed summary of what our year has looked like to date, and that will be distributed by Staff to you and it does give you a lot more detail. But I'd just like to share some overall points prior to that, through the additional funding that you provided, we have been able to add a deeper focus on the entrepreneur, building capacity in existing ones and empowering new ventures. The innovation landscape on Maui has grown, the Federal investments, Senator Inouye secured for Maui County allowed us to leap frog into a diversified future and we continue to work closely with those companies and projects that have developed capabilities that make them competitive on a national scale. Such as in optics, in space situational awareness and in information systems to support multiple customer's needs including health care for our military in the field.

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But Maui has also attracted and nurtured a community of entrepreneurs so MEDB's Technology Committee is now a mix of defense contractors and entrepreneurs. With the guidance, with their guidance and insights, we are undertaking Startup Weekend, being held in May to transform ideas pitched by entrepreneurs into a startup in 54 hours. It's a pretty exciting and vibrant experience, and we also are creating the technical, we also created technical assistance series that provides essential knowledge and skills for business success. To date we've served more than 170 participants comprised of an array of businesses and entrepreneurs through that series. By the way, I did want to mention too that, through the Startup Weekend we are also offering scholarships and assistance to Lanai, Molokai and Hana 'cause we want them to be part of that mix. Our tech committee reflects how important relationships and partners are to economic development organizations. MEDB is no different, our network consists of local resources but also diverse national and increasingly international ones that we carefully cultivate and maintain. This network has enriched all of the initiatives under our County grant, and the benefits from them continue to unfold for our community. Finally, community engagement truly involving our residents in policy discussions and empowering them to make more informed decisions about our economy continue to be worth the investment. This year we reached 435 residents through Mpower Maui and Energy Conversation and 200 through Water Story sessions. We heard repeatedly from the participants after the experience that it inspired them to pay more attention to the news and decisions that are happening in energy and water.

MR. MOLINA: Three minutes.

MS. SKOG: As we concluded in the Mpower Report that we delivered to the energy conference, if given the right context and the right format, people will engage, they will learn, and they will seek to understand. Thank you.

VICE-CHAIR WHITE: Thank you, Ms. Skog. Members, questions for the testifier? Seeing none, thank you very much. Ms. Wilkins will be followed by Robin Newbold. Good morning.

MS. WILKINS: Good morning and aloha, Chair and Members of the Committee. My name is Leslie Wilkins --

VICE-CHAIR WHITE: Could you pull the microphone over in front of you.

MS. WILKINS: --and I am honored to serve as MEDB's vice president and our STEM education initiative director. I want to begin by saying thank you to you and to the Office of Economic Development for realizing that economic development and work force development are intricately linked, and I want to thank you for investing in future work force. This past year we were able to leverage the County's investment with over 1.75 million cash dollars, that's more than a ten-to-one match from Federal, State and private grants, donors and even a fee-for-service model for some of our original curriculum. In addition, we secured free software agreements and training in

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geospatial from Esri, design tools from Google, computer aided design licenses and this past weekend \$232,000 worth of software from Microsoft. These industry standard licenses can cost more than \$1,000 a seat and we've negotiated to have them free in every public school in our State. Our STEMworks labs alone have 25 of those licenses each of those various disciplines. We could not have done this without showing that our own County that you believe in us and you invest in our abilities to innovate pilot programs. This is key to our grant seeking so that Federal funders see that our programs can be modeled throughout the rest of the country, that's how we get successful grants. Federal funding is getting much more competitive and requires much more local matching dollars, not just in-kind. Our pipeline of STEM programs include more than 32 different programs that span from elementary school to assisting our businesses. They're all designed to keep a diverse group of our students engaged in the education STEM pipeline, they range from career shadowing, mentoring, robotics, internships, software training, professional development, service learning, design and our original programs, Island Energy Inquiry and STEMworks. Last year we served 21,560 participants in Maui County alone. We are preparing students for higher education, but for the non-college bound student, our STEM programs are just as critical because STEM skills are preparing high school graduates for competitive, high-wage jobs post high school especially in GIS and coding. Our training programs are aligned with our targeted economic development and business development goals. We are preparing a resident trained workforce for research, entrepreneurship, GIS, we have original curriculum in clean energy science and state-of-the-art digital and creative media for an emerging film industry. Our computer programming and coding are for our growing cluster in information technology, including basic STEM skills needed to prepare our students for the burgeoning careers in health care. Quite frankly every business in our County needs a STEM literate work force. Our hallmark has always been bringing industry and education together, last year we trained more than 200 Maui County teachers with accredited and progressive learning techniques to build critical thinkers. This is perhaps our strongest and lasting outcome, when you invest in educating those who educate, you get a very big return on that investment. Because we know that a homegrown talent pool will drive the homegrown solutions and innovations for Maui County's sustainable future. Thank you very much.

VICE-CHAIR WHITE: You could tell I was just about to...

MS. WILKINS: I could see the eyes, I put a period at the end of my sentence.

VICE-CHAIR WHITE: Thank you very much, Ms. Wilkins.

MS. WILKINS: Thank you.

VICE-CHAIR WHITE: Members, any questions for the testifier? Ms. Crivello.

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COUNCILMEMBER CRIVELLO: No questions, more comment. I'd like to thank MEDB for their responsive response to our Molokai youth and Maui County as a whole. I truly appreciate you folks' vision for education. Thank you.

MS. WILKINS: Thank you. Molokai has some students going to the International Science Fair. We have some amazing STEM talent on Molokai.

VICE-CHAIR WHITE: Members, other questions or comments. I would just like to thank you all for the work you do.

MS. WILKINS: Thank you.

VICE-CHAIR WHITE: When we hear from the students, what's most exciting is that they see a big world in front of them, rather than what normally happens with all of us, we live life on our little island and don't know much of what's going on out there. But your programs have really done a lot to open kids' eyes to what's out there and what's possible.

MS. WILKINS: Well, thank you.

VICE-CHAIR WHITE: And with that, thank you very much.

MS. WILKINS: Thank you.

VICE-CHAIR WHITE: Robin Newbold to be followed by Cindy Reeves.

MS. NEWBOLD: Aloha, Chair White and County Councilmembers. Thank you for having us today. It's good to see you again. I'm Robin Newbold, Chair of the Maui Nui Marine Resource Council. Thank you for the opportunity to speak and thank you for your support via the Office of Economic Development, in particular, Teena Rasmussen and Rob Parsons. Maui County OED recognized a number of years ago that by protecting and improving the reefs we continue to attract visitors to Maui and thereby create jobs. You as the Maui County Council are unique in Hawaii in recognizing the importance of addressing land-based impacts to coral reefs by passing a resolution just a few months ago to protect and enhance that which gives our islands' life. And you, and we're very committed to supporting your resolve. We also are grateful for your support over the years, each year you've provided a dependable source of funding which is so important to a small but growing, mostly volunteer organization. Although we too now employ two people with matching funds to your support. Our approach is collaborative, our success comes from working with an ever-growing number of partners and a wide variety of organizations so the funding you provide goes a long way. This past year our efforts received recognition from the US Coral Reef Task Force, the Nature Conservancy, Representative Ing and now from Senator's Boxer's office. Good news, we are now incorporated and we've applied for our own nonprofit status which will make it easier for us to seek funding from a wide variety of individuals and businesses and thereby magnify your support. With your help, our

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recent efforts include giving birth to and continuing to support the community-managed makai areas which protect and enhance the coral reefs at a grass roots level. Working with the Department of Land and Natural Resources, I'm co-management with, I'm co-managing with the communities and helping the sick sea. I'm amazed with community-managed marine areas to form a strong and be a very effective network. Assembling the Maui Coral Reef Recovery Team, to write a recovery plan that will be useful to Maui County, coordinating implementation of the plan at priority sites. Working the with Department of Health, the Nature Conservancy and National Marine Sanctuary and many other partners to write a QAPP, that's kinda of a funny name that stands for Quality Assurance Program Plan so that water quality data collected by our volunteers will be useful to the Department of Health and lead to improved water quality on Maui. We've been working with Maui County Planners to address brown water issues from North Kihei to West Maui. We've been hosting flood forums, workshops, and scientific meetings and are in the process of producing a State of the Maui Reefs Report. So I want to thank you, mahalo a nui loa for your support and for your resolve to improve Maui's reefs and continue to attract visitors to the State. Thank you very much.

VICE-CHAIR WHITE: Thank you, Ms. Newbold. Members, questions for the testifier? Seeing none, thank you for coming this morning.

MS. NEWBOLD: Thank you.

VICE-CHAIR WHITE: And Ms. Reeves will be followed by Craig Swift.

MS. REEVES: Good morning.

VICE-CHAIR WHITE: Good morning.

MS. REEVES: And thank you, Chairman White and members of the Council for this opportunity to address you and request your support for the OED budget line for Maui County UH Tropical Ag and Human Resources. My name is Cindy Reeves and I am the new County Administrator for Maui Cooperative Extension. Today I am very excited to share with you that in addition to new leadership, Maui Cooperative Extension is on a new track embarking on new directions of outreach, partnership and collaboration throughout Maui County. Although we greatly appreciate your continuing support, unfortunately our program funding has steadily eroded over the past several years to an all-time low this year. So I respectfully request your support of the Office of Economic Development's line item allocation for Maui UH Tropical Ag and your partnership with us as we embark on this new track to provide increased outreach programming throughout the County. Increased funding would allow us to consider implementing new and cutting edge programming in Maui County, such as food safety, an important issue for growers, food manufacturers and consumers which includes the visitor industry in Maui. The Food Safety Modernization Act, FSMA recently resulted and changed Hawaii Department of Health regulations and buyer requirements, impacting production, post-harvest handling, and marketing practices

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of existing and new agricultural producers. With growing interest in local food production, these changes in regulatory and buyer requirements will require outreach education for fruit and vegetable growers and small-scale livestock producers throughout Maui County. Secondly, USDA certified organic farming, we're interested in pursuing the development of the USDA certified organic program here in Maui County. Certified organic is one of the few sectors in agriculture that has been consistently growing between 5 to 15 percent annually. A project such as this would help to advance the environmental and economic viability of Maui agriculture. Thirdly, we could help with the identification of cane grass varieties as forage material. We would like to work more with Dr. CN Lee to expand his work on Maui, he's analyzed 40 different cane grasses and narrowed them down to five that have potential as forage material here on Maui. There are economic opportunities for Maui County in identifying other uses of cane grass and for outreach on making the seed available to Maui ranches and beyond, as well as education of our youth through our 4-H livestock program. Lastly, I'm very excited to share with you that we are partnering with the Office of Economic Development and the Chamber of Commerce on a new Federal grant proposal to develop an online marketing hub for vendors of value-added agricultural products associated with the Made in Maui County Festival over the next two years. We are working hard to be a good partner for the County, to meet the needs of the citizenry and to explore new directions in extension outreach, but we can only accomplish this with County support. So I thank you so much for your support of our line item in the Office of Economic Development budget for the next year. Thank you.

VICE-CHAIR WHITE: Thank you. Members, any questions for the testifier? I have a question. A couple of years ago, the CTAHR presentation included a number of specific plant diseases that the scientists were working on helping the Maui farmers solve, I didn't hear any of those this time. Do you have any specific disease issues that you all are working on?

MS. REEVES: Well, the disease issues, we're working with the diamondback moth and pest issues, we're also working with diseases as they come up. I don't have the specific diseases that I could share with you at the moment, but I can share that I did provide a report for you and each one of the Councilmembers has the report and it gives much more specifically the diseases, the pests that we've been intervening with for the past couple of years. What I've offered for you today is kind of how we would expand on this work that we have been doing, so it's not that we are replacing it, but if we had additional funding we could explore new opportunities. So I'd encourage you to look at this or I could also provide it for you if you'd like.

VICE-CHAIR WHITE: We get so little paper at this time.

MS. REEVES: I know. I'll give you bullet points.

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VICE-CHAIR WHITE: I will go take a look at it. As you know this, there's always a challenge when we're asking, the State is asking for County money to support programs. So this is one that we need to take an extra look at.

MS. REEVES: Right. Well, I can share with you that the State does provide over 93 percent of our budget so there is incredible State support for our programs. But that basically provides for our salaries which is 86 percent of that and for facilities, so in terms of operating money actually in this County, we very much depend on County support to be able to provide the programming so I hope that helps in your decision.

VICE-CHAIR WHITE: Okay. Thank you very much.

MS. REEVES: Thank you.

VICE-CHAIR WHITE: Any other questions, Members? Seeing none, thank you, Ms. Reeves. And Craig Swift will be followed by William Jacintho.

MR. SWIFT: Good morning Chair --

VICE-CHAIR WHITE: Good morning.

MR. SWIFT: --and Councilmembers. My name is Craig Swift and I'm the Director of MEO's Business Development Center, and I'm here this morning in support of the 2016 budget for the Mayor's Office of Economic Development. As part of an organization that promotes community economic development, I have seen the positive impact that the County's Office of Economic Development has had on local businesses, nonprofit groups and individual entrepreneurs. Teena Rasmussen and her staff have worked creatively and tirelessly within their grant budget dollars to deliver services that have resulted in business retention, attraction and growth in Maui County. The Office of Economic Development has been proactive in encouraging and promoting partnerships within the community that in turn has fostered collaborations among organizations, many of which you're hearing this morning and provide cost savings to the County by reducing duplication of services, programs and events. As an example through collaboration with other community economic development organizations, MEO BDC has been able to expand a number of services it can offer its clients, reduce its costs, offer business training necessary to take advantage of the resources provided by other community organizations and align itself more closely with any unmet needs. It also enables MEO BDC on Molokai to work in partnership with OED's Kuhao's Business Center to expand business workshops and financial literacy classes for young adults and events, and other events available to Molokai residents. It also provides once-a-week service on Lanai to assist those community businesses. With assistance from the Mayor's Office of Economic Development, MEO BDC's Micro-Loan Program alone has created and retained 973 jobs in Maui County. For this reason and others mentioned, I'm requesting that the Councilmembers please remain supportive of OED's budget requests. I thank you for your consideration and all you do for our community.

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VICE-CHAIR WHITE: Thank you Mr. Swift. Members, any questions for the testifier?
Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you. Will your core business positions still be
fulltime on Molokai?

MR. SWIFT: Yes.

COUNCILMEMBER CRIVELLO: Okay.

MR. SWIFT: In the present budget.

COUNCILMEMBER CRIVELLO: Well, I want to thank you. That office has made major
strides and impacts on our community in more ways than one, and I have to say that
the individual that you have coordinated there goes beyond the call. Does what I,
feedback I get, it's constant follow-up with the participants and those who enter the
world of business. So thank you very much.

MR. SWIFT: Thank you.

COUNCILMEMBER VICTORINO: Chair.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you and I was very honored last night to be present
at the graduation, and I think that's my eighth, ninth or tenth graduation that I try to
make everyone when they have 'em, and it's such a wonderful experience to watch
these entrepreneurs get some really what I call quality education. Bankers who come
in and help them, other business professionals who are there and this program along
with the micro-loan program you know really adds to Maui County. So I want to
thank them very much I mean they continue to do a good job, and I hope that we can
expand it when and if the day comes we can afford more. You know I think that's
important. Let me ask you, in this year's class, how many was graduating because I
lost count last night so how many did you graduate last night? Or this year 'cause
wasn't there another class earlier?

MR. SWIFT: We do, we have six classes on Maui a year, and we average about 22 students
graduation, and over on Molokai we have the four sessions every year, and we average
actually I think it's just little over eight which is amazing, and we just graduated our
class for this year over on Lanai was six Core Four students. So thank you.

COUNCILMEMBER VICTORINO: No, thank you very much. And last thing, what is the
success rate? After five years, how many of these Core Four businesses still exist
'cause I know you guys do some data research? You know what is the overall
percentage?

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MR. SWIFT: You know it's, that's a very good question and it's one that when we with our loan program, with our Micro-Loan Program we can certainly track those that borrow after the Core Four --

COUNCILMEMBER VICTORINO: Okay.

MR. SWIFT: --and their success, so many of the students it's getting a little better being able to network because we keep building on our network within the graduates, but of course a lot of them will move off island, they'll go back to Oahu or the mainland so it's a little difficult sometimes to track them. But it seems and some of them will incubate and two years later even after the class, will they'll come in and they'll say you know now's the time I want to start the business, but I would like to think that it's close to half of those Core Four students.

COUNCILMEMBER VICTORINO: Fifty percent.

MR. SWIFT: Yeah.

COUNCILMEMBER VICTORINO: That's an excellent ratio compared to those who don't and just try to get a business started. So thank you again. Thank you, Mr. Chair, for allowing me to ask the question.

VICE-CHAIR WHITE: Any other questions, Members? I have a question for you, Mr. Smith, Swift, I'm sorry. In the past I've heard that the micro-loan interest rates are a little bit high, could you share with us what the rates are now?

MR. SWIFT: Oh, yes, we have three funding sources right now that's a pool of our loan funds, and one is the Bank of Hawaii which we have borrowed money and we repay after we re-lend it. The second one is the Agape Foundation that's specific to Lanai, and the third is the USDA so that's the government money which we also have borrowed and we repay. So in each one of those institutions that we have borrowed from, we have a business plan in place. The Bank of Hawaii and the USDA loan fund is at 10 percent, there's some exceptions where depending on credit, so on and so forth, we can go up to 13 or actually down to 9. Lanai is very special because of the nature of the foundation that we received some funding through the Agape Foundation that if you're a Lanai resident, the loan fund is at 5 percent so basically for Lanai 5 percent and for the rest of for Molokai and Maui 10 percent.

VICE-CHAIR WHITE: That seems a little high for people that are looking for a start. Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. I think I can try and add a little bit to this conversation. When we're making, when MEO is making loans to some of the entrepreneurs, they are usually loans that a bank is reluctant to touch, because they have a, you know, credit history that's not good or they don't have assets or

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whatever. So Maui MEO is doing character lending, you know, they really have scrutinized the business, the business plan, the person, and so they're gonna give it all that extra help, and I think it shows up in the default rates which I think Mr. Swift can help you with. That's the reason, they have to be very careful, we don't want defaults, because if the loan funds disappear then we can't help people so they spend an awful lot of time and I think that's part of it too.

MR. SWIFT: Yes, thank you.

COUNCILMEMBER BAISA: The default rate.

VICE-CHAIR WHITE: Yeah. No, I understand that, it's just --

COUNCILMEMBER BAISA: That's the reason.

VICE-CHAIR WHITE: --just seems a little...

COUNCILMEMBER BAISA: Yeah it is. It is but that's the reason.

VICE-CHAIR WHITE: We're putting a significant hurdle in front of them, that's my only concern. Any other questions, Members? Seeing none, thank you for your presence here today, Mr. Swift.

MR. SWIFT: Thank you.

VICE-CHAIR WHITE: And Mr. Jacintho will be followed by Sydney Smith.

MR. JACINTHO: Good morning.

VICE-CHAIR WHITE: Good morning.

MR. JACINTHO: Chair White and Maui County Councilmembers. My name is William Jacintho, President of the Maui Cattlemen's Association. I'd like to begin first with thanking the Council for supporting the livestock industry and for their monetary support for educational opportunities for livestock producers. I also want to thank, Ms. Teena Rasmussen and the Office of Economic Development for their years of support and dedication to the livestock industry and agriculture. These funds are part of the County, the Maui County Farm Bureau budget packet request, and are managed by that organization. For 2015 and '16, the Maui Cattlemen's Association plans to provide continuing educational opportunities that enable our local ranchers to meet the current ongoing consumer desires for locally raised and processed beef. The programs would benefit all ranchers of our association, as well as non-members, and our youth which includes high school ag and science students and our 4-H youth program. We will be following up on the information delivered at our seminars funded by our previous County grants. These include classroom and field demonstrations on genetic selection, animal conformation and grass finishing characteristics, and dealing

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with situations related to drought when the rains return. Our desired outcomes and benefits support producers who can continue or get back into the local market system, especially unexplored opportunities. These will allow the producer to have more product and will be available right out of the processing plant. Also beef animals raised on pasture grasses, of good quality and reasonable price. The rancher, the processing plant and the consumer would directly and positively feel the financial benefits. We hold, usually hold two County-sponsored educational events, seminars, workshops, whatever we put together and also have two or three private-sponsored workshops usually from farm supply type companies for livestock improvement. This year in June with our 2015 budget funds, we're bringing in two women, Desta Crawford and Janna Demott Stubbs from the Texas Cattlewomen Association after their Nashville workshop. They kinda do a road show and through the NCBA to work on us educating the public, as well as livestock producers on beef handling for home and restaurant cooking. We spend a lot of time out on the range management so we're stepping back a little bit and looking at the end product and maybe working our way back to the pastures for better selection. The work will include the right way to slice various beef portions and the best quality, and avoiding mutilating your beef when you buy it to cook with. They'll include proper temperatures of storage, and proper cooking temperatures for quality meals as well as food safety. Desta and Janna are also looking at recipes for low-end cuts, as well as high-end cuts. So, we're looking at tip to tail, gate-to-plate kind of thing. I thank you for the opportunity to testify on this budget request. The Maui Cattlemen's Association is a nonprofit organization representing small and large livestock producers in Maui County, including Molokai and Lanai. That's it.

VICE-CHAIR WHITE: Thank you, Mr. Jacintho.

MR. JACINTHO: Also the last page is kind of the budget breakdown for you guys.

VICE-CHAIR WHITE: Thank you. We have your testimony. Members, any questions for the testifier?

COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. And good morning --

MR. JACINTHO: Good morning.

COUNCILMEMBER COCHRAN: --Mr. Jacintho, nice to see to you. And so I asked Mr. Watanabe, Farm Bureau because your folks' commodity group is I guess participates with his Farm Bureau, and so I'm looking through his testimony and just trying to figure in how your particular group fits into their bigger picture I guess and how they assist. And he explained the I guess the grant process or the monies that you folks seek...

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MR. JACINTHO: Yeah, we're in their, I guess their whole package as one of the line items along with I think several other commodity groups. And the Farm Bureau kinda takes care of the paperwork stuff, you know, we collect the receipts from the people that do the seminars and whatever it takes, and turn it in to them and they do that paperwork for us.

COUNCILMEMBER COCHRAN: Okay, thank you. But as for their Grown on Maui, you folks and it says, growing the next generation of farmers and ranchers. You folks participate in their...

MR. JACINTHO: We participate, yeah, as an organization and some individual ranchers also participate too.

COUNCILMEMBER COCHRAN: Okay.

MR. JACINTHO: Yeah.

COUNCILMEMBER COCHRAN: Very good. Okay. Thank you for your time, Mr. Jacintho.

MR. JACINTHO: Thank you.

VICE-CHAIR WHITE: Thank you. Members, any further questions? Thank you, Mr. Jacintho. And Sydney Smith will be followed by Kathy Louis. And actually after Ms. Smith's testimony, we will take a, take our morning break.

MS. SMITH: Good morning, Councilmembers.

VICE-CHAIR WHITE: Good morning.

MS. SMITH: My name is Sydney Smith, I'm the current president of Maui Coffee Association and a member of the Ag Working Group. I also own Maliko Estate Coffee Farm near Makawao. I'm here today to thank the Council for their continued support of the Office of Economic Development. Teena Rasmussen, Kenneth Yamamura and Rob Parsons have all been helpful to the Maui Coffee Association. It's been through that support that we've made what was once just a small group of five or six coffee farmers and roasters grow to an organization with over 100 farms and roasteries who employ and support hundreds of people. This past Statewide cupping competition, Maui had the highest aggregate score of any growing region in the State. Without the grant we received through the Farm Bureau from the Office of Economic Development, we would not have achieved that position. We give workshops, encourage soil testing, mentor new farmers and provide education to our growers. This has elevated our quality every year. Maui County is one of the last places on earth without the devastating coffee berry borer or coffee rust. This too is due to education and the concerted efforts of our growers, roasters, the County of Maui, Hawaii State Department of Agriculture and CTAHR all working together. So thank you. We

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appreciate the support you give us which is an investment in the healthy future of agriculture here in Maui County, an investment that helps create jobs and a strong diverse economy. Thank you.

VICE-CHAIR WHITE: Thank you, Ms. Smith. Members, questions for the testifier?

COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. And thank you, Ms. Smith for being here. I don't know if you were here earlier but as one of the, you folks are one of the commodity groups for Farm Bureau?

MS. SMITH: Yes.

COUNCILMEMBER COCHRAN: And I thought I heard in the community that you folks were branching off and doing your own.

MS. SMITH: Well, during the bicentennial we had in 2013, we received a grant directly from the Office of Economic Development in addition to our regular grant through the Farm Bureau. The Farm Bureau is our fiscal sponsor and they do the paperwork, you know we have our own treasurer, but then she accumulates our invoices and bills and puts in the paperwork to the Farm Bureau and then they put it into the Office of Economic Development.

COUNCILMEMBER COCHRAN: Okay. But that other direct from OED you no longer...

MS. SMITH: . . .*(inaudible)*. . .one time situation for the bicentennial that we did and we did events on all the islands. We did events on Lanai, we did events on Molokai and here throughout the year. Because that was our 200th anniversary of coffee growing in the State of Hawaii. So it was a one-time deal where we did a lot of outreach and education and you know did a lot of promotion to bring people in from the mainland, you know, just for the events, and that was kind of our, that was a really big effort. All the growers worked really hard that year to do events and get kinda our name out there. It's really helped because it really did get the awareness, I use to get asked all the time if we were growing Kona coffee, I mean it was just every time we went to an event it's like is this Kona coffee that you're growing here on Maui, it's like no, it's Maui coffee that we're growing here on Maui. And I virtually don't get asked that anymore. It's kind of incredible 'cause I've been asked that for 20 years. So it helped.

COUNCILMEMBER COCHRAN: Thank you, Ms. Smith for what you do. Thank you.

VICE-CHAIR WHITE: Thank you. Any other questions, Members? Okay thank you very much, Ms. Smith.

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MS. SMITH: Thank you.

VICE-CHAIR WHITE: And we'll take our morning break. Please be back in your seats at 10:40. We're in recess. . . .(gavel). . .

RECESS: 10:30 a.m.
RECONVENE: 10:45 a.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will please come back to order. Members, we'll continue on with our testimony this morning. And just for your information we have about ten more. And our next testifier is Kathy Louis and she will be followed by Charles Head.

MS. LOUIS: Good morning, Council Chair White and Councilmembers. I'm Kathy Louis, I'm the personal care program director at Hale Mahaolu. And I want to thank you for your past support of our personal care program. We humbly ask for your support in funding our adult personal care program for Fiscal Year 2016. This program has been serving Maui County's frail and chronically ill adult residents 18 years and over since 1985. Our in-home personal care service helps our clients to remain safely at home and in an independent lifestyle in their own residence and prevent premature or unnecessary institutionalization. Our services may include assistance with bathing, grooming, hygiene, toileting and so forth. The clients that we serve under this program in Maui including Hana, Molokai and Lanai are not eligible or they do not meet the criteria for Medicaid waiver services. These clients however need personal care services to help them maintain a safe and independent lifestyle. Our clients may be subject to falls, skin breakdowns, self-neglect, and potential long-term care placement without the daily personal care services that they receive through our program. Hale Mahaolu will continue to practice its, will continue its practice of contributing to the program as they have for the last 30 years, are providing tens of thousands of in-kind dollars to consistently help for the makeup for the shortfall of the program and the clients that we serve. On behalf of the clients that we serve, we sincerely appreciate your support of the personal care program.

VICE-CHAIR WHITE: Thank you very much, Ms. Louis. Members, questions for the testifier?

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Real quickly. Ms. Louis, I was reading over here and you say you have approximately \$5,150 of subsidized personal care services --

MS. LOUIS: A year.

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COUNCILMEMBER VICTORINO: --a year. And that's a minimum of 50, 15 I should say 15 unduplicated clients.

MS. LOUIS: For subsidies.

COUNCILMEMBER VICTORINO: Yeah. For subsidies over the year. Okay. So and am I correct you serve approximately 100-plus clients?

MS. LOUIS: Yes. We also provide referrals to people in the community looking for affordable in-home help and we don't charge them for the referrals, but we do help them find in-home help.

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

MS. LOUIS: Thank you.

VICE-CHAIR WHITE: Members, other questions for the testifier? If not, thank you very much, Ms. Louis. Charles Head will be followed by Tamara Sherrill.

MR. HEAD: Aloha and good morning.

VICE-CHAIR WHITE: Good morning.

MR. HEAD: My name is Charles Head, I'm general manager of the Fairmont Kea Lani and also chair of the Maui Visitors Bureau. And I'm here to ask your support in the continued support of the Maui Visitors Bureau and the activity, the tourism marketing that they conduct. I believe you have copies of my testimony so I won't go through that verbatim in the benefit of time, but I just wanted to reference some of the key points that are included. I think it's important to consider and we're very appreciative of the funding that the County provides the MVB and just to reassure you that, that is complemented by significant funding coming from partner organizations that communicate that same message as far as attracting visitors to Maui. In the case of the Fairmont, I know we will spend almost \$6 million this year in sales and marketing funding with that same message. I think it's certainly very encouraging that tourism has seen positive momentum in recent years and is leading the recovery while some other sectors have lagged, and I think it's just very important to continue that momentum. That being said that while the reports are quite favorable regarding visitation on the surface, I think it's important to reiterate what Terryl referenced as far as the competitiveness of the market these days and if one takes a look at tourism coming to Hawaii in 2014, Hawaii actually lost market share to competing destinations. So it is, that is certainly a concern. Some of the challenges that we're faced with I think is, Terryl referenced the competitive destinations and the expenditures and the commitment that they have made to tourism, and there's also significant growth in the inventory of accommodations that's available here in Maui and that includes both conventional hotels, it also includes the dramatic growth in unapproved accommodations that has taken place in recent years which I believe is a

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regulatory issue that will need to be monitored. In addition, you have the exchange rates situation which makes the United States and Hawaii a more expensive destination for foreign visitors and overseas destinations less expensive. So some issues that I think need to be, we need to be aware of. The benefits of your funding I believe are many, certainly additional spending on the part of tourists and also local businesses resulting from that. And as far as the ongoing viability of businesses that associated with tourism, that does result in additional employment and also additional investment in that, in those operations. I would thank you again for your past support and certainly we're very appreciative of the commitment that you have made and look forward to future success. Thank you so much.

VICE-CHAIR WHITE: Thank you very much, Mr. Head. Members, questions for the testifier? Seeing none, thank you very much for being here this morning.

MR. HEAD: Thank you.

VICE-CHAIR WHITE: Member's, I'll just mention that this investment over the past ten years, while the County government has grown by about 125 percent, the taxes on visitor industry properties have increased by 185 percent, the funding for the Maui Visitors Bureau has grown by 2.4 percent. And the, one of the reasons that we're able to do what we're talking about today and yesterday with grants to various organizations whether they be environmental, in nature or for human services is made possible because we generate a significantly higher amount of tax revenues than our other neighbor islands. To put it in perspective, this year we anticipate unless we make adjustments to the rates to generate \$109 million in real property tax revenues from the, from Maui's Visitor Plant. To compare it to Kauai, Kauai is expected to generate 22 million, so we're almost five times greater than the generation from the Visitor Plant on Kauai, and the Big Island Visitor Plant generates \$12.6 million so we're almost eight times higher than the Big Island. So it's those revenues that make our decisions to help the nonprofits do their job, helps us make those decisions and we have a much easier time doing it. As I've said in the past, from a, as a hotel person, it makes me feel very good that we are showing a much greater level of aloha to our community, and I think our community responds to our visitors by being very welcoming in sharing their aloha with our visitors as we encourage them to go and enjoy various parts of the island. So these are I think the investments that we're talking about yesterday and today I think are very valuable to us as a community and they're very valuable to us as we present a much more positive face to our visitors than many other places in the world. Mr. Head has served in places much more varied than I have because I've just stayed at home so he could probably share some of those thoughts with you if you care to ask him about it, but I appreciate your listening to my editorial message. And with that we'll continue. And Tamara Sherrill will be followed by Gerry Ross.

MS. SHERRILL: Aloha, Council Chair White and honorable Members of the Committee. My name is Tamara Sherrill and I'm executive director at Maui Nui Botanical Gardens. We work to save and promote and distribute plants that are found only in Hawaii,

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especially those from Maui County. And I'm here to testify today in support of Office of Economic Development budget which this as I testified on Monday and I will try not to repeat, this is our base operational funding and we've been able to leverage this much more this year because this is where we, this is the funding source that we leverage for other grants and for our memberships and donations. So in this fiscal year, that OED grant was used as a match to achieve a 150 percent increase in, from previous years in non-County funding and now we have a third of our staff positions that are funded by other sources. So I just wanted to reiterate that we are making every dollar count from OED and we very, very much appreciate that, that is where we're getting our funding because it's a very good fit for us. You've noticed that today a lot of testifiers have been mentioning beach and wetland and dune restoration, and that is one of the things that, you know, our particular location on a coastal dune means that we do very well compared to other places that are doing native plant growing and restoration and promotion. We're also very centrally located right in Central Maui, and so this is a place where we're not just a genetic bank for these very rare species but we're also a place that is a show piece for visitors to come and see, you know, native coastlines and are very rare and forests that have native species tend to be very inaccessible, and we have this location that has 112 labeled species and more than 150 heritage varieties of Hawaiian crops, things that were developed right here in Hawaii. And a lot of the coastal species, especially from Maui and Molokai, Lanai and Kahoolawe are disappearing from the wild and they only exist in cultivation now. So besides being a show piece in a place that you can only see these species, we're also a source for replanting and one of the things that we are doing this year that we're expanding our program for is we received a grant to do something that is technically a little bit more, a little more up-to-date in that seed banking is one way that you can save species, not just keeping them in a botanical garden but actually putting them in long-term seed storage. So we have a grant this year to upgrade our seed storage facility so that the coastal native plants seeds that we're collecting can be stored for ten years or more rather than just a year or two in the refrigerator and that really gives land managers like the people that are under the OED grant, that gives them much more time, sometimes these species are collected out in the wild by say the plant extinction prevention program and there is no safe place for them to be replanted so this is something that can really help them while they're finding, you know, and protecting and maybe even fencing areas that need to be fenced. Another thing that we do really well at Maui Nui and have expanded in the last five years especially is growing the heritage varieties of kalo and bananas, sweet potatoes and ava and sugar cane and that we got another grant to try to meet public demand for that, because we've become known for a place to get those species and to get verified varieties, you know, that really are old Hawaiian varieties and many, many farmers, many, many residents and people who are, you know, Ocean Vodka, people who are starting businesses know that we're a place that they can get some starts of those plants and they become the basis for new programs and new ventures. So we're very proud of those expansions and we very much appreciate the support from OED and Teena Rasmussen over the years, and we really hope that she'll consider supporting the grant, the line item grant this year. Thank you.

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VICE-CHAIR WHITE: Thank you and you hit the four-minute number right on the button. Members, questions for the testifier? Yes, Ms. Crivello.

COUNCILMEMBER CRIVELLO: I want to thank you for the work that you do.

MS. SHERRILL: Thank you.

COUNCILMEMBER CRIVELLO: Do you sell your, is it do you give it away or you actually sell the?

MS. SHERRILL: Yes, we do, we do both, we give away more than 2,000 plants every year mostly to school gardens, community groups, we have an Arbor Day event in which we give away 1,000 native trees each year in November. We also sell our plants at plant sales and off of our office deck every day. We don't try to compete with the commercial growers that have native nurseries here because we are funded by the County. So what we tend to do is just have a really wide variety of species, walk people around, show them all the different things that there's stuff other than ilima and akia that you can put in your landscape in Kahului that will look beautiful. And then we give them the contact numbers for those nurseries so that they can buy larger quantities for you know large landscaping.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair and thank you, oh, sorry. Hi.

MS. SHERRILL: Hi.

COUNCILMEMBER COCHRAN: Thank you for being here and yes, for what you do. How do you folks assist if any our Parks and Rec and any of the County facilities in its landscaping efforts?

MS. SHERRILL: We are located on the Parks' property so we have a long term lease with Parks and so we are actually a part of Keopuolani Park. And we, they are our partners in that they, you know, basically do that lease, they also, we rent the parking lot from them to have events so we work with them for permitting, and they've been really, really wonderful for this year we've been working much better with them and had a lot more events and workshops. They have their own County nursery that's located in the amphitheater right behind us and so the County Parks is supplied by that nursery, but we're completely open to providing any plants, you know, for over the many year we did we have provided plants to the Department of Water Supply, hundreds of plants for giveaways and things like that, and we would be totally willing to provide plants for the Parks as well.

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COUNCILMEMBER COCHRAN: Okay. Thank you, Chair. And a follow-up on that though, Chair.

VICE-CHAIR WHITE: Please.

COUNCILMEMBER COCHRAN: Thank you. Well, what I'm trying to get at is to, you know, re-landscape or add more native type plant you know plants to our existing and, you know, take out things that aren't as conducive, as drought tolerant and what have you. So that's kind of what I hoped to see more of a dialogue communication and a cooperation, partnership I guess with and that would be helpful but.

MS. SHERRILL: I would like to see that too.

COUNCILMEMBER COCHRAN: Great, thank you. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. Thank you very much, Ms. Sherrill. And Gerry Ross will be followed by Michelle Jones.

MR. ROSS: Aloha, Chair. Good morning, Members of the Council. I brought along a little visual. My name is Gerry Ross and with my wife, Janet Simpson, we're farmers Upcountry, we grow food and soil. The first thing I'd like to do is thank you for your ongoing support past and hopefully in the future of Maui Coffee Association. We've used seminars, workshops and professional consultants to help us improve and expand coffee in the County. As our President pointed out earlier, the aggregate score of Maui Coffees this year at the State cupping trials was the highest of all the coffee growing regions in the State, that's higher than Kona, that's higher than Ka`u. So Maui Coffee is excellent, it's also growing and that is economic development. One of the things I'd like to talk to you about though that's very near and dear to my heart besides kalo is food security and regenerative agriculture. We do as much as possible on our farm with as much on-island resources that we can get a hold of, so this kalo here has grown, it's about ten years old or ten months old, the original starts I got from Maui Nui Botanical Garden about eight years ago, it's now a part of our business. We grow about 1,000-1,500 pounds of kalo a year. This was grown using 1/30 of the recommended fertilizer that CTAHR tells you to use, okay. That means less runoff of chemical fertilizers that have a negative effect on our marine systems and our water bodies, and we've achieved this by using compost, we collect about 20 tons of food waste a year, that's my next stop, when I'm done here, I hit the Wailuku restaurants that I work with and I get about 20 tons of food waste, I turn that into compost and I grow food like this for our community. This is a fantastic resource and a great opportunity for Maui. So as members of the Council, you have a couple of things in front of you, first of all, I'd really like you to keep your eye on Anaergia and the Department of Environmental Management. Maui produces 27,000 tons of food waste a year. That all shows up in the dump, you could take that and with our green waste turn that into enough compost for 1,400 acres a year, that means a lot of local food production. So please keep your eyes on the Anaergia guys because some of us in the community are concerned that, that food waste and that green waste is going to

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be turned into burnable products instead of soil products which we eventually can eat. The second thing is that there are some organizations that are working very hard to try to promote this type of agriculture. As some of you are aware, the Mayor has signed on to the Aloha Plus Challenge that seeks to double local food production by 2030, that's going to be achieved through the use of local resources, trying to diminish our footprint, sustainability and less imports of fertilizers, et cetera coming in from off island. The Farmers Union is one such organization that's doing a lot of work to train people, make people aware, really get people to look at local, small-scale food production which is what feeds our local community. So I ask you to work with OED and to encourage them to support people in groups like the Farmers Union. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Ross. Members, questions for the testifier? Seeing none, thank you very much --

MR. ROSS: Thank you.

VICE-CHAIR WHITE: --and great visual. Michelle Jones will be followed by Laurel Loesberg.

MS. JONES: Good morning. Thanks for hearing everybody's --

VICE-CHAIR WHITE: Good morning.

MS. JONES: --testimony. My name is Michelle Jones, I'm with a local company called, Two Chicks in a Hammock. We sell backyard juice, Hawaiian chili pepper water. And I'm here to testify on behalf of the Office of Economic Development's budget, especially for the Made in Maui County Festival, which we attended, we were a vendor at last year. I think this is a great, great thing for local businesses, I want to see it happen every year so I'm just here in support of funding for that. We made over \$2,000 in that one day on Saturday. Because of the festival, we knew, have, we have new contracts with stores, we have a distributor and I know speaking not just for me but probably for a lot of other businesses that were there that day. So I just want to say thank you for supporting that for this last year and I just hope to see that continue. And thanks so much to Teena, she's wonderful.

VICE-CHAIR WHITE: Thank you very much. Members, questions for the testifier? Seeing none, thank you so much for coming today. Ms. Loesberg will be followed by John Gerry.

MS. LOESBERG: Hello, I just want to thank the Councilmembers for all your hard work on behalf of the County of Maui. And I would like to address the issue of the coqui frog infestation in Maliko Gulch and the funds allocated to Maui Invasive Species (MISC) to battle this onslaught. My husband and I were the first to build a house in the Haiku Mauka Subdivision 20 years ago, we live on the edge of Maliko Gulch. We first started hearing about coquis years ago when MISC would come by and ask if any had been heard as that is how you know coquis have arrived. We were so blissfully unaware of

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their existence. Steadily over the years, it has developed into a situation where the rhythmic din from thousands of coquis in Maliko is offset by the screeching of hundreds on neighbors' properties and always some outside the bedroom window. They screech their high decibel mating call from dusk till dawn, evenings for me are now spent with a pump sprayer in hand, quietly hunting the calling male in order to spray citric acid in his direction. You may not find many of my neighbors here today who do not about the gulch simply because they are still blissfully unaware. This is because of the incredible effort of Maui County and MISC to deal with this problem. But if this effort does not continue, they will soon know what it is to live with coquis and then their neighbors past them. From what I understand, eradication is still a possibility but only with a strong commitment and large increase of revenue. I'm here speaking to you to make sure that you know that although MISC has been making a huge difference in what could be a much worse nightmare, that the coqui frog infestation has been steadily growing and at the current rate will continue to spread. MISC has been spread thinner with little fire ants and increased coqui populations popping out of Maliko. What they do for Maui is incredibly important, it goes beyond the quality of life for residents to far-reaching environmental impacts for Maui. I'm afraid that this is one pest we don't want to allow to stay, I fear their population explosions could be devastating. So thank you for all you have allocated to this and please consider making it an even higher priority.

VICE-CHAIR WHITE: Thank you, Ms. Loesberg. Members, questions for the testifier? Seeing none, we are aware of the challenges in Maliko --

MS. LOESBERG: Thank you for letting me speak.

VICE-CHAIR WHITE: --and thank you for coming and sharing them with us. And John Gerry will be followed by Susie Thieman.

MR. GERRY: Hi. I'm John Gerry and I live on right next to Maliko Gulch in Haiku, that's near Giggle Hill and I have a little recording to play from you, for you that I did last night (recording of coqui frogs screeching). So they are there and they're real and we do appreciate all the efforts of MISC, Maui Invasive Species Committee over the past few years and the support from the Council, but we are on the eastern front of the frogs coming out of the gulch. And we do battle them not always on a daily basis but we do battle them and kill the frogs but we are slowly losing that battle, and there has been discussions about, I think Teya mentioned having sniffer dogs prevent more frogs from coming from the Big Island. But we have our own source here on Maui and that's the gulch and we have to do something about getting rid of them in the gulch or they will spread, they're starting now to spread past our property and they're getting through. They are getting through, we can't stop them all without more help. So I think if we can get rid of them in the gulch, we can prevent them from spreading across Maui, but it is a problem and it's not getting better, it's getting unfortunately it's getting worse. So I just wanted to make sure you're aware of that and appreciate your support and encourage you to do anything you can to support the Maui Invasive Species Committee to get more teams to get in the gulch and take care of the problem

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before it becomes really expensive to deal with or we give up, we don't want to do that either. So, thank you.

VICE-CHAIR WHITE: Thank you for sharing your thoughts on that, Mr. Gerry. Members, questions?

COUNCILMEMBER VICTORINO: Yep.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you and Mr. Gerry, where approximately are you in Maliko Gulch, you know starting from Hana Highway in?

MR. GERRY: Yeah. We're, do you know where Giggle Hill is, the Marine Park is?

COUNCILMEMBER VICTORINO: Yes I know where that is.

MR. GERRY: We're right there. We're not in the gulch actually.

COUNCILMEMBER VICTORINO: You're up above the gulch?

MR. GERRY: We're on the rim, yeah.

COUNCILMEMBER VICTORINO: But your tape was from the gulch itself? Or up from Giggle Hill?

MR. GERRY: That's from our property.

COUNCILMEMBER VICTORINO: From your property?

MR. GERRY: Uh huh, yeah.

COUNCILMEMBER VICTORINO: Okay. So it's...

MR. GERRY: So they're there and they're loud. Yeah.

COUNCILMEMBER VICTORINO: Oh yes. I know that.

MR. GERRY: And MISC will come and they'll get quieter for awhile, but they're starting to move through, they're starting more than ever, they're now in the front of our property and they're starting to cross the street.

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

VICE-CHAIR WHITE: Thank you.

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COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Yes, Ms. Cochran

COUNCILMEMBER COCHRAN: Sorry. Hi. Thank you. Thank you for coming and the, yeah, your recording shades of Pahoehoe and hate when I go to Hilo and eventually you just drown, you don't hear it but it is there and it does, yeah, it is disturbing. So, do, are the residents given something, any sprays or I don't think they have little traps for them but something to do on your own personal level versus having to wait for MISC and have their own troops and armies come in at your folks beck and call? Is there a, you know individually can families do things?

MR. GERRY: Oh yeah, MISC has been very helpful in giving us citric acid, and also you can go out and catch them by hand but it's an ongoing battle and we're slowly losing it.

COUNCILMEMBER COCHRAN: Right.

MR. GERRY: I mean the residents are slowly losing it and without additional support, I fear it's gonna have, that coqui frogs are gonna keep moving on. This is a recording from last night.

COUNCILMEMBER COCHRAN: Okay, yeah that's pretty loud. In Honolulu we had the RISC from the Ritz Carlton but luckily they caught it early, early, early and eradicated them so. Knock (wood) still have not heard any so. Thank you but we'll address that. Thank you very much.

MR. GERRY: Thank you.

VICE-CHAIR WHITE: Thank you and I was there just six months ago and I don't know if what I heard was nowhere near as dense as that. Have you noticed a significant ramping up?

MR. GERRY: Well, there are times of the year, near Christmas when it was dry and we didn't hear anything for a few weeks, and then when it rains and all of a sudden, oh, they're back. So there is some, there's a little bit of that going on.

VICE-CHAIR WHITE: Okay. Thank you. Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you so much for coming and thank you for the recording. You know it's like a picture, it's worth 1,000 words of us reading about this thing.

MR. GERRY: Right.

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COUNCILMEMBER BAISA: You know it's really disconcerting to me to hear that you're on Giggle Hill, you know when I think of Maliko, I don't think of Giggle Hill, that's quite a ways.

MR. GERRY: Well, we're not on the hill, the hill is we're between the hill and the gulch.

COUNCILMEMBER BAISA: I see.

MR. GERRY: Yeah.

COUNCILMEMBER BAISA: But it is you know getting further and further up, and I didn't realize it had spread that far.

MR. GERRY: Yeah, they've come across the rim and they're starting to spread out.

COUNCILMEMBER BAISA: So again thank you very much and thank you for the recording, it's very important.

MR. GERRY: You're welcome.

VICE-CHAIR WHITE: Any further questions, Members? Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: No, not. Sorry not but Chair just in reference, really cold weather quiets them down, they don't, they're not active. 'Cause I was in Hilo recently during our winter months and I didn't hear a single, I go oh my God, you eradicated? And my cousin's like no, it's 'cause it's cold, they don't make the noise. Oh, so cold weather so we'll just do like blasts of cold air and they'll be. I don't know. Thanks.

COUNCILMEMBER VICTORINO: Chair.

COUNCILMEMBER COCHRAN: Thanks.

VICE-CHAIR WHITE: Turn it into the Maliko refrigerator.

COUNCILMEMBER COCHRAN: Mr. Chair.

VICE-CHAIR WHITE: Yes, Mr. Victorino.

COUNCILMEMBER VICTORINO: It's not only cold weather, it's when you get very dry and the Big Island had a very dry spell and so whenever it gets really dry, they move away. They need a lot of water, that's why the Big Island it went because of the a lot of rain and so it spread real rapidly. You go to the west end of the Big Island, you don't find them very much 'cause it's too dry. So really cold is not the real answer, it's dry weather, but how can you pray for dry weather, right.

VICE-CHAIR WHITE: Yep.

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COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you, Mr. Gerry. And Ms. Thieman will be followed by, Yuki Lei Sugimura.

MS. THIEMAN: Good morning, Chair White.

VICE-CHAIR WHITE: Good morning.

MS. THIEMAN: Councilmembers. My name is Susie Thieman, I'm the executive director of Lokahi Pacific. And I'm here because I don't have a line item in this section. Got that right? Actually I don't have a line item anywhere in the budget so I guess I should come every day. I'm here to thank you for the line items that are there and that you support. And I'm here to thank you for all that you do to support OED because that's our, I can't say that's our favorite department. It's one of our two favorite departments 'cause we work with Housing as well so I really have a split mission. Thanks for the support. We step in when Teena has a special cause or a special project that she wants done that is kind of a short-term thing that has to do with helping businesses, small businesses. The question becomes what can \$5,000 do to help a small business? In these last two years we've been able to help more than 20 small business and we're getting ready next week to award another probably ten awards of \$5,000 or less to small businesses who have entered into the small business revitalization grant application process. It's a 40/60 split, the County provides up to \$5,000 per business and the company has to supply 40 percent. Five thousand dollars can make all the difference in the world if you've been trying to save enough money to build up your inventory or to replace a piece of equipment that's just out of your reach. You've got maybe \$4,000 towards a \$6,000 piece of equipment, you've gone to the bank, you've tried everything you can think of, you've had a special sale on some of your inventory items, nothing has helped you get past that \$4,000 you've got. Here's the answer, put in a grant application, write up what this new piece of equipment or what this inventory can do for you and we're here to help you. This has been, this is the second year of this program, it's in the areas of Hana, for Councilman Carroll, for Councilmember Crivello in Molokai and for Councilmember Hokama on Lanai for the three areas that were the hardest hit during the recession times and where it's still tough to get a bank loan, we're there for you. So I'm here to thank you for what you do for OED, and in just the last couple seconds I want to say that, I'm gonna cross over to Housing here for a second, if any of you have a chance over the noon hour to listen to the radio, on the Maui nonprofit directors' radio show we're gonna be talking to somebody from the Humane Society about the incredible, successful day they had yesterday with the first day of their MASH program. They exceeded their goal and they got out of there at 10:00 last night.

VICE-CHAIR WHITE: Good for them.

MS. THIEMAN: Anyway, thank you for everything, I won't take any more of your time.

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VICE-CHAIR WHITE: Thank you, Ms. Thieman. Members, any questions for the testifier? Seeing none, thank you for coming.

MS. THIEMAN: Thanks.

VICE-CHAIR WHITE: Even though you didn't have a line item. Ms. Sugimura will be followed by Pamela Tumpap.

MS. SUGIMURA: Good morning, everyone, Chair White and Maui Councilmembers. My name is Yuki Lei Sugimura, and I wanted to thank you first of all for working so hard you must be on a little bit burnout for all the night meetings and many, many hours of testimony, and I appreciate how you're working very hard to guide our County's forward. I'm here to testify on quite a few items so, Festivals of Aloha is one of my passions. We do 25 events Countywide including Hana, Lanai, Molokai and Maui and we touched about 15,000 people last year through our events Countywide. We're proud of what we do, we stand by our mission that we help perpetuate our native culture history and share it with many people throughout the County. The other event that I want, the other project that I wanted to talk about is probably another one of my passions which is Wailuku First Friday as well as the expansion of the of Wailuku Town promotions. So with Wailuku's First Friday as you've probably know has been around for a few years now, it started in 2008, and 2011 Office of Economic Development expanded that and created the Maui Friday Town Parties. We're thrilled, it I always say if you come to Maui any Friday, you can celebrate in any of our small towns, and I think OED has done a great job in terms of marketing this, we handle marketing of this project and with the amount of money that OED provides for marketing we expand that and we have hits on and promote this and get about \$200,000 worth of marketing dollars through the funding that OED provides. I also wanted to mention that Wailuku Town is also expanding, where we're creating a Thursday event once a month and we're trying to do Saturday sidewalk sales. So in Wailuku we're expanding that and it's really due to also the expanding growth of the merchants group, and I wanted to also say that in tying this all together and I always really, really believe this, I support what, Chair White said about Maui Visitors Bureau, every single event that we do, I always look on the street, I always look in the audience and I see the visitors that come and share in our culture, share in our heritage and it's through the marketing dollars and support that Maui Visitors Bureau gives, and Wailuku town just recently, Terry, I saw these Korean visitors that were there taking pictures, you know I was like thrilled, I said wow, we're getting international. So our reach is huge and I think I really credit Maui Visitors Bureau and I'd like to also support them and ask you for your continued support to them, because they filter through every single thing that happens in our County. Thank you.

VICE-CHAIR WHITE: Thank you, Ms. Sugimura. Members, questions for the testifier? Seeing none, thank you very much. Ms. Tumpap is the last person to have signed up to testify this morning. If there is anyone else in the Chamber who would like to

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provide testimony that has not yet done so, please sign up in the back or be ready to come down after Ms. Tumpap is finished. Good morning.

MS. TUMPAP: Good morning. Aloha, Chair White and members of the County Council. I'm Pamela Tumpap, President of the Maui Chamber of Commerce and pleased to be here with you today. I know this is a very long and involved process and we appreciate you how you continue to open it up to the public and get as many people involved throughout our County. We too don't have a line item in the Budget, but we're here today to support the County's Office of Economic Development and actually all economic development. OED works with many economic development groups, many of them who are nonprofits to significantly give the County a return on its investment for the money you put in through the budget process, and sometimes people compare these nonprofit organizations to other nonprofit organizations, and obviously economic development does not tug at the heart strings like some of the other stories we hear when you're talking about social services. But economic development is a key piece of the puzzle in a sustainability strategy. We believe in the triple bottom line view of sustainability which is the economy, the environment and social well-being, and we understand that if we don't invest in economic development then when people don't, often don't realize that nonprofits are funded by businesses and residents and government is funded by businesses and residents and when the economy isn't doing good, businesses aren't doing well. We see job losses, residents aren't doing well and it's a very negative cycle and we need a healthy economic environment to build that up. When we're doing better in business and our economy is growing strong, more money is circulating in the community and you don't have to make as many tough decisions. And OED helps leverage that and they work with various groups. The Maui Visitors Bureau, we all know how important the visitor industry is, they support hotel and resort jobs, they support activity jobs, they support restaurant and retail jobs, so many jobs in our community and the investment in Maui Visitors Bureau in terms of the ROIs, unparalleled. We get so much back for that investment that it's really important. Then you've got the Maui County Farm Bureau who's protecting agricultural jobs. Another leg on our stool, MEDB protecting high tech jobs and giving kids an opportunity through STEM education to look at diversified industries to work in. All of these industries are extremely important and help keep Maui, Maui. And of course at the Maui Chamber of Commerce we deal with all industries in our community, supporting businesses small, medium and large to help them sustain and grow. And this is also where OED is a great leveler because they expand opportunities, Hawaii is ranked 49th in the nation in terms of being the best place to do business in, we're at the bottom because we have such a high cost of doing business. So OED through its programs and working with these other nonprofits and creating collaboration is helping us grow jobs, and a key factor that we can point to and you just had one of our members here from the Made in Maui County Festival, Two Chicks in a Hammock talk about what's happening. She talked about getting in stores, she talked about wholesaler buyer relationships, she's also quit her job to work full-time on this new business, they're growing and that's what the Made In Maui County Festival was about.

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MR. MOLINA: Three minutes.

MS. TUMPAP: You know the great statistics but beyond a great day for the community and shopping, it was about a systemic change supporting local manufacturers to help them grow so we could get to exporting products and selling far more on a national and international level. And that's some of the things that OED does and that's some of the things that many other economic development organizations do, and we urge your strong support of funding economic initiatives in this budget session.

VICE-CHAIR WHITE: Thank you, Ms. Tumpap.

MS. TUMPAP: Thank you.

VICE-CHAIR WHITE: Members, questions for the testifier? Seeing none, thank you very much for your perspectives this morning.

MS. TUMPAP: Thank you, aloha.

VICE-CHAIR WHITE: And we have another person who has signed up to testify and our next testifier is Che Frausto. Good morning.

MR. FRAUSTO: Good morning, Chairman White, Councilmembers and Staff. Happy Earth Day. My name is Che Frausto, I'm the intern at Maui Nui Seabirds Recovery Project. From the intern level, this organization and staff are amazing. They rescue so many birds and do so much work to preserve Maui's native seabirds, and I couldn't ask for a better experience. Jay Penniman sends his regrets, he is currently on Molokai, doing a seabird banding training.

VICE-CHAIR WHITE: Could you get a little closer to the microphone you have a soft voice like mine.

MR. FRAUSTO: Sorry. Jay and staff did a banding last night on . . .(inaudible). . . we did three bandings last week at Hawea, Kam III, Hookipa. We had about 20 to 25 volunteers at each event and we have a video on Vimeo and we're on Maui Now. And I want to thank you for your past and continued support for all Maui Nui-based conservation orgs. Our wildlife and natural resources don't have a voice so we have to be the voice to keep Maui healthy, beautiful and a prime location to come and visit. Your support is very important for maintaining staff and raising awareness and public education on seabird-related issues. This year's request is for a half-time outreach position that will educate and reach out to the public, this person will inform the public on light pollution and how it affects seabird fledglings. The fledglings use the stars and moons to navigate, they get really confused with all the artificial lights so they fly until exhaustion and land all over the island where they fall victim to cars and feral cats. By outreaching to the public and getting more involved, we can pick up and rescue more seabird chicks. We work closely with the Maui Humane Society and

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other local rescue groups and appreciate your support of these worthy causes as well. Thank you to the County and Office of Economic Development. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Frausto. Members, any questions for the testifier? Seeing none, thank you for being here this morning. Is there anyone else in the Chambers who would like to provide testimony this morning? If so, please step forward now. We'll go to the District Offices to Lanai, Denise, do you have any testifiers?

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

VICE-CHAIR WHITE: Thank you, Denise. We'll go to Hana District Office, Dawn, do you have any testifiers?

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

VICE-CHAIR WHITE: Thank you. And Ella on Molokai, do you have any testifiers?

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

VICE-CHAIR WHITE: Thank you very much. Members, there is no one in the Chambers or in the District Offices wishing to testify, without objection, we'll close public testimony.

COUNCILMEMBERS: No objections.

. . .END OF PUBLIC TESTIMONY. . .

VICE-CHAIR WHITE: Thank you. Public testimony is closed. As we did yesterday I will give you the option of working through until noon and taking from noon to 1:30 as our break, or if you would like to take a break earlier, I don't know what your schedules are like but we can break now and come back at 1:00. Any, I didn't, obviously Ms. Rasmussen must of made a face or something. From judging from the gallery, okay, we'll push through and we'll break at noon. So Ms. Rasmussen, would you like to proceed?

VICE-CHAIR WHITE: We're gonna be working off the same sheet that we were working off of yesterday.

GRANTS

OFFICE OF ECONOMIC DEVELOPMENT

MS. RASMUSSEN: Okay.

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VICE-CHAIR WHITE: It's the sheet that says at the top Grants Proposed in the Fiscal Year 2016 Budget.

MS. RASMUSSEN: Okay, so I just want to make sure we're starting on agriculture promotion, is that where you're at, Chair?

VICE-CHAIR WHITE: Yes grants and disbursements for agriculture promotion.

MS. RASMUSSEN: Okay. Alright thank you. And thank you all and thanks this morning to all the people who showed up and testified, it's very gratifying after a very long year of work to hear the support that we have at OED and I want to thank my staff as well for their hard work. Okay so agriculture promotion, we have as you know worked very hard to find projects and collaborate and try to leverage the funding that we can offer with these organizations. And so one of the things we're working on is the expansion of the Kula Agriculture Park by purchasing land and utilizing a State grant for that of \$5 million, we are at the end of that process very close to bringing a resolution to this Council to accept the proposal, and we paid for an appraisal for the land so part of the funds were, was used for that. There was a proviso to the Maui School Garden Network, the Hawaii Farmer's Union who is doing great work on an apprentice program, that they're just getting ready to roll out. Their grant was just executed a few days ago. We had the Maui Food Technology Center provided some technical assistance to our food producers, we paid for that technical assistance to take place. They also had six companies that participated in the Food EX trade show in Japan and also they, we helped fund a food tech and supply expo that took place up at Tavares Community Center where they brought all kinds of resources together for manufacturing companies to come to one place and find packaging products, labeling products, and all of that was very well attended, great event. And then the last large grant we gave under this, under our agriculture promotion was to the National Tropical Botanical Garden and the Breadfruit Institute out there in Hana, and we're helping them get some very much needed equipment, and various things they need to continue their work at the garden. So I think we had a really good array of projects under this, and we definitely want to keep these kinds of programs going.

VICE-CHAIR WHITE: Thank you very much. Members, questions on this group of agriculture promotion expenditures or grants I should say? Okay. You requested, oh I'm sorry, no go ahead, no, you first.

COUNCILMEMBER VICTORINO: Will somebody please go.

COUNCILMEMBER GUZMAN: Thank you very much, Chair. Yeah, on the agriculture promotions, you're asking for an increase in 25,000?

MS. RASMUSSEN: We are, we, when we built this budget, we were looking to, we really want to do a Statewide agriculture conference, and that is something we want to explore and we're going to need the funding to do it. It may however turn into food safety

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education and workshops, because that food safety modernization act is coming down with some huge regulations that are supposed to be coming this fall, and the unfortunate thing is we've heard is that they have lowered the threshold for the size of the farms down to \$20,000 is all, I mean that is like a very small farm and that means that those regulations are going to go down all the way to that level and we're going to need to offer some serious education and outreach. And that's why we're also working with CTAHR through their program to do that, so we really feel that these funds will be used probably for that area. That kind of came about after we built our budget but.

COUNCILMEMBER GUZMAN: Was there any, sorry, Chair.

VICE-CHAIR WHITE: No, no.

COUNCILMEMBER GUZMAN: Is there any Federal monies we can tap into for the education portion of it since it is...?

MS. RASMUSSEN: They will, the Federal Government I'm sure will be putting out manuals and reams of paper on the regulations, I've heard the regulations are very onerous. But it's going to be up to I think organizations like CTAHR, you know, cooperative extension, local farm bureaus, you know, even the Hawaii Farmer's Union. I mean all those farmers are going to be affected just as much. Everyone is gonna have to live with this, and you know in many ways it's unfortunate because it's gonna ramp up the cost of food, you know there's no question about that, but it's gonna be the life we're gonna have to live unfortunately under this new act. So.

COUNCILMEMBER GUZMAN: Thank you, Chair.

VICE-CHAIR WHITE: Thank you. That was the question I was going to ask, what are you going to use the \$25,000 for? I think that was a good explanation. Let's move to Maui County Farm Bureau, Inc.

MS. RASMUSSEN: Okay. So as you know you heard from the Maui County Farm Bureau this morning. They have such a multitude of programs that they roll out, they, you know they do have a large budget although this budget is smaller than they have received in the past. They of course do the Maui Fair, the horticulture exhibit, they represent Maui on the Hawaii Floriculture and Nursery Association State Board. They help produce Kaanapali Fresh and the farmers market that takes place out there, they do Ag in the Classroom, Grown on Maui program, working to connect the farmers, the chefs, the distributors to locally made product, and through that program they do use those commodity groups. They use the coffee growers, the cattlemen of course with their beef. And then they also, one of the commodity groups is the Maui Association of Landscape Professionals, and they have a very active organization and one of the things that they were able to do was to bring the certification program to Maui. Instead of their professionals having to fly to Honolulu to be certified, we through OED, some OED funding and the Farm Bureau, they were able to bring the certification here and really save their companies a lot of funds from having to travel

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off island. And then of course their Localicious Dine Out in Maui program falls into the Farm Bureau where participating restaurants featuring a Maui-grown salad on their menus, give a dollar back to the Maui grown program, and that is donated then to growing Future Farmers fund and they award scholarships to ag students. So that has been a very successful program as well. Ag Fest the estimate is around 7,000 attendees, I think they had the best layout of Ag Fest that they have ever done. We're so appreciative to Mike Atherton for donating those facilities at Maui Tropical Plantation. And again we of course support all of the commodity groups under the Farm Bureau.

VICE-CHAIR WHITE: Okay. Members, questions on the Farm Bureau? Ms. Baisa?

COUNCILMEMBER BAISA: Interesting to hear about the Localicious program and the dollar per salad, do you have any idea what that generated?

MS. RASMUSSEN: You know I did read that, do you know what the total dollars are for the salad? It was, I think I read somewhere it was around 12 to 15 thousand dollars they've raised.

COUNCILMEMBER BAISA: That's a lot of salads.

MS. RASMUSSEN: I mean consider it's only a dollar a salad.

COUNCILMEMBER BAISA: Right. That's a lot of salads. Good, thank you.

COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair and thank you, Teena for being here. In particular this group, what's the breakdown of the grants that they give out? The monies they help fund those commodity groups that they spoke about? How does that break down in reference --

MS. RASMUSSEN: Yeah.

COUNCILMEMBER COCHRAN: --to the larger budget?

MS. RASMUSSEN: Last night, we transmitted to you the budgets, we transmitted the budgets of all the line item grantees. And I believe the Farm Bureau, she's getting it for me here real quick.

VICE-CHAIR WHITE: Yes, it was provided to us this morning.

COUNCILMEMBER COCHRAN: I don't see it though, is it on here somewhere?

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MS. RASMUSSEN: So, the Maui Coffee Growers received out of the Farm Bureau, now this is the direct amount that goes into their group, and then of course they benefit from the larger Farm Bureau grant in other ways and particularly in the ways of marketing and promotion. The Farm Bureau takes that piece on, you know, as a separate thing, but the cattlemen receive \$9,600 and the coffee growers receive \$28,300, and the landscape professionals received \$8,700. And those were budgets that were put together by the commodity group themselves, I mean that's what they asked for, for their programs.

COUNCILMEMBER COCHRAN: Okay. Yeah I was just trying to see what the in reference to the overall budget of 330, no 325 I guess is what so they're actual overarching budget is looking to be increased --

MS. RASMUSSEN: Uh...yeah let's see.

COUNCILMEMBER COCHRAN: --from last year, 319 up to 325. Yeah, is that what it is?

MS. RASMUSSEN: Yeah. Just yeah, slight increase which if you look back, they actually had 325,000 back in 2013, and then there was a little bump in 2014, and then it went back down and then so. But we feel, you know the Maui County Farm Bureau represents over 50,000 acres of farmed land on, in Maui on Maui island, and all the, most, all the large ranches, HC&S, Maui Gold Pineapple, and many of the growers in the Kula Ag Park and plus many growers scattered all through, you know, the rest of the County are, you know, members of the Farm Bureau and that's who they represent. Also the Farm Bureau produces Ag Fest which is a pretty hefty amount of funding that Ag Fest that they need to do Ag Fest. And then, you know, they have a position of an executive director that is funded through this and then all of the marketing and promotion for all of these different programs that they do. That's also funded by the Farm Bureau grant.

COUNCILMEMBER COCHRAN: Okay. And well, I just kinda curious why the branch of Maui Farmers Union had been created and the people that it represented there are very different from what this entity represents.

MS. RASMUSSEN: I think the Farmer's Union, you know, they have they primarily focus on organic farming, and the Farm Bureau typically has focused on more traditional farming. And I want to say that I don't want to ever see a situation in our County where we're pitting one kind of farmer group over another kind of farming group. In my opinion I tell everybody this that comes in my office, we need all farmers, we need all the farmers we can get, we need to support all the farmers, we need to support their organizations that they choose to support and there's room for everyone, there's room for all of them and there's room for each and every kind of their farming that they want to do. So I don't want to see a situation where we have to in order to fund one farming organization we have to cut another one, that's what I don't want to see happen.

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COUNCILMEMBER COCHRAN: Thank you, Chair.

VICE-CHAIR WHITE: Other questions? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Thank you, Ms. Rasmussen, for being here. I want, one of my questions is on the commodity groups, I noticed that the flower growers association is not involved as one of the flower, one of the commodity groups as well as the onion farmers. So in terms of entirety or utilizing the Farm Bureau to reach as many, be more inclusive or to all farming is it, what's going on in terms of --

MS. RASMUSSEN: Okay.

COUNCILMEMBER GUZMAN: --those other groups that are out there? And I know Councilmember Elle Cochran had mentioned the Farmer's Union so it's probably another sect that hasn't utilized or isn't being benefited from the Farm Bureau aside from the onion farmers and the flower growers.

MS. RASMUSSEN: Yeah. Okay, so to answer your question about the onion growers. They chose not to have a separate, there are onion growers in the Farm Bureau but they have chosen not to have a separate commodity group, there wasn't enough of them to be very active in their, you know, that particular commodity group like they were in the past. In fact quite frankly some of them are aging and some of them are getting ready to retire. So yes absolutely they're still in the Farm Bureau, I think there still is the Maui Onion Festival that the Farm Bureau also helps support in Kaanapali. To the question of the flower growers association, the flower growers association has always had their own separate association and that goes back literally decades. Many of the flower growers are also members of the Farm Bureau and probably some of them are members of the Farmer's Union.

COUNCILMEMBER GUZMAN: Right.

MS. RASMUSSEN: But they did, it's just been a long-standing historical thing that they've had their own association. And we've been giving them a separate grant for quite a few years underneath the agricultural promotion budget. Unfortunately the flower growers association lost their executive director and they have not yet met to determine their future. So until they meet as a group, you know, we're not able to assist them, you know, with any kind of funding, because they don't, they haven't put together a proposal or anything like that so it clearly will be open to that. Then as to your question was how does the Farmer's Union I was, something about the Farmer's Union, I'm sorry.

COUNCILMEMBER GUZMAN: Well, can I speak frankly?

MS. RASMUSSEN: Yeah.

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COUNCILMEMBER GUZMAN: So you know in my short term in dealing with agriculture as part of my committee, I've noticed that the, there is this I guess an assumption or perception that the Farm Bureau represents big ag and then you have all these other, different associations that somewhat represent the middle, you know the family farms, the smaller farms, and so there might be a little bit of animosity that's going on within the agriculture community. And so my question is, how do we benefit and how do we appropriate monies to all whether it's a small farm or a large farm, because it seems as though they may not want to go to the Farm Bureau for to be recognized as a commodity group or things like that. So --

MS. RASMUSSEN: Right.

COUNCILMEMBER GUZMAN: --how do we then distinguish between all different types of farming --

MS. RASMUSSEN: Well, you know it's --

COUNCILMEMBER GUZMAN: --or agriculture?

MS. RASMUSSEN: --hard to have a one organization that's a one-size-fits-all. I mean you know even within the Chambers of Commerce on our island, you have the Maui Chamber of Commerce, you have the Hawaiian Chamber of Commerce, you have a Filipino Chamber of Commerce, you know it's, you know, there are organizations that people will gravitate to where they feel their needs are met. And so the Farmer's Union has met a need you know and they primarily promote the organic type of gardening. I think that, they were the organic garden, I mean organic farmers used to be a part of the Farm Bureau, but you know their type of farming is, I mean it's different you know and so they're promoting certain things that maybe the organic gardeners aren't, you know, farmers are not they don't feel like they can support that. So but there's nothing wrong with having two organizations, I don't feel that's, I think that it's in fact in this case its more appropriate, but what's wrong is if we have to have them be mutually exclusive, I think they all work to the betterment of agriculture for a community. And I think that even the farmers that are in the Farmer's Union will benefit greatly from much of the legislative work that the Farm Bureau does at the State level, because they are very, very active about protecting our right to farm and all of the things that can encroach on that right to farm, you know in our State. And so I think that even though they're members of the Farmer's Union, they benefit from that activity as well. The Farm Bureau doesn't lobby just on their membership, they lobby on behalf of all agriculture. And the Farmers Union I think does that as well. So I think there's a place for both of them and I think that both of them should be supported and we do support both of them in our, and as far as the funding, you see a big disparity in the funding but that's because the Farmer's Union hasn't, you know they haven't presented bigger funding needs yet. They, I don't believe they have paid staff, they're working all on volunteers which is great. But I also think that having paid staff is also okay because that helps build capacity in an organization. You know we all know that you know volunteers can only take an organization so far. And a lot

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of it's hard, hard work that we do and all of these grants that we give out are done by people, and those people need to be paid. They carry out their work in a much more efficient manner than we could in government, and so I think it's very appropriate for staff you know to be paid by these grants.

COUNCILMEMBER GUZMAN: Has there ever been a, you know, concept of having your office distribute the, you know, the bulk of the money? Somewhat like, it seems as though the Farm Bureau is kind of the primary agent to, they receive the budgets from the commodity groups and then in and therefore turn those budgets over to you and then appropriate, it's almost like a clearing house type. Is there a, has there been any kind of concept of having your office just distribute directly to the commodity groups or the different other groups?

MS. RASMUSSEN: Yeah, the issue...

COUNCILMEMBER GUZMAN: Instead of having to go through the Farmers.

MS. RASMUSSEN: Well, the issue with that is most, all groups have to have a fiscal agent of some kind and that's where you see Tri-Isle RC&D step in on so many of our grantees. And these commodity groups could not stand on their own, I mean they don't have, I mean their organization is the Farm Bureaus, so the organization you know has the nonprofit status, they have the CPA audits, they have tax compliancy with the State, you know all of those things and these very small commodity groups would not be able to stand on their own doing that. If they did, it's going to cost them, they're going to pay a fee for that because they're gonna have to do all those things themselves, and it would have to be replicated by each commodity group so that doesn't seem very efficient.

COUNCILMEMBER GUZMAN: Very good, thank you for that explanation and that clarification. Thank you, Chair.

VICE-CHAIR WHITE: Good question. Other questions on the Maui Farm Bureau?

COUNCILMEMBER COCHRAN: And so, Chair.

VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: In their breakdown where is the lobbying efforts? 'Cause that's what you mentioned lobbying efforts?

MS. RASMUSSEN: Yeah, they work, they do work on State Legislative efforts. That's actually, a lot of that is done at the State level, the State level Farm Bureau, and they have a executive board that make decisions on what types of things it will be worked on at the State level. The County money is not paying for lobbyists.

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COUNCILMEMBER COCHRAN: Well, for this particular branch from Maui, they do go there, the State level.

MS. RASMUSSEN: They might testify, yeah, but I don't think that's, you know, I mean they can testify on issues that relate to agriculture, but it's not paying for an official lobbyist, you know, like a registered lobbyist at the Legislature.

COUNCILMEMBER COCHRAN: But doesn't that matter? Does that play in to the funds that we give this entity and their efforts there?

MS. RASMUSSEN: I don't think so. I don't think that's a, I mean anybody can testify, you know at any hearing and you're not considered a lobbyist per se just by testifying on your industry or...

COUNCILMEMBER COCHRAN: But I think you know and also hearing Mr. Guzman's lines of, line of questioning, Chair, because of the title called, Maui County Farm, you would think that it would encapsulate all types, you know all farming whether in and there would never be a need for branching out of sorts for a different type of practice or a different philosophy on it or what have you. So I think that's where, but as, Mr. Guzman mentioned there's this, there is a divide happening and no there shouldn't be, you know it should be a free country to participate in whatever practices you care to do, but for some reason it's not really happening here and so I think the question you know having it be called Maui County Farm Bureau as a whole sort of I guess not misleading but it doesn't really encapsulate all of Maui County. So it's kind of a select as you say the 50,000 acres, a majority of that I think would be your bigger, large ag type producers, HC&S and who, what have you. So, there's I think just trying to piece together the people's concerns out in the community at this time. So thank you, Chair.

COUNCILMEMBER VICTORINO: Chair.

VICE-CHAIR WHITE: Ms. Crivello followed by Mr. Victorino.

COUNCILMEMBER VICTORINO: Okay. I didn't...

COUNCILMEMBER CRIVELLO: Thank you. So thank you for being here and I appreciate this. I can hear and understand the concerns that Councilmembers Guzman and Cochran is expressing; however, under the Maui County Farm Bureau if the Maui union farmers or whatever their organization is called there's no barrier that they cannot join right? They can...

MS. RASMUSSEN: Of course

COUNCILMEMBER CRIVELLO: So I'm trying to just to clear the so-called mention of divide, the Farm Bureau may have its conventional and organic and I would hope it'd be our positions as far as Maui County that we can work together.

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MS. RASMUSSEN: Yeah.

COUNCILMEMBER CRIVELLO: And so you have this established entity called, Maui County Farm Bureau and I can understand what you're saying and it's not closed to any farmer.

MS. RASMUSSEN: Right, oh yeah, definitely not.

COUNCILMEMBER CRIVELLO: I just wanted to get that clarified. Thank you.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. Thank you, Ms. Rasmussen, for being here also and you know and all what you've done. I've heard a lot of great praise in what you've been able to accomplish in the last few years and I think Made in Maui, Ag Fest, I mean these are all in the last four or five years, and this lady has been really an integral part of all of it along with all the other entities. But just to clarify and you mentioned this earlier, I just want this fact put on the table as Ms. Crivello said anybody can join the Farm Bureau if they so choose to, and like was said earlier, by yourself that sometimes entities divide up because their interest may be changed just the chamber you mentioned, the Filipino chamber, the Hawaiian chamber in Oahu there's a number of other ethnic chamber of commerce, it's a choice thing.

MS. RASMUSSEN: Right.

COUNCILMEMBER VICTORINO: Okay, they still and many of them have dual memberships you know. You know you have areas like Windward and Honolulu and Leeward Chambers, it develops, it morphs itself into it, so there's nothing to say that one name like Maui County Farm Bureau is misleading, I disagree with that statement. You know because also here in Maui from my Knights of Columbus we're the Maui Council, we're the mothership and we have four other councils now that exist but we're still Maui. That was the name we took on when we first came, so we don't say we're the only one and Mr. Guzman is a member of the Christ the King, Kahului one. You know so you know I've seen this morphing all different organizations and you know to close I say this, they all working for one agricultural diversification sustainability, you know all the different things that we need to exist here in Maui County, in different ways but yet when you look at the bottom line the same, they're practicing, they want the same results. And so whether you're big, small I don't think it's a major difference in my mind, I think we're all Mauians first and foremost and let's continue to remember that. I mean that's where I hate when I see divisions because you know what, things happen, I don't think we're divided, I think we want to work together, it's just we have to figure it out. And that's why I hope this will start their conversation with all the rest. Thank you, Mr. Chair.

VICE-CHAIR WHITE: I wish Mr. Ross was still here because he's part of the coffee growers --

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COUNCILMEMBER VICTORINO: Right.

VICE-CHAIR WHITE: --and he's part of the Farmer's Union so I think that's a good example of someone who bridges both organizations because both organizations have different projects to do and different interests so I think. Mr. Guzman.

COUNCILMEMBER GUZMAN: Yeah. Thank you, Chair, that's a good point, in fact a lot of my members that are within the, not mine but the members of the Ag Working Group have dual memberships and dual roles in both the Farm Bureau and the Farm Union. But I think what happens is and I'm trying to, taking a word from Ms. Crivello, trying to understand that the conflict that goes on and I think in listening with Elle Cochran, Member Cochran is that when the Farm Bureau takes a position may it be a political position or some type of policy position it becomes a little bit more turmoil and it looks as though the whole County, the whole community of agriculture takes that position because of the funding --

MS. RASMUSSEN: Right.

COUNCILMEMBER GUZMAN: --that we give them, and so I think there's lines get blurred and there's a little bit of confusion on where that, where their position is and it would be nice if they just take neutral positions at times. But I think the conflict comes in when they do take a State position and it's in conflict with other forms or other entities of agriculture so and that combined with us appropriating money it looks as though the our County is in support --

MS. RASMUSSEN: Right.

COUNCILMEMBER GUZMAN: --of their position at times. And I'm just trying to see that both perspectives you know and just look at both sides and try to identify the issue. I'm not in favor of either one but I just wanted to present those issues that I've been hearing so. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. And I think you know the Farmer's Union has done some really good work and has drawn out some very interesting perspectives on how we can move forward, how the small farmers can move forward. But to use another comparison, we just had an issue last week where the Hawaii State Association of Counties is voting to support the position that the counties should be getting the GET, and the authorization for the GET. Well, Maui County I don't, you know judging by the comments in this room, we only heard from four Members but all four that spoke said we don't want the GET, so that's created a situation where we're at odds with HSAC but that's the nature of the beast. You know I don't agree with my wife on everything.

COUNCILMEMBER VICTORINO: . . .(laughter). . . I never wanted to go that one.

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VICE-CHAIR WHITE: Doesn't mean I got any options that I'm gonna move on, but I think the discussion's healthy and I think we've shown support for both organizations and I think that's appropriate because they both have different strengths and different, slightly different missions although they're all focus on benefiting Maui County's agricultural initiatives.

MS. RASMUSSEN: And if I just might just to wrap up. I think the one thing that I think that we do really well at OED is to try to urge people to collaborate and really work together. I think you saw from many of the comments today that, that's exactly what we've done in the community. I do believe that in the agriculture arena that could be done better and I think you know I'm looking at Mr. Watanabe and anybody from the Farmer's Union I think it would behoove them to bring their memberships, bring their leadership together to talk more about these really large, larger agriculture issues that affect all farming and make sure that we're and some of those larger issues that we're talking as one voice. And I think that would be very helpful and I would like to urge the Farm Bureau to be a leader in that and I would urge the Farmer's Union to come to the table on that, because there are some, a lot external threats going on to our agriculture entities and they have to be ever mindful and collaboration will be the only way that we'll survive that.

VICE-CHAIR WHITE: Okay, with that, we're gonna...

COUNCILMEMBER COCHRAN: Chair. Wait, real quick, real quick before we get off this subject matter though.

VICE-CHAIR WHITE: Go ahead.

COUNCILMEMBER COCHRAN: So I'd just like to say that the branching off or creation of other entities or what have you all revolving around our whole agriculture world here. Couple of the people, and I'm not gonna put words in their mouth but I do know this for a fact is that they used to be part of Maui County Farm Bureau and they branched out because of the fact that they felt their voices were not heard and that the direction it was going was not what they believed in. And so yeah, they stepped away but yeah everyone still works together but again it's a free country, it's a free world --

VICE-CHAIR WHITE: Right.

COUNCILMEMBER COCHRAN: --to venture and do how you see fit to reach your end goals. So that I do know and so not to drop names or anything but that is a fact. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. With that, we'll take a recess. Please be back here at 1:30. ...*(gavel)*...

RECESS: 12:07 p.m.
RECONVENE: 1:41 p.m.

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VICE-CHAIR WHITE: . . .*(gavel)*. . . This meeting of the Budget and Finance Committee will come back to order. Members, we will proceed with our review of the Office of Economic Development and if anyone has any remaining questions on the Maui County Farm Bureau, please ask them now or we'll move on. Any further questions on the County Farm Bureau? Seeing none, Ms. Rasmussen, proceed. Actually I think we had already, you had already gone through those, right?

MS. RASMUSSEN: Which?

VICE-CHAIR WHITE: Did you review the others in this category?

MS. RASMUSSEN: We stopped at Farm Bureau.

VICE-CHAIR WHITE: That's right. Okay. So go ahead and review the last ones.

MS. RASMUSSEN: Okay. Yeah so Maui Nui Botanical Garden, you heard a great presentation from Tamara this morning, but we're very thrilled that we've been working with them on how to leverage their funds and they got this big grant and it's gonna make a huge difference for them and help them be more sustainable. And they served over 5,300 people attended their events and workshops, they had nine groups that came to the garden that made up a 147 people, and 32 different classes came in with 906 students from those classes. So they really do tremendous outreach so we're very supportive of them. Most, Molokai Livestock Co-op as you know this is the only slaughterhouse on the island of Molokai and they do slaughtering of deer, beef and hogs and of course very necessary over there for their economy, they supply all of the local stores in Molokai and they try to export when they have the volume. They have been able to do some efficiencies this year, they have purchased a new refrigeration unit and that's going to give them some redundancy in case they have their only refrigeration unit goes out so they will not lose their carcasses. And they've worked on an energy efficiency program particularly by installing a tankless hot water heater system, and their natural gas consumption has been cut by one-third, and they've purchased a new labeler that has greatly improved their labeling system and it meets food safety inspection services requirements. So I think they're on pretty good footing, I really like the gentleman that runs this organization, Jack Spruance because he only asks for the money when he needs the money and if he doesn't need it, he just lets it go and so that's why I'm willing to keep putting this grant in here even if he doesn't take it all every year because I actually kind of respect that you know so. And let's see moving on to okay, State Department of Agriculture. I'm sure you're wondering what this is. This request came to us from Chair Scott Enright of the Hawaii State Department of Agriculture. They are putting in or they have already funded a study that is going on, on the island of Kauai, and he is asking for matching funds from each island to do the same type of study on the island of Maui and then also on the Big Island. And the study is basically it's a fact finding study is what they're calling it and it's for GM Crops and Pesticides on Kauai, that's what they're calling it so ours would be called GM Crops and Pesticides on Maui. Basically the premise behind this is

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because the GMO issues got so contentious and then in the middle of the GMO issues, we got mixed in with a lot of pesticide issues and everybody was co-mingling all of the facts and all of the issues. And there was, and it was contentious and it was really getting ugly. So, Mr. Enright is a very calm and rational man and he's a mediator and a collaborator, and he wanted to see a method brought to each island where they would have a study group that was formed that they could bring all of these facts that are floating around by both sides to the table and actually have them researched and then get and then publish that, publish the findings and then hopefully everybody can have a little bit better meeting of the minds on what the facts and the truth really is. So on Kauai one of the issues was, there was a lot of allegations that people had health problems over there so they're actually doing some work on finding out if that's really true so they're studying Department of Health data, you know, local hospital data and so forth. So whatever those facts are so our set of facts that they might be looking at would be different than necessarily on Kauai. But the funding is, he's asking for a 50/50 match so the State Department of Ag would put in \$50,000 and Maui County would put in \$50,000 for our study. So we did put this in our budget, our caution would be that this Kauai study is due out at the end of December, and we would like to wait and see how that Kauai study turns out and if they felt that it was a success before we pull the trigger on spending our funds, but if we don't have the funding in there, we will not have the mechanism to even participate if we think it is a good thing. So that's why we're asking for that.

VICE-CHAIR WHITE: Okay. Next item.

MS. RASMUSSEN: So the next one is College of Tropical Agriculture. You heard from the new administrator this morning, Cindy Reeves, and I believe she's had a chance to get around and meet most of the Council. As you know, she told you this morning that the word, that the word cooperative and a cooperative extension, the model was set up because the intention was for a melding of Federal, State and County and private funding and to work very heavily in the individual communities that these cooperative extensions services reside. So nationwide, cooperative extension garners an average of about 20 percent of its funding from the counties that they reside in, and as she told you this morning, our County is supporting CTAHR at the tune of 3 percent. So that is why because we feel that this administrator is very, very sharp, she's a real go-getter, she's got a lot of great energy, she's already been collaborating with us as she told you this morning, on this Federal grants for a website for the agriculture products in the Made in Maui County Festival. So we just see this as another great, great partnership and a way to leverage County funding. And so we really do support this and we want to see what CTAHR can do with it over the course of this year. 4-H that's last, yeah. 4-H Upcountry Fair, this is going to be, they got an increase in amount of funding in this last budget, but the fair does not happen till June of this year so they have their grant, they're ready to go, they're ready to start, they're marketing and so they have a very gung-ho committee that's really excited and I think they feel like they have the funding now to really do it right. And we do of course support 4-H, we want to see our kids, you know, this is a really valuable program 'cause it really teaches them a lot of different skills, and they and the end of that

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process of course is they learn what it is to raise something, take care of it, feed it, grow it and then sell it at the end and they learn that commerce piece right at the end and I think it's hard for them to part with it but that's part of it. So we really support that program and we're really looking forward to the Upcountry Fair and seeing how this Committee does with this. So we'd like to support them again with the same amount of funding, and they did tell me that if they felt that they got on their feet and they didn't need this much funding that they would come back next year and that we could potentially reduce it but we'll see how they do. So that's I think that's agriculture.

VICE-CHAIR WHITE: Okay. Thank you very much. Mr. Victorino, questions?

COUNCILMEMBER VICTORINO: Yeah. Thank you, Chair. I agree with the idea of putting money aside for a study on the GMO issue, I think it's long overdue and yes, I'd like to see some evidence and facts put on so then we can make rational decisions. CTAHR I think is a, I like the lady, she's very energetic and I can see helping. Of course Upcountry no problems, Mr. Chair. I have no problem with the Upcountry fair and for the longest time that Upcountry fair was really self-sufficient and I hope one day soon they can become self-sufficient because I was a part of that Upcountry fair for about the first 15 years they had that. We use to take our soccer teams up there, and we use to be a part of it so I believe one day I hope they become real self-sufficient or at least very close to it, yeah. But I can support the 4-H. The livestock Molokai definitely because that's the only slaughterhouse on the whole island, and Maui's not much better 'cause we don't have too many slaughterhouses too, I think only DeCoite, right?

MS. RASMUSSEN: Yeah.

COUNCILMEMBER VICTORINO: That's it, you know we one time we had like I think 12 of 'em throughout the County, I think now we down to like two, Molokai has one and Maui has one. So it's changed drastically, Mr. Chair, and it's dangerous sometimes talking about self-sufficiency and food security, well, meat's part of that whole issue too. And anyhow, so and finally with Maui Nui Botanical, they do a great job, I go by every so often and walk around and they have a well, well, well place garden there and they do tremendous work, Mr. Chair, so I got, I can support all of these and I have no questions beyond that, because they already testified and I'm comfortable with their testimony. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: I can support all of these. I have a little bit of questions on the State Department of Agriculture. Is the, when you say there's a matching of funds so will the, the State will be the one that's directing the study?

MS. RASMUSSEN: Yes, the State.

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COUNCILMEMBER GUZMAN: And there will be no other input from the County in conducting this study?

MS. RASMUSSEN: Well, it'll be, we'll be actually partners in it, but my guess is that we will be giving, I'm not sure how the money will flow whether we pay the contractor directly or we'll pay or we'll pass our money to the State Department of Agriculture. We'll have to work that out with the purchasing office. But regardless it's a 50/50 deal so they're gonna put in 50,000 and the County would put in 50,000.

COUNCILMEMBER GUZMAN: And this is, it's at the Legis right now for appropriations of the match or is this something that is --

MS. RASMUSSEN: No, they already have this funding

COUNCILMEMBER GUZMAN: --they already have earmarked.

MS. RASMUSSEN: Yes, yes they've already earmarked it for each of the three major islands.

COUNCILMEMBER GUZMAN: Okay.

MS. RASMUSSEN: Well and ours will I'm very certain ours will include it'll be a Countywide so Molokai of course because you know we have seed corn industry there, I'm sure it take in, it will be a Maui County joint fact finding.

COUNCILMEMBER GUZMAN: Okay. Yeah. Thanks, Chair.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: I support whatever is set forth here. I'd just like to kinda go back on the State Department of Agriculture. If I recall, it's a fact finding study for GMO crops like on Kauai and it will be for on Maui. And it's trying to find evidence based as to the actuality of GMO and pesticides. If I recall with the Kauai County, it's a citizens panel and it does consist of the, on both sides of the issue.

MS. RASMUSSEN: That's correct.

COUNCILMEMBER CRIVELLO: Yeah, so it's a citizen panel involving and the State, the regulators or as well as the and from the County, I don't know what department it would come out of but the involvement is wide range.

MS. RASMUSSEN: Yeah.

COUNCILMEMBER CRIVELLO: And so I think it's and then they have that debate you know respond to the debate and have collective fact findings and it comes out of this citizens findings to my recollection. So...

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MS. RASMUSSEN: Yeah, they actually have a paragraph in here that says, individuals from and this remind me this is from Kauai's study, so individuals from Kauai have, who have knowledge of Kauai, good backgrounds in any of the following: agriculture, environment health, epidemiology, toxicology, biostatistics medicine, land-based practices such as farming, fishing, hunting or gathering. So they're looking for that community base from these people, they also said these people need to have, you know, cool heads, they need to know how to work in a group, they need to play by the rules, they need to be respectful of each other. So they've set up a lot of ground rules for how this discussion will take place, and they won't allow it to degrade into, you know, a shouting match kind of thing, and so you know I think it has great potential, and like I said, we'll be able to wait and see what the Kauai study looks like and then we'll...

COUNCILMEMBER CRIVELLO: Thank you.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Let's see, let me go down the list here. Maui Nui Botanical, totally you know support what they do, did I not see a CIP like to expand their nursery or some kind of in another, is there another department or was it, I'm trying to remember.

MS. RASMUSSEN: You know what you might remember is that they used to have a grant with both OED and the Water Department. But yeah last year, the Water Department's part got moved over to OED so now we are the sole grantor for those funds.

COUNCILMEMBER COCHRAN: Yeah. No, it wasn't that, I do recall that part. But that was my line of questioning for the testifier Tamara Sherrill, because if they were expanding their nursery capabilities and I know previous EDs have mentioned working in conjunction with their parks in order to, you know they grow the type of shrubs and trees and what have you that they, you know, put into our park system via their nursery. I know Parks has one but they specialize in our Hawaiian, native Hawaiian stuff and things that are appropriate, you know, for the area based and drought tolerant what have you. So that's why, I'll probably find it somewhere, anyways. Moving the so yeah, the State Department of Agriculture proposition here, number one, I don't recall us really being, this body not being so hot on funding State things or State entities and maybe channeling a little Mr. Hokama here for number one. That's nice that the State matching aspect of it, and number two, this seems to go and I don't know if this was brought about because of the initiative that had been passed through the voters and what have you and it was asked to, you know, do such a study, but according to that, it was never supposed to come out of taxpayer dollars per se. It was never supposed to be this, the County but the actual people who grow such crops and what have you and use the pesticides and things, and that's where the studies supposed to come, so from my question study is who, who's doing this study, is it

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DOH, State? We're funding their study? Is that what, I hear you saying it's gonna be a collective effort of people being involved with the actual study.

MS. RASMUSSEN: Oh, the actual study has been contracted out to a company called, Accord3.0 Network which is Peter Adler, he's a Ph.D., Peter Adler, that's the company that the State, this , so it's an independent, this is not, you know, the State is contracting to them, the County is contracting to them, but it is being run as an independent fact-finding study group. If it was biased then this company would not be doing its job. The idea is to bring people together from both sides and then have all the facts thrown in and then actually research the facts and come out with the fact finding I mean that's what they're charged with doing at the end.

COUNCILMEMBER COCHRAN: And who's paying for the studies on the other islands, in the other counties?

MS. RASMUSSEN: The County of Kauai.

COUNCILMEMBER COCHRAN: The county themselves.

MS. RASMUSSEN: Yes.

COUNCILMEMBER COCHRAN: And so I guess basically, I'm just trying to figure out what the justification for this was to begin with.

MS. RASMUSSEN: It think from Chair Enright's point of view is that he felt that there was too many people flinging around facts that weren't backed up by true, you know they weren't necessarily true you know and it could've happened on either side of the equation. So this was a mechanism for them to put all these together, to do independent, unbiased research of what the facts really are and the truth of them and then have that document come out so that hopefully it can provide some clarity on how our community can move forward on these issues.

COUNCILMEMBER COCHRAN: Okay. But again, Chair the whole State thing section of that funding there --

VICE-CHAIR WHITE: I'm glad you --

COUNCILMEMBER COCHRAN: --initiatives.

VICE-CHAIR WHITE: --filled in for Chair Hokama, it saves me from.

COUNCILMEMBER COCHRAN: And then the 4-H Upcountry fair which does an awesome job, have they, they're still doing like a pass-through grant through Tri-Isle? They haven't become their own sort entity 501(c)(3) fund?

MS. RASMUSSEN: No. Yeah, they're going through Tri-Isle. Yeah.

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COUNCILMEMBER COCHRAN: Okay and so then on their itemized break, budget breakdown so I guess that entity actually takes a portion in order to process their paperwork --

MS. RASMUSSEN: Yes.

COUNCILMEMBER COCHRAN: --is that how that works?

MS. RASMUSSEN: Yes. I mean Tri-Isle as a fiscal agent, they have a lot of responsibilities, for one, they need to make sure that the books are correct. Number two, they have to, they are audited every single year, they have to have a major CPA audit for all of their funding organizations, so they see to all of that, so that costs money, they can't do that for free. So that costs. If any organization was their own 501(c)(3), that does not come without a cost either, because it takes a lot of work to keep up the paperwork, and these small organizations that just want to put on a project, it really just doesn't make sense for them to carry on all of that bookkeeping expense and all of that overhead when you can, you kind of have a combined overhead you know with Tri-Isle so.

COUNCILMEMBER COCHRAN: Do you know what, is there a certain percentage that they take off the top for those types of services?

MS. RASMUSSEN: Yes. Right now I believe it, they were doing it for 10 percent for a very long time, but they've just had to recently raise it to 12 percent and that was really because of all the compliance laws that they have to abide by. They really needed to raise it. So it's 12 percent to manage the grant.

COUNCILMEMBER COCHRAN: Okay. I only ask because you know these, this group used to be under Farm Bureau. This whole area I guess for their tents in particular and then we branched them off to receive their own, but I guess under Farm Bureau that's part of it was actually taken care of by them, but they chose to actually to branch off, they have to go this route to become sort of independent of..

MS. RASMUSSEN: The Upcountry Fair was never in total under Farm Bureau. They always got a separate grant the only part that Farm Bureau paid for them was their tents.

COUNCILMEMBER COCHRAN: Right.

MS. RASMUSSEN: They put up tent. So they were getting the money from the Farm Bureau for the tent and then they were getting a separate grant to actually do the events. So I believe it was Councilwoman Baisa that suggested it would make more sense if they just combined all the funding in one place and so that's how that happened and that happened last year.

COUNCILMEMBER COCHRAN: Right. Okay thank you. That's all I have, Chair.

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VICE-CHAIR WHITE: Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. and I can add, I did when I was contacted by the 4-H this year, asked them about their independence in terms of, you know, having a fiscal agent, and it was explained to me that it would take them quite a while in order to create that 501(c)(3) and they really haven't had enough time to do that. It takes time 'cause I've been involved in a lot of startup organizations, it takes a while you can get all that paperwork done, and you have to have legal help and all that stuff. So anyway, so I guess timing, it's better for them to stay with Tri-Isle at the moment, I'm sure long term they would like to be independent. But I did want to also comment on the fair itself, I am a big supporter of the fair, I think it's wonderful, it teaches kids a lot, not just business skills, but a lot of social skills and it's a really, you know we trying to raise farmers and what better way to do it than to actually have them, you know, go with animals and go through the whole process of staying up with them when they're sick and grooming them, and feeding them and I mean this whole responsibility I think it's a really great thing. On the study, I'm kinda where Member Cochran is, I would and you know I don't often agree with Chair Hokama but I totally agree with him on paying the State's bills, I'm tired of that, I think we're paying too many of the State's bills. And I totally support CTAHR, I like what they do, I think they're very important. I think the work they do in research and in assisting our farmers and ag is really important. But I am concerned about paying for a study, I think that's the Department of Health's job. Thank you.

VICE-CHAIR WHITE: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. I think we've covered this section sufficiently.

VICE-CHAIR WHITE: Okay. Thank you. I got a couple questions.

COUNCILMEMBER COCHRAN: Oh, sorry. No, your turn.

VICE-CHAIR WHITE: No, go ahead.

COUNCILMEMBER COCHRAN: Sorry I you know I'm looking at actually OM2 is that okay to go to that list of, it kinda breaks down all the different pots of money.

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: And for the overall ag promo, it's up 25,000 and I believe in the opening comments, is this correct that the 25 extra is for food safety education Statewide?

MS. RASMUSSEN: No.

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COUNCILMEMBER COCHRAN: So that has no bearing on that DOH study?

MS. RASMUSSEN: And it's not for food safety Statewide.

COUNCILMEMBER COCHRAN: Oh.

MS. RASMUSSEN: It's only to bring educational workshops for our farmers in our County, but it's regulations that are coming from the Federal government.

COUNCILMEMBER COCHRAN: Oh. Which will, okay.

MS. RASMUSSEN: Which will affect our farmers.

COUNCILMEMBER COCHRAN: Which will go Statewide. And on that first line though, Chair, it says Kula Ag Park expansion appraisal, and \$7,000 has been spent so that went to your Department? Or where did that, who? It doesn't have a recipient? So is that Mayor's Office?

MS. RASMUSSEN: It was an expense, it wasn't a grant, it was an expense to the appraisal company that did the appraisal on the land that we were looking at purchasing for the Kula Ag Park. So this is a combination of grants and projects basically that we expended money on. So we don't necessarily put every single vendor on here because your page would be like two pages long if we listed every vendor so we list it by projects and grants.

COUNCILMEMBER COCHRAN: Okay.

MS. RASMUSSEN: And it could be multiple vendors for one project.

COUNCILMEMBER COCHRAN: Okay. I just never, I just, we pay for appraisals but I never saw it come out of like this.

VICE-CHAIR WHITE: Yeah, it's being listed under the project. That's the only expenditure that they've made for that project up to this point, correct?

MS. RASMUSSEN: That's correct.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Rasmussen, on the State Department of Agricultural grant, there's a part of me that feels like the ladies do that the State ought to pick up the tab, and I think that's largely driven by the fact that during the discussions that we've had on the GMO issue, I believe the courts in the Kauai case basically have ruled that it's, you know the State has a responsibility for overseeing all these issues and the County doesn't have the responsibility. So from that perspective, I think it's the State's kuleana to, you know, to pay for this study in total. On the other hand, the other side

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of me says well, the County wants to have its hand in this, because we've got a responsibility to our voters unlike Kauai's because we have an initiative that was passed so from that perspective, I kind of think that we want to have a level of participation that will ensure that the outcome is one that we can all be comfortable with.

MS. RASMUSSEN: I believe that is absolutely correct. If we pay for half of it, we'll be able to help structure the study, because ours may be structured slightly different than, you know, Kauai, for instance, I mean, and I guess what I'm gonna tell you is if Maui does not come to the table with half, the study won't be done. The State is not going to do it, they're only going to do it if we are interested in having it done and participate. So it's not a, it's not just tell them to pay for it, it won't be done. So.

VICE-CHAIR WHITE: Okay. Thank you. We've just been advised that Akaku is having a number of issues, they need to reboot their system. So are they able to reboot now, Staff? Okay, so we're gonna take a recess at the call of the Chair and let them reboot their system and let us know, they'll let us know when they're back on line. So we're in recess. . . .(gavel). . .

RECESS: 2:11 p.m.
RECONVENE: 2:15 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting shall come back to order, and Staff has just reminded me to ask you if there are any departments or issues that you want us to revisit tomorrow, we'd be happy to have them contacted and arrange for their appearance tomorrow. We have a relatively short list of items to deal with tomorrow so if you have revisits that are important for us to dig into, please let us know. Anyone have any thoughts or concerns, issues you want to revisit that come to mind?

COUNCILMEMBER VICTORINO: Let me tell you later 'cause I'm trying to think right now and like oh, I just.

VICE-CHAIR WHITE: Okay. If you wouldn't mind, Ms. Cochran, we also just for your information, we need to know which departments or which issues you might want to revisit so that we can arrange to have them show up tomorrow for any kind of questions you might have for them. So don't need to say, say so now, but we will need to let Mr. Baz know who to call and what to arrange. I would guess that we've got probably a couple of hours worth of review tomorrow on the equipment bond, the County Clerks Office, the County Auditor's office and Animal Management. So anything in addition to that please let Mr. Baz know at the, at our next break. Okay, we'll move along. I think I had the floor so. The questions I had for the CTAHR increase, you mentioned that the County on the mainland or wherever the figures are from, that the County portion of the grants is generally 20 percent and we're at about 3 percent. You also mentioned private funding, do you know what level of private funding is the norm in the mainland and what it is here?

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MS. RASMUSSEN: The private funding is extremely small, it's mostly Federal, State and County. I would say, I think I saw her pie chart, private funding was like 3 or 4 percent. I think that's like grant, you know maybe foundation grants, that kind of thing.

VICE-CHAIR WHITE: And do you know what it is here?

MS. RASMUSSEN: It doesn't, they don't have any, I don't think, on her graph she had no private funding.

VICE-CHAIR WHITE: Okay. Any further questions on those five items?

MR. BAZ: Mr. Chair.

VICE-CHAIR WHITE: Yes.

MR. BAZ: Just for your information, I transmitted to the Staff some information about the joint fact finding group that's part of that State appropriation request, that so it's the joint fact finding groups initial project description and then they have two updates of the statuses of the Kauai, so it's all Kauai's version, it's not Maui's version, but so we can get an idea of what they're doing on Kauai and how we might be able to provide some influence and impact if we participate in this study.

VICE-CHAIR WHITE: Okay. Thank you. Any further questions, Members? Seeing none, let's move on to Grants and Disbursements for Business Development and Technology and we'll take the first, the first five.

MS. RASMUSSEN: The first five. Okay. So the Business Research Library is an organization that sits with the Small Business Development Center, and they produce our Maui County Data Book for us, they have provided, our grant helps support research that they provide to businesses and entrepreneurs on the island. They fulfilled a total of 832 research requests in 2014. They assisted our Department, I'm hoping that you are getting our Maui Economic Indicators Report that we're putting out every month, and they are assisting us with creating that data for us, and I hope you find that helpful. And then their project specialist worked with us on our Economic Development Revolving Fund project review team that was Mr. Fred Rickert, and also they've assisted us with our Made in Maui County Festival, and they participate in our Business Development Strategic Alliance which is a group of all of these organizations that you heard from today, we've brought them together and we have formed this Business Development Strategic Alliance that we meet once a month and we talk about what each other's programs are, what we're doing, and that is how as you heard from Craig Swift this morning, how they've been able to leverage their services with other organizations' services, and we're not all working in silos, we're all cooperating and I think it's been extremely beneficial to all of us. So good work on behalf of the Hawaii Business Research Library. On the East Maui Cultural Economic Development Fund, Councilman Carroll's district, we found some great projects out

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there, of course we always give funding to the Taro Festival, we funded Mahele Farms which is a community agriculture farm that volunteers come in and they work on it and then they get to share in the produce of that. And we had, we funded the Hana Limu Festival, we sent a basketball Maui organization out there to do a basketball clinic, that was a very small amount money but I think they, it was really something that the kids really enjoyed. And then exciting project we can't wait to see it come to fruition as we have funded a startup radio show, radio station out there called KOKO FM and they're going to be broadcasting exclusively from Hana, they're gonna be using local talent and local, it's a local couple out there that is doing this, and we're I'm really excited to see that rolled out and I think they'll, that'll be a really great way to help Hana advertise a lot of the things that are going on out there. And the Maui Food Technology Center also offered technical assistance to some of the small food producers out there, we funded the Kipahulu Kitchen by helping them get a battery solar system set up to make them more energy efficient. We did a round of the small business revitalization grants and that round just came, the applications were due on April 15th and as Susie Thieman reported to you this morning, we had a great group of applicants so this program's been extremely popular in the not only Hana but in Molokai and Lanai. We've funded the Hoolaulea for the Hana Cultural Center, and we also gave some Hana vendors a stipend to help them participate in the Made in Maui County Festival, that was just a small amount of money that helped offset some of the costs of their booths because of the travel. And then we gave, this is part of a, part of it was funded from the agriculture promotion fund and part of it came from this East Maui fund for the National Botanical Garden and the Breadfruit Institute. And then the Hana Arts has their Building East Maui Through Arts program, they have a full array of arts programs that they provide to the Hana community, they have a ceramics cottage industry program, support your local artist program, art training through education, they have the Hana youth theatre and artist monthly markets and the art barn which is where the artists can gather and they, where they have classes. And the last was the Hana Regatta. So I think it was a great group of projects that we're able to find in East Maui. Okay, Friends of Old Maui High School, I think you heard from Rich Lucas this morning, I don't think I need to say a lot more except that they've done a tremendous job, you know, with the funds that they get and keeping that campus under control from weeds and keeping the roofs from leaking and just the basic maintenance to keep that, you know, that grounds going, and we are working with them, hoping to turn that campus into something much more vibrant and repurposed for something that will bring the community back to that campus. Let's see, the Haiku-Makawao-Paia, okay did I miss?

VICE-CHAIR WHITE: It's in the back of the report.

MS. RASMUSSEN: Try to find it on there.

VICE-CHAIR WHITE: It's on Page 4.

MS. RASMUSSEN: Okay, got out of order there. Okay, so we have been working with Paia on their strategic plan. They have created a strategic plan and now they're working on

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the implementation of that plan. So this next grant went to them to help them with that and then we also gave them a follow-on grant as part of the implementation of their strategic plan to finally get rubbish cans put on the streets of Paia so that these business don't have to constantly go out in the streets and pick up garbage in front of their companies. And then we funded the Makawao Friday Town Party, and we also funded the Makawao History Museum which has been, by the way, they're getting great accolades in the news for that great little museum now they've moved it to Baldwin Avenue. Okay and then the Hana Arts, I guess we already went over that Hana Arts, oh okay.

VICE-CHAIR WHITE: Yeah, you've pretty much covered that already.

MS. RASMUSSEN: Oh, it was a proviso, yeah, we covered it. Okay. Yeah. So yeah, that was a proviso.

VICE-CHAIR WHITE: This just reflects...

MS. RASMUSSEN: Yeah, so we covered it. Okay, so that's the five then, I guess, yeah.

VICE-CHAIR WHITE: And you're moving Hana Arts out to be its own line item, correct?

MS. RASMUSSEN: Yes.

VICE-CHAIR WHITE: Okay. Thank you. Members, questions? We'll start with Ms. Baisa?

COUNCILMEMBER BAISA: No, nothing in particular here but I do want to say thank you for the Economic Indicators. I really enjoy that and it's very useful.

MS. RASMUSSEN: Oh good.

COUNCILMEMBER BAISA: Thank you.

MS. RASMUSSEN: Good. Thank you.

VICE-CHAIR WHITE: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Actually, I'd just like to say thank you to . . .(inaudible). . . for all of the help, the economic and social impacts have been huge and in a positive and I and the community really appreciate it. Thank you.

VICE-CHAIR WHITE: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: I'll ditto that. Thank you, Teena the Economic Indicators are a big help --

MS. RASMUSSEN: Oh good.

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COUNCILMEMBER VICTORINO: --especially when we're talking budget time, it gives us a good indication what we need to be looking for. Thank you, Chair.

VICE-CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you. On the Haiku-Makawao-Paia Economic Development Cultural Program, I thought the 120,000 that was appropriated last budget session was a one-time. Is this gonna be continuous, a 120,000 every budget cycle?

MS. RASMUSSEN: We put it back in because I think that, you know once we got into that program and looking for projects, we saw there's such a need for Paia and Makawao in particular. We didn't have any projects come to us from Haiku, but there is a big need in Paia and Makawao so I think its worthy of keeping it in the budget.

COUNCILMEMBER GUZMAN: Okay. Thank you.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. I just have a question in regards to well, maybe you can comment or maybe Councilmember Gladys Baisa can. During the Mayor's, I guess his County speech he mentioned about using Old Maui High School for as a solution for homeless. Is, does that still go under with the Friends of Old Maui High school or?

MS. RASMUSSEN: So we six months ago we put out an RFP to have projects, you know, just basically see what's out there and who might be interested in taking over this campus for an extremely low-lease, long-term lease to repurpose the campus and to see what projects might be out there. So we just kind of created a clean slate and we said in the RFP, you know, bring us your proposals. That RFP came due the first part of April, and so the Mayor has for a very long time, had a vision of he really wants to do something to solve the homeless issue. And it weighs heavily on him and I know that he worries about that a lot. And it is a tragic problem in our community. He's hoping that somebody will come to the table to do something in that arena, but as of right now, there is no proposals that were in that arena, I haven't seen any entities that work in homeless or humans services that have come to the table to say yeah, we can do something out there on that campus. So that's clearly a discussion that we're continuing to have in the Mayor's Administration, but at the same time, my obligation to that RFP was to give a report to the Mayor which we'll be doing very shortly, we got kind of sidetracked with the budget preparation. But give the Mayor a report on those proposals that we received and also give the Council a report and that it's really in the RFP, it said explicitly that, that would be decided by the Mayor and the Council. So...

COUNCILMEMBER CRIVELLO: Okay, thank you, I was just trying to see on what his vision was for the Old Maui --

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MS. RASMUSSEN: Right.

COUNCILMEMBER CRIVELLO: --High School Campus according to what I've heard on his presentation. So it's a work in progress.

MS. RASMUSSEN: Yeah.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And my I guess one question and I'm looking at the OM2 sheet, Chair, 'cause it kind of breaks down in a nice section the East Maui Culture Economic Development Section and all the recipients. Looking at National Tropical Botanical Garden which does the Kahanu Gardens out there, it looks like they have an award of 11,000 out of this pot and then the previous pot of agriculture promotion of 33,000 is that correct? So they're getting two sets of...

MS. RASMUSSEN: It wasn't two grants, it was one grant that came from two pots of money basically. So because they reside in East Maui and because that East Maui fund, that was actually the last funding that was left from the year for them, so we took it with that and then we had a chunk of money in the agriculture promotion fund because the Maui Flower Growers Association didn't come with a proposal, so we had some money left there so we combined the two and we gave them one grant.

COUNCILMEMBER COCHRAN: Okay. And on this where it says in route, that means the grant itself is still being processed --

MS. RASMUSSEN: That's correct.

COUNCILMEMBER COCHRAN: --and hasn't been finalized?

MS. RASMUSSEN: That's correct.

COUNCILMEMBER COCHRAN: Okay. And on this list for Na Mamo O Mu'olea, the Hana Limu Festival 11,000 awarded, 5,000 and some odd dollars expended and then there's that asterisk, what are these asterisks mean? I mean I see the footnote but I still want clarification on what that means.

MS. RASMUSSEN: It's yeah, I think what, there's some, once you put the asterisk on here, there's some kind of pending, they have a payment that they might have submitted to us but that it might be missing, you know, receipts or maybe there's something that they still needed to give us, so they have pending payments due, but we can't process them yet so we wanted to put an asterisk by that so you would know

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COUNCILMEMBER COCHRAN: Okay. Thank you. And it looks like the Taro Fest which is next week or no, this weekend.

MS. RASMUSSEN: This coming Saturday.

COUNCILMEMBER COCHRAN: Yeah. They've only gotten 3,500 of their 15,000?

MS. RASMUSSEN: Yeah, they have to submit their receipts so --

COUNCILMEMBER COCHRAN: Oh, okay, reimbursements.

MS. RASMUSSEN: I'm sure when they, yeah.

COUNCILMEMBER COCHRAN: Okay. Alright, thank you. It's a good section.

VICE-CHAIR WHITE: Thank you, Ms. Cochran. Director, just on this first page we have 15 grants that have not been executed yet and we have only eight that have, and the thing that concerns me is that we hear from folks mostly from the DHHC perspective that it takes a long time to get through the process. What is it more your ability to process or their ability to put the grants together that is delaying the process? Like and are they able to spend money with any level of assurance prior to getting their grant through the process?

MS. RASMUSSEN: Well all good questions. The OED runs differently than DHHC in that we have an open grant application process all the way up to for a line item grants it's December 31st and for all other grantees it's March 15th. So they have the whole year. Now in our Department, we have one grants manager and you're looking at her, Ms. Silva here. If we had a single due date for all of the applicants, we would have to have three to four grants managers, so by spreading it out over the course of the year, also and so there's projects that come virtually in all parts of the year. So but to answer your question is it on our side or is it on their side, it could be both. They could have missing documents, they could have applied for their grant but they missed documents so it sits there until their documents are ready. Once we get everything in hand, it typically takes a minimum of 60 days to get it through the County process. So I think as I know it makes you, it looks, it makes you think that maybe we're not doing our job by seeing these execution dates that you know there's all these grants in route, but I think it works for because you got to think these projects take place all throughout the year so they time their grant so that you know they can get it when they need their funding, because you know there's events in the spring, there's events in the winter there's events all year round, so it really kind of makes sense for us to have a more open application process so. I haven't heard of too many complaints, I do know that sometimes the payment reimbursements can be slowed down, because they're missing documents and so it's just a process we have to do, give and take every day.

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VICE-CHAIR WHITE: I appreciate that and I appreciate that explanation. I guess my concern is that as we get into some of the bigger grants, we're really looking at a very different cash flow because we're appropriating money for this year, but if this is the timing then some of them aren't gonna be actually spending the money until Fiscal '16, would that be correct or is this all gonna get?

MS. RASMUSSEN: Yeah, I mean we're, we often, very often have we have multiple grant years open, I mean, we, you know we're still finishing up a whole bunch of grants from last year and then we'll be giving out new grants. And you know typically I think you know and the Federal process, I think they run like a four-year cycle, you know, so I mean they, grants can stay open for a much longer period of time, you know, so they're not locking them in, but it's not so much that they're staying open, it's just that, you know, by the time we, they apply, by the time, you know, the grant gets processed, you know, it does move it into the next fiscal year. But otherwise I don't see how you would ever get everything to line up perfectly with the fiscal year, because it starts July 1, they have to get their, we can't take applications until we know how much money we get in the budget, and then they'd have to have their grant ready on day one and we'd have to process them all, and then everybody would close at the end of the fiscal year, you just couldn't run the projects like that.

VICE-CHAIR WHITE: Well, there's been some discussion to move the dates of the grants back to say the first of October or something to that so it more appropriately matches when the grants and things actually get processed. In your case, it sounds like some could be moved to October, some could be moved beyond there.

MS. RASMUSSEN: Well beyond that, we actually give them the opportunity to set up their own performance period so they can go, they can set their performance period to whatever works for their organization. So you know we give them a lot of flexibility to make it work for how their flow of work goes and how their programs and how the events go, so I think we pretty much provide the most flexibility in that department.

VICE-CHAIR WHITE: There's no question about that because given the opportunity they'll do their grant through you rather than DHHC. I don't think there's any question there. So okay, let's move on to the next five starting with Ka Ipu Ku Kui.

MS. RASMUSSEN: Okay. Yes, so Ka Ipu Kukui Fellows, they did three recruitment events on Maui, Molokai and Lanai, and they had 34 people attend from those events. They also for the first time ever created a module in the program that includes spending two days on Molokai, meeting with members of the business and agriculture communities and that's part of the actual class structure, and this May they graduated 11 new fellows bringing the total program to 85 graduates. And then moving on to Lanai Economic Development funds so there's a grant proviso for Lanai Changes. Lanai Changes has officially this year received their dedication to a community development corporation, they got their articles of incorporation so they are well on their way to getting established. And they are working on a project in their grant right now to seek out space for a commercial kitchen on Lanai which there is none that reside outside of

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the actual restaurants or hotels. And so we think that would be a nice benefit for that community and they might be able to start producing some value-added food products. Then we added as you may have seen our press release, we added the 5th Lanai as a 5th Friday town party. There happens to be this year I believe five 5th Fridays and they are very excited to be rolling that out and of course that island is going to need all the help it can get, because in June the last hotel will close completely and all of the workers from the hotels will be retained and will be employed, but the businesses that rely on tourism and visitors are going to be really in a world of hurt. We are working with the Visitor Bureau on establishing and promoting day trips to Lanai from Maui, because that's really all that we'll be able to do because there will be no place to stay over there. The Hotel Lanai will stay open but they only have about five or six rooms, and so this is definitely on the Visitor Bureau's radar and we will be continuing to work with them. The Lanai Pineapple Festival happens over 4th of July weekend, and then we also sent that basketball Maui to Lanai to do a clinic and had the Food Technology Center also go over and see if they could drum up some business on some value-added food projects. And so that's where the Lanai funds go, we do have a little bit of funding left and we are working as of right now on another project to finish off that funding for the fiscal year. Ma Ka Hana Ka Ike Building Program as you know this is Rick Rutiz' program. Rick Rutiz is legendary, I don't know if I need to really go into this very deeply, I think we all know what he does is phenomenal, I just can't say enough about him and the support he has of the East Maui community, it's well worth every penny. Okay and then we go to the Maui Economic Development Board and as you see they have two separate grants but one is strictly for the Maui High Automotive program and what this does, it's very simple grant, it just supports the staff position to do the Maui Automotive program. So I want to go to MEDB to their larger grant, you heard from two folks from MEDB this morning I can't say enough about how well we've collaborated and all the projects we've worked on together. It's just like hand in glove, you know, really with OED they perfectly complement us on the private side and then we're on the government side. You know them for their STEMworks programs, you know them for their AMOS Conference, you know them as champions of innovation and high tech initiatives, you know them as the leaders in the conversation over renewable energy and how it relates to how we deliver power on Maui in the future. You know them as the creators of the upcoming Startup Weekend Maui, bringing entrepreneurs and ideas together, you know them for their work on Focus Maui Nui and most recently Mpower. They created the Women in Technology program and they have been a true partner in business development and business attraction, and I can tell you by adding this funding that they have received from last year, that added amount has really, really helped with the business development and attraction. We get calls into our office routinely, people that want to find out about what it's like to do business on Maui, how they can set something up, how they can find out this, how they can find out that, and you know quite frankly it would take us hours and hours to respond and to, you know, take these clients by the hand with all the information. We turn them over immediately to MEDB's business development team and they have been able to thoroughly answer and help these people and I think it's such a terrific partnership. MEDB has been able to garner national and international relationships back in Washington, D.C., with

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NATO and Japan with the Japan Space Forum, the White House Office on Science and Technology, I mean the list is endless. So I can't say enough about this organization and their level of expertise, they have just been tremendous partners. Okay, going on to, is that five?

VICE-CHAIR WHITE: Yep.

MS. RASMUSSEN: Do you want me to stop? Okay.

VICE-CHAIR WHITE: You're good.

COUNCILMEMBER VICTORINO: She was going 380.

VICE-CHAIR WHITE: We'll start with Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yeah, I think all of these listings that you have here are, makes tremendous impact on our community. I want to thank you for your support and your just your wide vision from coming from your Department. At our District meetings that we've had on the budget, I am so impressed not only with the young people that step up to the plate for MEDB but also the new entrepreneurs that have start up with their businesses they've got nothing but good things to say so. And I can also appreciate your efforts in supporting the auto program 'cause I mean, read the papers, they come out winners all the time. So thank you. Thank you very much.

MS. RASMUSSEN: Thank you.

VICE-CHAIR WHITE: Okay. Mr. Guzman?

COUNCILMEMBER GUZMAN: No questions. I'm very proud to support these projects. Thank you.

VICE-CHAIR WHITE: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair and you know I support all of 'em. However, on the Maui Economic Development Board Incorporated for the Maui High School program model, I thought we were going to eliminate Maui High School and make sure that it was available for all high schools who would, if they wanted to participate. I thought that was a discussion we had last year, and that's my question. I mean not to, not knocking Maui High please, you know, no stretch but we wanted also because others...

VICE-CHAIR WHITE: You wouldn't make it out of this room.

COUNCILMEMBERS: . . .(laughter) . . .

COUNCILMEMBER VICTORINO: Why? You think I scared? No, stop it now. . . .(laughter)

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. . . No, no, but come on, you know that was a discussion, yes, we did have a discussion in that respect. I'm just curious is it still available for other high schools who might want to participate?

MS. RASMUSSEN: Well, what would have to happen --

COUNCILMEMBER VICTORINO: Yeah.

MS. RASMUSSEN: --I believe is that you would have to hire another instructor, because I don't think this instructor could, can take on two or three more schools. So it would just be an increase in funding, and if you want to increase the funding for multiple schools, I'm sure there would be interest, but then we'd have to go out and see if they have an appropriate space for automotive program and that kind of thing. So it's not something we've openly looked at, or even I have had no one tell us that there is a need out there for it necessarily. But if you'd like us to do some more homework this year on that, I think we certainly could and we could ask MEDB to help us do that homework.

COUNCILMEMBER VICTORINO: Yeah, Mr. Chair, I would appreciate that, I mean just to be fair to the other high schools whether it's Lahainaluna, King Kekaulike, Baldwin, it doesn't make difference, you know any of our schools may have somebody or somebodies who prefer or would like to get involved but have no means to get involved. So and again the only, like Mr. Hokama has said many times, we hate doing the State's job, I agree you know when you limit it to one school then you've also made it that, that's the only school is gonna be benefactor whether its STEM and everything else.

MS. RASMUSSEN: Right.

COUNCILMEMBER VICTORINO: Every school has an opportunity to participate. So if we need to find more funding that may be another issue, I don't know, don't think that's gonna fly by Mr. Hokama but that's another story, another conversation. He's not here, right? . . .(laughter). . . Okay. Thank you.

VICE-CHAIR WHITE: Not last we checked.

COUNCILMEMBER VICTORINO: Not last we checked. Okay, thank you, Chair.

VICE-CHAIR WHITE: Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: Mr. Hokama may not be here but believe me his spirit is. . .(laughter). . .

COUNCILMEMBER VICTORINO: And he is listening I would say.

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COUNCILMEMBER BAISA: You know how many times he's been referred to today, so you know. We're all aware of our Budget Chair's preferences. These are great programs and I don't have any concerns about supporting any of them. I do as we talk about the Maui High auto program though. You know one of the testifiers this morning talked about the need for taking care of people that are not college bound because they may want vocational training. And I think it's really important that we have these kinds of things 'cause you know while you may not want to go to college, you may turn out to be one of the best mechanics we've ever had and we all know how we treasure a good mechanic. So I'm really supportive of choices for our kids, so I like that and I understand how difficult it's been to try to implement it anywhere else. I remember the conversation about wanting to expand it but I also remember the problems that came with that. Thank you.

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And I thank Mr. Victorino for jogging my memory in regards to the automotive program throughout all high schools and not just Maui High School, I mean good for them having the program in place and setting a great role models and examples. I'm looking at the, my favorite handout OM2 and it's stating that 45,000 for the Maui High School program model which would be the automotive program, right?

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: And then referring to the other set of paperwork we were given breaks down Maui Economic Development's, let's see, tells organization, employees, payroll, et cetera and in brackets 38,000 for the automotive teacher's salary so then this 45 is helping to subsidize the teacher's salary? Is that what those numbers are correlating to each other? Sorry this handout, OM1 states the salary costs.

MS. RASMUSSEN: Yeah. I think we might be looking at different fiscal years. I'm not exactly sure what you're looking at.

COUNCILMEMBER COCHRAN: They're all for Budget 2016. That have the paperwork OM1 and OM2 are the handouts we've gotten from your Department.

VICE-CHAIR WHITE: I'm sure they'll find it.

COUNCILMEMBER COCHRAN: Okay.

VICE-CHAIR WHITE: I'll just add that Staff has advised me that the reason for the funding is because the automotive teacher does not have teaching credentials so this is to augment his salary in a way that the State is unable to do. Is that your understanding, Ms. Rasmussen?

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MS. RASMUSSEN: Yes, that is. That is correct.

VICE-CHAIR WHITE: Okay, so the State's doing part of it and we're doing part of it.

COUNCILMEMBER COCHRAN: Okay. And I guess to expand the program would be more funding --

VICE-CHAIR WHITE: Right.

COUNCILMEMBER COCHRAN: --obviously to hire. But I like the point about vocational training that people who are not college bound, and in particular mechanics I've learned that we have a Kula Upcountry mechanic that takes care of all the West Maui trucks in our department and so I think we have needs for mechanics. Thank you.

VICE-CHAIR WHITE: Alright. Ms. Baisa's point about the schools kind of dropping the ball on vocational training is a really critical one, because everyone is, it seems like the schools are now focused on everybody's got to go to college and that's just not everybody's taste. Okay, anything else, Ms. Cochran?

COUNCILMEMBER COCHRAN: Oh no. Thank you, Chair.

VICE-CHAIR WHITE: Okay. Thank you and Members, just to bring up one of the items with Maui Economic Development Board was we had provided them an additional \$200,000 for job creation and business development. So I know you touched on that, Ms. Rasmussen, but if you could please provide us a little bit more --

MS. RASMUSSEN: Yeah.

VICE-CHAIR WHITE: --detail as to whether you feel that, that \$200,000 was well spent this year, and should be replicated in the upcoming budget.

MS. RASMUSSEN: Well, I believe it was very well spent. We noticed a huge difference in the amount of time that MEDB could devote to these not only inquiries but also helping us build entrepreneurs on the island. In addition to, of course and taking all these clients that we get in referring them they are, they have created Startup Weekend which is happening in May, and this is one, a 54-hour event where entrepreneurs and mentors, coaches, judges get together, and the ideas grow over the weekend and it ends up in a pitch contest basically, and then they judge and they pick the best ideas. It's really energizing, I think it's really attractive to a younger clientele, I think it's just super exciting, and I'm looking forward, I want to go out and I don't know if I can spend 54 straight hours, how do you do that? I don't know, I don't know how but you kind of do that here on the budget floor though too, right? But anyway in addition to that, they assisted us with the Made in Maui County Festival, they helped develop that Economic Development Revolving Fund program with us, they participated on the project review committee for the Economic Development Revolving Fund, and also participated in our Business Development Strategic Alliance. So many ways that they

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have been able to participate that they didn't have the option to do before. So I can't tell you how valuable that is to us. So I really hope that you will continue to give them that funding.

VICE-CHAIR WHITE: Okay. Thank you and, Members, any other questions on this section? Okay, seeing none, let's move on, the last four.

MS. RASMUSSEN: Okay. So MEO Business Development Center, as you know they're most famous for their Core Four business classes that have, I mean there's been, this has been going on for quite a few years. This year they graduated 159 new graduates and 20 of them were from Molokai. They had a student completion rate of 82 percent which I think is very impressive considering that most of these are adults and they have other jobs and they have work. They produced nine micro-loans out of the program and they provided and this was an area that we asked MEO BDC to really work on and that was the follow-on technical assistance. So after they go out of the classes, after they maybe had a micro-loan or maybe not, but we said, you know, really the follow-on work is really some of the most important work. They were able to provide technical assistance to 124 of their students, and that was an increase of 310 percent in one year, so they did exactly what we asked them to do and I'm so appreciative of that. Also Craig Swift helped us on the EDRF project review committee, also helped us with the Made in Maui County Festival and also participates in the Business Development Strategic Alliance. So this program I think also has become legendary because bankers send their people to this program, we've sent numerous people to this program. And all of the other business development organizations have as well, and they have a niche that is just such an important niche, and that's what I love about these programs and how well they all fit together because they are not overlapping, they're not doing the same things, they're doing different things and they're working where their expertise is and we're moving people around to where they need to be. So I really love working with these people. Okay, Molokai, Molokai, okay, let's go to that. So I want to just thank Councilwoman Crivello, she worked so closely with us on identifying projects on Molokai, and I think we came up with some great ones. We offered another round of Small Business Revitalization Grants which again just came due on April 15th and we had I think the most applicants ever for that program. We funded their Happy Holidays Molokai Style which was a holiday lighting in Kaunakakai in December. Funded a branding program done by the Molokai Chamber of Commerce which is a Made in Molokai branding program. Funded the Molokai Makahiki Festival, the Molokai Canoe Festivals which was a new event that straddled two different canoe festivals with a huge event in town where they closed the streets, they had a big stage set up and they had vendors come out from all over Molokai and sell their food and their wares, and we got just nothing but incredible feedback about that event and just a lot of excitement generated from that. We also sent the Maui Food Technology Center to Molokai for some technical assistance. And the Molokai Ka Hula Piko, a grant is on its way to produce that event. And then earlier in the year we mobilized a TWIC, it's a transportation workers something certification, I can't remember quite, anyway, it's the card that you need in order to get into the harbor. And everybody's card on

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Molokai was expiring and they were all going to have travel to Maui island to renew which was going to be extremely expensive. So rather than that happening, we brought the mobile unit to Molokai, we used our Kuhao Business Center as the base for them, and they funneled in there and had their photographs taken, filled out their paperwork and we got I think everyone that needed a TWIC card on Molokai done within I think it was a three-day period. And so that project was brought to us by our manager of the Kuhao Business Center, Jennifer Hawkins, she saw a need, she figured out a way to make it happen, and so I'm really appreciative to our staff on Molokai for bringing them. And then finally there will be a Molokai business conference coming up and then also we are funding their 4-H Farm Fair which is coming up in the month of June. So Small Business Promotion Fund, as you see we're asking for a substantial increase in this fund this year. The primary reasons are we will need additional funding for the Made in Maui County Festival, we had the luxury of for the last event to fund it out of two fiscal years. Because we weren't really sure what it was going to cost, you know, what we're gonna need, but because we funded a big bulk of it in already in this fiscal year, we need to beef up our funding for next year, we put in approximately \$76,000 into the Made in Maui County Festival and that's what we intend to probably put in again. But of course we're always looking, we're gonna be looking for sponsors, working with the Chamber of Commerce to augment that. And then of course we have the vendor fees and the gate fees and all of that, the revenue coming in. The other reason is that we have our HTA, our Hawaii Tourism Authority funding that comes in to fund many cultural events on our island, has a rule in place that if you've had funding for four years in a row, you can't ask for funding again at least for a period of time, they're not saying how long, so we have a lot of very mature, very popular events that are going to be kind of cycling out of the HTA funding, so one of those is the Wailuku First Friday. They have always had HTA funding, they have not been getting County funding, and then Wailuku is also asking to do this Thursday event so they can help beef up the town's activities, so that is the reason for the increase right there. So I think that takes care of that section.

VICE-CHAIR WHITE: Okay. Thank you. What was the increase for the HTA funded ones that will be dropping out?

MS. RASMUSSEN: I'm sorry?

VICE-CHAIR WHITE: You mentioned that you need additional funds to cover those events that are dropping out of the HTA funding. Just asking what is the total amount, I missed that.

MS. RASMUSSEN: That we're asking for small business, oh, it's, we're asking for an additional 65,000.

VICE-CHAIR WHITE: No. Yeah but part of that was for the Made In Maui.

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MS. RASMUSSEN: Oh Made in Maui, right, so the Wailuku First Friday so that would be 25 so it would be 40, yeah, so 40,000 would be for First Friday Party and the Wailuku Thursday events and their Saturday market. It was actually two events.

VICE-CHAIR WHITE: Those are the ones that are dropping out or having to be dropped?

MS. RASMUSSEN: HTA, the, what's dropping out of HTA would be Wailuku First Friday. There's going to be others but particularly for Wailuku and then Wailuku's made this request to add this other event so, so we put it under the small business promotion right there.

VICE-CHAIR WHITE: One of those things I feel you know if HTA is gonna write a silly rule like that, you know, once you get something going, then you drop it? Anyway, I think we should feel comfortable funding that out of our TAT funds.

MS. RASMUSSEN: There yeah, I mean.

VICE-CHAIR WHITE: There's always a reason why we should be getting the TAT.

MS. RASMUSSEN: Yeah.

VICE-CHAIR WHITE: A larger portion provided back to each of the counties.

MS. RASMUSSEN: There has been a lot of pushback from the counties across the State for this rule and I'm not sure that, well, they're not backing down yet. But I'm not sure they're gonna be able to stomach the grief that they're gonna get over that.

VICE-CHAIR WHITE: If we can add to the grief, we'll be happy to...

COUNCILMEMBER VICTORINO: Mr. Chair.

VICE-CHAIR WHITE: We should send something on behalf of the either the Council or the Budget Committee --

COUNCILMEMBER BAISA: No objection.

VICE-CHAIR WHITE: --complaining about that. Okay we'll start with Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah. Thank you, Mr. Chair, and I was just gonna ask you that first and foremost, and I will also add I will send one on behalf of Wailuku, because my Committee two years in a row spent five or six Friday nights doing their surveys just to justify keeping it, right?

MS. RASMUSSEN: That's correct, it's a requirement.

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COUNCILMEMBER VICTORINO: And so this really frustrates me when they come up with these hanky-panky rules, I'll use that term and then say oh, we're not gonna fund you anymore after all these years. And they're our direct benefactor, a lot of visitors come through Wailuku town, I've been there many Friday nights. And a lot of new visitors come through and you really get a real taste of what Hawaii and Maui and some of the old town festivals used to be like and now to do this. This is terrible so I will, you know, you can go ahead and do one from the Council, I will do one personally from Wailuku saying that this is chicken, you know, what and I won't use that word but you all know what I'm thinking at this point and that's terrible, you know that they would do that. Yet it has been a very, very successful --

MS. RASMUSSEN: Yes.

COUNCILMEMBER VICTORINO: --event. This is why the rest of . . . *(inaudible)* . . .

MS. RASMUSSEN: Yes.

COUNCILMEMBER VICTORINO: It was because Wailuku took the chance --

MS. RASMUSSEN: Right.

COUNCILMEMBER VICTORINO: --four years ago to get started.

MS. RASMUSSEN: That's true.

COUNCILMEMBER VICTORINO: And we put our necks on the line, I remember going out there when there was really nobody, in fact we didn't even start by, we didn't close the street back then, the cars still kept going through. It was finally after we got large enough that we sat down with the Police Department and said you gotta close the street. And the Mayor agreed and we got that done, but you know it's sad, every time we get something good, they pull the plug. And I agree with you, Chair, let's grab the money from TAT, let's increase it. You take there, we take from there.

VICE-CHAIR WHITE: Well, the challenge is that you know everyone and we go through the same thought process, you know, you need to get to a point where you're self-sufficient, but self-sufficiency with these kinds of events is just simply not easy to achieve if at all. So okay any --

MS. RASMUSSEN: That's correct.

VICE-CHAIR WHITE: -- other questions on this group, Mr. Victorino?

COUNCILMEMBER VICTORINO: I don't, I'm gonna be calming down first.

VICE-CHAIR WHITE: We all appreciate that. Ms. Crivello? Ms. Cochran?

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COUNCILMEMBER COCHRAN: Thank you, Chair. But, Chair before I jump into my question it's about the Small Business Promo section. I did come across a budget narrative for the MEDB high school program thing, and I guess part of the funding this year that they're getting will be to help get the Lanai students involved. So part of the funding this year will be allocated, it says build awareness and interest in automotive training on Lanai so that's what I'm reading. Anyways moving on to...

MS. RASMUSSEN: We're getting a yes back there. Yes.

COUNCILMEMBER COCHRAN: Okay. Thank you. That's wonderful. Okay, excellent. Jumping to Small Business Promo though, it is about the Made in Maui County Festival so I'm trying to understand the increase, the 65,000 we were already being enlightened in regards to First Friday, the lack of HTA funds. So Made in Maui in essence because in our budget narrative on Page 435 it says, the expansion of this fund will help continue the Made In Maui County Festival. So when I read that, I assumed by reading that the expansion of 65,000 goes directly to that but now you're saying not necessarily, it's being broken down between First Friday and the things you've mentioned and only 25,000 is for the continued Made on Maui Festival?

MS. RASMUSSEN: Okay, well, let me explain. So the Small Business Promotion Fund, this last year was made up of 125,000 and so these are the things that we funded from that this last year. We gave a grant to Small Business Week and this is in your OM2 document, Small Business Week. The Made in Maui County Festival shows 50,000 on here, that's because we spent 25,000 from the previous fiscal year. So all total you know it made up 75, actually it was 76,000. The Mayor's Small Business Awards, we funded the Friday Town Party and this was for I believe the Kihei Friday Town Party was funded out of this. And then the Native Hawaiian Chamber of Commerce, we gave them a small grant for their Business Fest and then we gave a small grant to Word Camp which was a WordPress publishing you know web workshop that went on, on one weekend, we gave them a small grant. So that's what that was spent for this last year with 125,000. So this next year we need to augment the Made in Maui County Festival so we need to bump that up to 75-76,000 and then we need to add those additional projects into for the Wailuku to that. So that's where it goes.

COUNCILMEMBER COCHRAN: Okay and previously the monies of for the Made on Maui Festival had come from a different pot, the Economic Development Initiatives Fund? And that fund's staying flat but you're taking --

MS. RASMUSSEN: When we...

COUNCILMEMBER COCHRAN: --not taking from it.

MS. RASMUSSEN: When we started the program, because we didn't decide to do that program until halfway into 2013, you know toward the end of 2013, and so we had to take funds to get the program up and running, we needed to get things done, we couldn't wait till the new fiscal year so we took money from Economic Initiatives I

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think at that point to do that. So but they both equally fit, I mean Small Business Promotion or Economic Development Initiatives, they were both appropriate for that event.

COUNCILMEMBER COCHRAN: Oh, okay. So then that other fund, initiative fund pot that the money that you're not gonna be taking out this time around will be going to something --

MS. RASMUSSEN: Yeah, we --

COUNCILMEMBER COCHRAN: --to create something else?

MS. RASMUSSEN: --yeah, that is a great resource for us to be able to jump on projects as they come our way. I mean you know sometimes things come, you know, and present themselves and you have these discretionary areas where you can pull funding to do it, because you know you don't necessarily know what those are going to be at the beginning of every budget year. So it's nice to have the ability to move projects here and there, and then there's sometimes that a project doesn't happen that happened before, and then you need to redeploy the money to something else. So it would be very difficult to run an economic development program if every dollar was proviso'd, you know, because you just wouldn't have any way to move and you wouldn't have any way to capitalize on programs that come your way that, you know, are just terrific programs so.

COUNCILMEMBER COCHRAN: Okay. Thank you. So in the end though, the pot, the Made in Maui costs about 76,000 you said?

VICE-CHAIR WHITE: Correct.

MS. RASMUSSEN: That's correct.

COUNCILMEMBER COCHRAN: Okay. Thanks, Chair.

VICE-CHAIR WHITE: Ms. Baisa?

COUNCILMEMBER BAISA: No real questions. But I do want to support, Ms. Rasmussen's idea and her premise that you need to have some flexibility in this area. I think it's important because stuff happens and you got to be able to jump on it, when opportunities arise, you either have to take 'em or lose 'em.

MS. RASMUSSEN: Absolutely. I mean like Word Camp, we didn't know about that in advance, you know a lot of things happen like that. You know the TWIC program is a perfect example.

COUNCILMEMBER BAISA: I think if you have good justification and you can see the economic development then it's money well spent.

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MS. RASMUSSEN: Yeah.

COUNCILMEMBER BAISA: Thank you.

MS. RASMUSSEN: Thank you.

VICE-CHAIR WHITE: Mr. Carroll? Okay. Done with that area. Let's move on to the next page.

MS. RASMUSSEN: Okay. So the Cultural and Arts Program was a fund that we inherited from the Department of Housing and Human Concerns. And there was two programs that were funded in there that we continue to fund, and that's the West Maui Youth Theatre and a Chance to Dance, and those are two school-based or afterschool programs, and they, I think they're very well run, a lot of support for keeping those. We gave a grant to the African Americans on Maui to do their Building Cultural Bridges program which is all around Martin Luther King and the whole month that we celebrate, Dr. King. And then this is where we funded the Lahaina Town Action to do their second Friday party in Lahaina. We funded the Wailuku Community Association, a small business boost grant that is actually where it's actually a prototype to this Wailuku project that they want to see if it works, this Thursday night event and the Saturday Market, and so we gave them a small grant to see if that will kind of take root. And then we reserved some funding for the Barrio Fiesta. So that's what comes out of that cultural and arts. Moving on to Festivals of Aloha, I think you know Yuki Lei told us today basically there were six events in Central and Lahaina, Central Maui and Lahaina, three events on Lanai, six events on Molokai, seven events in Hana, all kinds of different things, you know, that include like a, one had a fishing tournament, one had a poke contest, aloha attire contest, games, royal family in receiving their royal symbols, a parade on Lanai, you know so just a myriad of different events around the Festivals of Aloha. Zone promotion, our Film Commissioner has been sitting here all day just dying to talk to you, I'm gonna call him down right now 'cause he just would love to give you a brief update, if you don't mind.

MR. BENNETT: Aloha Chair White, Councilmembers. Nice to see you all.

VICE-CHAIR WHITE: If you could state your name for the record.

MR. BENNETT: Tracy Bennett, Film Commissioner. It's been a very busy year for me, successful one at that, we've quadrupled our spend in Maui County since I've been the Film Commissioner, and we've had some very viable productions come in that have put Maui on the map, so to speak. We had a Kenny Chesney music video that was filmed here in November called, Wild Child, it's a very beautiful video, highlights Maui and a local artist named Gretchen Rhodes is featured in the video, and she looks beautiful and very beautiful song. Several commercials have shot here also, couple of print ads for Marie Claire magazine, Victoria Secret, Eddie Bauer to name a few.

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We've had a television show shoot here called Surviving Marriage, it's a reality show that's on A&E Network right now. The interesting thing about that show is that they did not require any County support as far as permitting, they went through the State because they used a lot of helicopters and they're on State land so I didn't have too much to do with that particular project. And then as most of you know, I wrote and produced the safety video that is playing at baggage claim right now, and I believe it's also playing on Paradise TV at most of the hotels and the Visitor Channel. And in conjunction with, Ms. Terry Vencel at Maui Visitors Bureau, she was able to assist with all of the rescue and lifeguard, and just everybody involved with that was really amazing. It was a long process because you really have to tell an important story there for some of the things that have happened here and on all the islands, you know it was important to get the message across and film the video appropriately and get the message across in an amount of time that would keep people's attention, so we've also added captions to that as well for hearing impaired. I'm not sure what's going on, I heard the testimony earlier from Ms. Vencel about what's going on at the airport that's something out of my hands, but I wanted to make sure that I made a great video and now that we have captions to it, you know it's a really piece that's important for our visitors and for our residents as well. Aside from that, I have some other things I've been working on, UHMC I've been working with in developing a creative media degree program and I will be on an advisory board there once they get that set up, and possibly teaching some classes for them. I think the biggest thing I'm working on at the moment is something I've been working on for about a year. I went to Korea last year to visit with some of their filmmakers there and met a gentleman named Eric Kim who actually he and I have several mutual friends in the movie business in LA, and he has a project called Moderately Low Expectations and it's kind of a silly comedy in the vein of American Pie, but it is a Korean-based film with Korean K-pop stars and actors and producers and a Korean director, and they're finally funded and they're bringing their movie to Maui. We're in the process right now of we've made an invitation to their investors who are Nepalese. There's seven investors from Nepal that are coming the first week of May to scout the locations we've chosen, and look to be shooting probably September, hiring all local crew, using all local equipment not bringing anything from LA, very little equipment from Oahu. And I helped the Korean producers arrange a deal for the K-pop stars who are in the movie to actively use social media to Tweet and Facebook and Instagram from Maui on a multi-day basis while they're here. If any of you are familiar with the Koreans, they love to follow their pop stars whether male or female. And they not only dress like them, but they follow them to wherever they go on vacation or shoot films or make music videos, so it's a really big boost for the Korean tourism market here in Maui County for sure. So that's something I've been working very hard on, and Maui Visitors Bureau is assisting with that as well as is HTA and Hawaiian Airlines. Hawaiian Airlines has offered fly the Korean producers and actors here to Maui in September so they're getting a little help on that end, and they will take advantage of the generous tax incentive that the State of Hawaii has. So you know a few other movies that I'm working on trying to get here, two TV series one written by a local Maui boy named, Stefan Schaefer, it's a 19th century period piece called, Thy Kingdom Come and it was purchased by the Weinstein Company, and I'm actually travelling with him to Los Angeles on May 12th to

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meet with the Weinstein's about filming in Maui and making this TV series, this period piece a full-time fixture in Maui. So oh yeah, so I recently was in Los Angeles and Austin, Texas for two trade shows. I went to the in Los Angeles was the yearly association of film commissioners international trade show, and I was supposed to be in charge of the booth this year for the State of Hawaii, all of the different counties chip in and I was in charge of the décor this year, and I had sent a artist rendering to the different film commissioners in Hawaii as well as our State Commissioner and everyone, well not everyone but our State Commissioner and one other felt like it was proper that our booth be an homage to Jurassic Park, the movie is 20-years old, was filmed in Kauai and Oahu, and the new movie comes out this June so it'd be the fourth one that was shot in Hawaii, but I protested that because none of the Jurassic Park films have filmed in Maui. So I didn't want to use any of my budget toward going to support that, but you know I was there and I had a lot of great meetings, some other things coming out of those trade shows. And then I went to Austin, Texas for a conference/festival called, South by Southwest, and it's music, film, interactive, just about everything under the media sun, and it was a really great opportunity for me to speak on a panel about film locations and our tax incentive here in Maui County. And that conference is attended by anyone who's everyone in the entertainment industry so I felt very lucky to go to that. I have another conference coming in June in New York for commercial producers. Commercial productions are usually the big money spenders when they do, they did a BMW commercial here last year, they were here for about three days and they spent a million dollars, so trying to really cater to the commercial world puts a lot of people to work as well so that's something I'm working on very hard.

VICE-CHAIR WHITE: Yep. So, Members questions on the film industry promotion grouping? Mr. Carroll? Ms. Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. Just want to say thank you, sounds like an awful lot of work's being done and so much possibility, thank you very much.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah. Thank you, Chair. And never heard of Kenny Chesney but a friend of mine you had used his horses and I knew the horse in it. So I couldn't wait to watch the video 'cause I knew Luaehu in it but I don't who the singer was or that wonderful girl that was in it too, but the horse that's the one I wanted to see --

MR. BENNETT: You knew the horse.

COUNCILMEMBER COCHRAN: --and she's beautiful in that.

MR. BENNETT: Yes.

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COUNCILMEMBER COCHRAN: But the video or the Surviving Marriage, I know it, they had actually filmed in the back of my, well, not at my house but I'm the star in the surviving, no, they used the roads up above in Maui Land and Pines property so that was some of the private lands that they had filmed upon and so but they yet still have to go through our film office in order to get or that's what you're saying you didn't?

MR. BENNETT: Yeah, they don't, if they're filming on County property or at a park that requires County assistance, that's when they would come to me for a permit assistance and if that's the case then you know similar to the German film that was here filming in your neighborhood then as well as you know there's a couple issues that I have with productions that come in, is a lot of time they make their employees and the crew that they hire sign non-disclosure agreements. So Surviving Marriage had shot an entire season and I didn't even know they were here. Because the crew can't talk about it and unless you see them out filming or something, but you know they used from what I'm told all State property and all private property and they have to get the proper permissions obviously to film on private land and then they secured the proper State permits. But that's difficult for me because you know it is a relatively popular show that's on right now, and I don't have any of the numbers that they spend because their crew signs NDAs so I don't have access to those numbers.

COUNCILMEMBER COCHRAN: Okay. Well, and no jurisdiction over those types of lands but okay, thank you, Chair, that's all I have.

VICE-CHAIR WHITE: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Nothing here but thank you. Thank you for the work that you do.

VICE-CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I just don't have any really any objections and I'd like to thank Mr. Bennett for all his hard work. I know we've had a meeting already discussing all of his work in the last year. Looking forward to the Korean movie that comes over and he's actually done a very good job, Mr. Bennett in getting these pop stars to agree to tweet and to promote Maui, it's something that would hopefully increase our visitor industry once the Korean population realizes that these pop stars come here and they're tweeting and videoing. I did suggest that with Mr. Bennett that we would hold a, one of our Council Committee meetings on set once they come so I look forward to that in September.

VICE-CHAIR WHITE: Well if we choose the right topic we can provide some Korean drama.

COUNCILMEMBER GUZMAN: Yes, yes. Thank you. Oh, I had another, my real question is, the Maui Film Festival I know we haven't gotten to that part but is that any way related to your promotion of the film industry 'cause it says another 25,000 and that's new?

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MR. BENNETT: Right, well, that amount usually comes out of my film office budget that we support the film festival every year, and then I also help Mr. Rivers acquire some of the actors and some of the films that he gets.

COUNCILMEMBER GUZMAN: Okay. And the reason why we're adding an additional 25,000 is?

VICE-CHAIR WHITE: It's been removed from the, the 25,000 for the film festival has been taken out of the film industry promotions.

COUNCILMEMBER GUZMAN: Oh okay, I see you just separated it out.

VICE-CHAIR WHITE: The amount has remained the same.

COUNCILMEMBER GUZMAN: Okay.

VICE-CHAIR WHITE: So it, you're right it is a 25,000 increase in the film production.

COUNCILMEMBER GUZMAN: Okay. Thank you.

VICE-CHAIR WHITE: Okay. Thank you. I'd like to thank you too for being here and waiting it out with us.

MR. BENNETT: Thank you.

VICE-CHAIR WHITE: And if you'd provide us your review on the remaining items.

MS. RASMUSSEN: Okay. Let's see where we're at.

VICE-CHAIR WHITE: Down to Lahaina Boat Day.

MS. RASMUSSEN: Yeah. The Boat Day, okay, so Lahaina Boat Days.

VICE-CHAIR WHITE: Hana Canoe Club and Lahaina Boat Day are the remaining items.

MS. RASMUSSEN: Oh, the Hana Canoe Club. Okay.

VICE-CHAIR WHITE: I'm sorry, no.

MS. RASMUSSEN: Hana Canoe Club just came, oh no, no, no. There is no Hana Canoe Club, yeah, okay, sorry.

VICE-CHAIR WHITE: I saw the word, new there but that's a...

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MS. RASMUSSEN: Okay yeah and Kalaupapa of course was a one time you know so that's not happening --

VICE-CHAIR WHITE: Right.

MS. RASMUSSEN: --again. So the boat days just quickly I was really thrilled when I read that they greeted 68 cruise ships with over 200,000 visitors to Maui in 2014. And Lahaina is the only harbor in the Hawaiian Islands that greets our visitors with music, dancing and flowers. So I think that's a great program, it's provided by the Honolua Senior Citizens Club and the Lahaina Town Action Committee. Okay, so do you want to discuss those then?

VICE-CHAIR WHITE: Any questions on those items, Members? Ms. Baisa.

COUNCILMEMBER BAISA: No questions but I want to compliment Maui County on doing this. You know not too long ago about a month ago we saw something on television about people in Waikiki trying to get rid of a group that was playing the ukulele and singing down in Waikiki, and it was on Facebook and I was very proud to post a comment and say in Maui County we actually provide them with a small grant --

MS. RASMUSSEN: Right, there you go.

COUNCILMEMBER BAISA: --and everybody said Maui No Ka Oi.

MS. RASMUSSEN: That's right.

COUNCILMEMBER COCHRAN: Chair.

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Yeah and thank you and I appreciate. you know we see the ladies in pink shirts that come and they testify and how they are so happy to go ahead and do this, but of course the assistance and funding does help out and I understand and it's hot down there but its yet they're enjoying themselves and also creating that wonderful welcoming committee to Lahaina and our town, our County as a whole so it's a great use of our funds. Thank you.

VICE-CHAIR WHITE: Yeah, I don't think you could produce the same effect with anywhere near the same amount of money. So they're doing us a quite a service and --

MS. RASMUSSEN: Oh definitely.

VICE-CHAIR WHITE: --they love doing it. And I have to point out it's not just gals in pink shirts it's --

COUNCILMEMBER COCHRAN: Oh right, sorry, there's Uncle --

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VICE-CHAIR WHITE: --guys too.

COUNCILMEMBER COCHRAN: --Kenny that's right.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No nothing but I also hear about the Lahaina Boat Day and it appears to be a success. Thank you.

MS. RASMUSSEN: Yeah.

VICE-CHAIR WHITE: Okay. Any further questions on this section if not we'll move on to Maui Arts and Cultural Center.

MS. RASMUSSEN: Okay so the MACC is expecting that this year, they will have over 200,000 people that will attend events at their venue, their various venues. The economic impact for the community and this is above the amount of the ticket sales is estimated at over 4.5 million, so that's the spending that goes around the MACC and their events so it's going out to dinner, it's you know all of the things that happen around their events. The MACC has done great strides in being able to produce events for all strata of our economy. They have free events, they have low-cost family events, community events, fundraising opportunities for our nonprofits that are at rates that are very attractive and that are very affordable for our residents and visitors. They offer half-priced tickets for children and \$12 seats for most of their performances which I think is as really, I mean I'm talking about a limited number of \$12 seats but they are available to purchase. And these lower-priced tickets and seats have benefited over 16,000 people over the last year. They have had over 200 Hawaii artists so that's our own homegrown artists throughout the State perform and will be presented in just this season alone in just this year alone. And then the facilities were used for over 500 events and meetings by community groups. So it truly is a community center that we can all, has enhanced our quality of life here and we all love the MACC. The next item that you see is a special CIP project for the MACC and this is the second part of a two-part funding. So last year they, you approved a \$400,000 CIP project and this is to create a stairs and a linkage to the Keopuolani Park parking lot, create an additional 50 stalls of parking and then a stairway down to the main parking lot of the MACC so that, because mostly the MACC has night events and the park is empty at night so those parking spaces are just sitting unused, most of the time when the MACC's events are going on. And so this project will and they've worked closely with the Parks Department and it's all designed and it's ready to go, and they just got their funding, you know, the grant through for this last, for this fiscal year, and they of course need this to be able to finish the project. So we greatly, we think that it's a great win for everyone and the parking is needed. As you know, many times we have to go all the way to the lawn of the University for parking there, but this was a really efficient way of not having to pave over more land and utilize a parking lot that sits empty. So, okay. Maui Community Theatre, so Iao Theatre

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celebrated its 85th birthday in 2014. With their grant from us, they replaced 120 old theatre seats, much appreciated by the people that attend their shows, they upgraded and replaced electrical wiring and instruments for the lighting system, they have maintained an upkeep on the central air conditioning system, maintained termite and pest control for the building, and did some capital improvement restoration like painting, cleaning carpet and seats, et cetera. Very well run, this is a really small amount of money, they do a very good job of creating revenue out of this theatre. I think it's well worth it to keep that grand historic building that was, is really the jewel of Market Street in Wailuku and to keep that building functioning. And as you know that is a County-owned facility.

VICE-CHAIR WHITE: Okay.

MS. RASMUSSEN: And then the Maui Film Festival of course is put on by Mr. Barry Rivers and his wife Stella. I've been told that this year they're expecting, they've got some great stars that will be coming in, they've got some great movies coming. Wailea Community Association, Wailea Resort Association is very excited about what they've been able to put together for this year's festival, and so of course we're very supportive of that. This has been funded at the \$25,000 level for a very, very long time, and I'm, we are working with the Visitor Bureau to try to get Hawaii Tourism Authority to make this a signature event within HTA funding, but that hasn't come to pass yet so we'll keep working on that. The Sister Cities Foundation, we've asked for an increase of \$5,000 again just more need for being able to take care of our international guests that come to this island, and I did hear a conversation that went on when we were here for our Admin budget that you were questioning the Mayor's Office and seeing if there's some kind of protocol fund that we could put in the Mayor's Office. That would be very helpful, you could put it in the Mayor's Office Admin Fund or you could augment something in this area, but we have to be able to take care of people sometimes on very short notice, and the money that goes to the Sister Cities Foundation is managed by the Foundation and so technically in order to spend money, they have to have board approval and so many times they can't get their board together, they can't get the approval to us and so it's very difficult for us to manage international guests on short-term basis. So I know we didn't put that specifically in our budget, but if you can find a way to, even if it's just \$5,000 that would help a lot. Okay so I think that finishes that section.

VICE-CHAIR WHITE: Thank you. Mr. Carroll, any questions? Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Yes, Chair, thank you. Going to the Maui Arts and Cultural Center section, there's two line items there I see and so you went through those, my question I'm looking at the increase and trying to figure out what that was for, well so the first one, the 318,270 I see the budget breakdown that they had submitted I

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believe to you folks, and I just to understand where our monies go that we give them. The 318,270 goes to payroll and benefits or and non-payroll expenses like a combination? Or sorry, sorry, non-payroll expenses I guess in particular.

MS. RASMUSSEN: Yes. So if you look at the budget that we gave you this morning so there's the County column and then there's other cash and there's in kind and then there's total. So you want to look at the County column for where it goes, so the bulk of it is going to facilities and utilities, repairs and maintenance, marketing, lease rentals, travel and lodging, I could look that up I'm not sure, that may be even, you know maybe incoming acts or something like that, and then production expenses, artists' fees so forth. So it's not going to salary and wages.

COUNCILMEMBER COCHRAN: Okay so strictly for some of the listings you just said.

MS. RASMUSSEN: Right, that's correct.

COUNCILMEMBER COCHRAN: Okay and the next line item that has a \$140,000 increase you mentioned that it's to build I guess stairways to connect to Keopuolani Park so people who go to their programs can utilize those parking stalls that are normally just empty, I guess after hours --

MS. RASMUSSEN: Yes.

COUNCILMEMBER COCHRAN: --park hours. And but to also create additional stalls elsewhere?

MS. RASMUSSEN: Yes. Up in that area, they've identified an area that they can get an additional 50 stalls and then continue up and access the parking up in the park so they've worked it all out with the Parks Department. It'll be a win-win for both because the Parks Department will be able to use that also during the day and then you know it'll be available for all the MACC patrons as well.

COUNCILMEMBER COCHRAN: Okay. Well, I did have other questions but then when I saw these other handouts and then your explanation, my question doesn't pertain anymore, but basically I was basing it off of Page 47 in our narrative, budget narrative, and it states where these funds would be going, and in here it said to Capital Improvement Projects, installation of Wi-Fi network covering the grounds and facilities to enhance utilization of the MACC so that is no longer?

MS. RASMUSSEN: It was in, well that was all inclusive, but I will tell you that the Wi-Fi network we had a talk with Art Bento, that is something they need but they are not going to be able to do it with the CIP budget and they just came to us kind of a few weeks ago and told us that. It's going to take all of this 940,000 to finish this parking lot project. The Wi-Fi project is gonna have to go on the back burner and then we're gonna have to, you know, maybe potentially, they said they might look for other types of funding for that or maybe they can come back in an additional year, but that

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project, the Wi-Fi project is going to be probably about 75 to 80 thousand. So we're not looking at the kind of money that is for this parking lot. And again, they're going to explore other foundation or grant funding for that.

COUNCILMEMBER COCHRAN: Okay but that type of usage is appropriate for the funds that they get from us?

MS. RASMUSSEN: It's a grant and you know again when we did our budget which was back in December, we thought they could still do this Wi-Fi and the parking lot, but then they found out, as their bids came in, that their only going be able to get the parking lot done so.

COUNCILMEMBER COCHRAN: Okay.

VICE-CHAIR WHITE: Okay, so we're actually not paying for the Wi-Fi at this point?

MS. RASMUSSEN: Right.

COUNCILMEMBER COCHRAN: Right, at this point. Okay. Thank you very much, Chair.

VICE-CHAIR WHITE: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. You know I have to say that you know when I, I don't have a question but I do have some comments in regards to the Maui Arts and Cultural Center. I have been more than impressed, you know I see the fliers and the kind of caliber of films, talent, and I am quite pleased too that there is such a support of our host culture. The Amy and Willy, I mean how great, May 1st that you're having like the Cazimeros May Day, that's something that happens at Waikiki Shell you know. Diana Ross, I bet it's sold out, you know I mean we're getting to be very high class, you even have a mixture of pop music which are, they also have I believe, you know I cannot help but envy that but I love going home on weekends. That's my priority but I have to say there are times that I get the tug that wow, I'd sure like to be here. You know you have all the, I wish we had a stage of a halau where our hula masters could be practicing. But I also appreciate the arts and culture that comes to our island on behalf of the cultural center that we have. I think there's even like the outdoor, the big screen, I mean --

MS. RASMUSSEN: Yes.

COUNCILMEMBER CRIVELLO: --it's the sit-down drive-in that we used to have where the families can. I think they've just expanded themselves where I would say neighbor island people used to want to travel to Honolulu at the Blaisdell Center, but today I think if they had more capacity, people from Honolulu would like to come here 'cause it's top notch --

MS. RASMUSSEN: That's right.

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COUNCILMEMBER CRIVELLO: --and I just enjoy the world of entertainment, music and you know I can go on and I think, I believe Maui County surely can appreciate what the caliber that's being --

MS. RASMUSSEN: Yeah.

COUNCILMEMBER CRIVELLO: --offered to us here. Thank you.

VICE-CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: No questions. Thank you.

VICE-CHAIR WHITE: Okay. Well, I would just like to point out that these are funds that are being requested of the Council, they're not demanded of the Council. To me the benefit that we have is that we have a cultural center that is mostly privately funded. To put it in perspective, these, the total of these requests and this totals up to about \$800,000, the line item, the expense line item for the Blaisdell Center which is having to be funded by the City and County of Honolulu is \$5.8 million this year. So we have a facility that does as Ms. Crivello said, incredible work bringing in topnotch acts and they pay for most everything themselves, so what they ask for from us is a very small amount compared to what their overall budget is and certainly compared to what is required of the Blaisdell Center. So with that, Members, unless there are some additional questions.

COUNCILMEMBER CRIVELLO: Just one more comment.

VICE-CHAIR WHITE: Sure.

COUNCILMEMBER CRIVELLO: Even our Maui, Made in Maui Festival, what a wonderful venue for that, I attended the first one that we had, its food trucks --

MS. RASMUSSEN: Yeah.

COUNCILMEMBER CRIVELLO: --make money too, you know, I mean economically you, it's a contributing venue. Thank you.

VICE-CHAIR WHITE: Yeah it's, it really brings in all aspects of our community, all different cultures, provides different business opportunities for people. Members, with that we're going to push the remainder of the items to tomorrow morning. Staff, what are your thoughts, should we start with these or...let me take a just a couple-minute recess. Recess at the call of the Chair and we'll come back and let you know what the schedule is for tomorrow. . . .(gavel). . .

RECESS: 3:54 p.m.
RECONVENE: 3:59 p.m.

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VICE-CHAIR WHITE: . . .*(gavel)*. . . This meeting of the Budget and Finance Committee will come back to order. Tomorrow morning we will start here at ten o'clock and we will take first Animal Management, then we'll finish up OED, following up with that with Public Works and EM primarily to go through their equipment bond purchases, but they will be, they will come prepared to discuss any other questions that you may have for them. We will follow up with the clerk, Office of the County Clerk, Office of the County Auditor, and then we'll have both Water and Parks on call. So if you think of any more that you might want to have come back tomorrow, please let us know in the morning or at the hearing tonight. And for those of you who haven't heard, we're gonna be at the Hannibal Tavares Community Center tonight beginning at?

MS. YOSHIMURA: Six o'clock.

VICE-CHAIR WHITE: At six o'clock. So, with that, Members, unless there are any further questions, any questions? Okay, we are adjourned. We will be back here at ten o'clock tomorrow morning. . . .*(gavel)*. . .

ACTION: DEFER pending further discussion.

ADJOURN: 4:00 p.m.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:150422:cvk

Transcribed by: Cheryl von Kugler

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CERTIFICATE

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

DATED the 18th day of May, 2015, in Kihei, Hawaii



Cheryl von Kugler