

**BUDGET AND FINANCE COMMITTEE**  
**Council of the County of Maui**

**MINUTES**

**April 23, 2015**

**Council Chamber**

**CONVENE:** 10:04 a.m.

**PRESENT:** Councilmember Mike White, Vice-Chair  
Councilmember Gladys C. Baisa, Member  
Councilmember Robert Carroll, Member (out 8:02 p.m.)  
Councilmember Elle Cochran, Member (in 11:25 a.m.)  
Councilmember Don Couch, Member (in 1:50 p.m.)  
Councilmember Stacy Crivello, Member  
Councilmember Don S. Guzman, Member  
Councilmember Michael P. Victorino, Member

**EXCUSED:** VOTING MEMBERS:  
Councilmember Riki Hokama, Chair

**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  
Jo-Ann Ridao, Director, Department of Housing and Human Concerns  
Teena Rasmussen, Economic Development Director, Office of the Mayor  
Tina Silva, Economic Development Specialist II, Office of the Mayor  
Kenneth Yamamura, Economic Development Specialist II, Office of the Mayor  
Robert Parsons, Administrative Assistant II, Office of the Mayor  
David Goode, Director, Department of Public Works  
Michael Miyamoto, Deputy Director, Department of Environmental Management  
Michael Ratte, Solid Waste Division Chief, Department of Environmental Management  
Michael Kehano, Assistant Solid Waste Division Chief, Department of Environmental Management  
Lance Taguchi, County Auditor, Office of the County Auditor  
Camille Sakamoto, Administrative Officer, Office of the County Auditor

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Danny Mateo, County Clerk, Office of the County Clerk  
Josiah Nishita, Deputy County Clerk, Office of the County Clerk  
Edward S. Kushi, First Deputy, Department of the Corporation Counsel

Seated in the audience:

Tina Gomes, Chair, Cost of Government Commission

**OTHERS:** Jonathan Starr, Commissioner, Maui Redevelopment Agency  
Frank DeRego, Director of Business Development Project, Maui  
Economic Development Board  
Sandy Ryan, Program Director, Maui Economic Development Board  
Carol Ball, Members, Maui Redevelopment Agency  
Ashley Takitani Leahey, Co-Owner, Maui Thing  
Tony Krieg, Chief Executive Officer, Hale Makua  
Michael Reiley, President, HNU Photonics/Energy  
Rhonda Satcher

Jerleen Bryant, Chief Executive Officer, Maui Humane Society  
Teya Penniman, Manager, Maui Invasive Species Committee  
Terryl Vencl, Executive Director, Maui Visitors Bureau  
Others (10)

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

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**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 meeting will please come to order. And I'd like to start off by introducing the Members that are with us this morning starting with Mr. Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

VICE-CHAIR WHITE: Good morning. Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

VICE-CHAIR WHITE: Good morning. Ms. Crivello. You getting into an argument with your microphone again?

COUNCILMEMBER VICTORINO: And the microphone wins.

VICE-CHAIR WHITE: And, Mr. Victorino.

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COUNCILMEMBER VICTORINO: Aloha and good morning, Chair.

VICE-CHAIR WHITE: Good morning. And excused for the day are Vice-Chair, I'm sorry, Chair of the Committee Riki Hokama and Member Couch. And joining us shortly will be Elle Cochran and joining us later this afternoon will be Mr. Guzman. So with that, Members, we will start off with our testimony this morning unless there are objections.

COUNCILMEMBER BAISA: No objections.

VICE-CHAIR WHITE: No objections. Our first testifier here in the Chambers is Jonathan Starr.

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

MR. STARR: Good morning --

VICE-CHAIR WHITE: Good morning.

MR. STARR: --Chair White, good Councilmembers, hardworking Budget Staff, and everyone else. I'm Jonathan Starr. I'm here today as a member, Commissioner of the Maui Redevelopment Agency and also as a property owner and citizen of Wailuku. We would like to request support for a Budget item for the Maui Redevelopment Agency, which is currently under Planning and I believe it's a line item for 383,500. And the breakdown of that are programs that we've been working on assiduously for several years and a lot of our programs are starting to bear fruit. I'd like to give a very brief description of what's in that 383,500, which is 83,500 which is the flat line funding for the Maui Redevelopment Agency and that includes operations. It includes money to finish the Parking Management Plan for the Redevelopment Agency area in Central Wailuku, which would give us guidelines on how parking should be handled. We feel we'll probably be moving away from a free 12-hour parking and looking at limited time parking, that will come back to Council. Possibly paid parking in the future but we have a project using a excellent national consultant to help us get a framework that we can act upon. Also additional events for Wailuku and things like our website, and banners, and street furniture, and keeping the trashcans empty, et cetera, et cetera, et cetera. There's a \$100,000 item, which a number of us came to you last year and we weren't able to fund last year but now we're completely ready for a Clean and Safe Program. There's a lot of safety issues in Wailuku. There's a lot of substance abusers living on the street and we need a program. Clean and Safe is based on the International Downtown Association Program that's in place in over a thousand towns and cities across the US. It puts Clean and Safe Ambassadors to work with the Police, and with community members, and with shop owners, and people who have problems and are living on the street to create a safe and clean environment using resources to get rid of graffiti, and trash pickup. The other item is \$200,000 for an integrated infrastructure study. We know that we have a lot of infrastructure problems that are

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precluding development, the sewage line running down Main Street, which feeds just about all of Central Wailuku is 8-inch vitreous clay.

MR. MOLINA: Three minutes.

MR. STARR: It's at capacity and it was built in the '20s. There's almost no record of it. We need to find how to improve our infrastructure and utilize professionals to put it all on GIS and create a program for systematically opening up the streets one time and replacing what's necessary to be replaced so that we can have, add housing and add shops into Wailuku. We are following a model that is used in many other places successfully and we would really love to get that done. Until we do there's almost no hope for being able to move forward in Wailuku. We have a lot of other successes in other programs. We're moving along nicely. I'm proud to be a part of this group and I humbly ask your support. And we want to come back to the Council --

MR. MOLINA: Four minutes.

MR. STARR: --after Budget for a much longer and deeper discussion. Thank you.

VICE-CHAIR WHITE: Okay. Thank you. Members, questions for the testifier? Seeing none, Mr. Starr, I have just one question for you.

MR. STARR: Yes, sir.

VICE-CHAIR WHITE: I don't recall in the, in our earlier review of the Planning Department's Budget but does the, do either of the \$100,000 amount or \$200,000 amount include any matching from the private sector? Any kind of formula for matching?

MR. STARR: No, there's no formula as they've created though a lot of community members have been putting in a lot of time and effort into them and will continue to do so. We can look at more ways we can help. You know one example is last year you funded the Iao Plaza, the parking and the lighting, and parked area around the, next to the Iao Theater. And our Chair Bill Mitchell has put in a couple of hundred hours in getting it done so that now it's okay with the State Disabilities and working. He's, you know, he's a professional Hawaii Land Design. So he certainly put in a huge amount of time and effort to make that happen, and you know it's going out for bids because of that effort. That is certainly one way that we'll be doing that kind of in an ad hoc manner.

VICE-CHAIR WHITE: Okay. Thank you. Members, any other questions? Seeing none, thank you for coming this morning. Our next testifier is Frank DeRego and he will be followed by Sandy Ryan.

MR. DeREGO: Aloha kakou, Council Chair Mike White --

VICE-CHAIR WHITE: Aloha.

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Mr. DeREGO: --and Members of the Budget and Finance Committee. I am Frank DeRego, Jr., Director of Business Development Projects for Maui Economic Development Board. First of all, mahalo nui for the added funding last year toward creating new businesses and business opportunities that can lead to new jobs. We ask for your continued support for this line item in the Fiscal Year 2016 Budget. MEDB would also encourage continued support for the Office of Economic Development with whom we have a fruitful relationship. In addition to the work we continue to do in business attraction, retention, and expansion, I'd like to expand on two other initiatives we have launched in business development with the additional funding. With this funding we have focused on providing new business startups and existing small businesses the opportunity not only to survive but to thrive. The MEDB Business Development team developed a technical assistance series aimed at helping startups and small businesses build firm foundations for building business success. Sound legal and accounting advice is essential but not always affordable. In cooperation with legal, respected legal firms on here and Oahu, MEDB organized seminars, breakout sessions, and individual consultations on the following: how to structure your business to avoid legal tax and accounting pitfalls, the ins and outs of raising capital including protecting your own stake in the business, intellectual property including protecting your business brand and safeguarding the computer support systems that house your business information, and how to use the wealth of information provided by the US Census in your strategic business planning. We are in the process of developing two other seminars in the series: fiscal management and structure in order to optimize financial performance, and how to connect startups and small businesses to Federal and other available resources. Through these efforts MEDB has reached 173 participants to-date, 90 percent of whom are new to MEDB and many that are startups. The next initiative I would like to highlight is the Comprehensive Economic Development Strategy or CEDS, OED again has asked us to lead this effort that occurs every five years. This process is mandated by the US Department of Commerce and determines eligibility for certain economic development grants. This is boots on the ground stuff reaching out to 140 stakeholders to create an economic roadmap for Maui County and targeted sectors to determine specific actions to foster business growth. This meaningful conversation debate and the ultimate choices that are made will build a platform for innovation and economic renewal to support our collective efforts in business development. In closing, I want to tell a story, in one of our seminars one participant in front of everyone gathered said, and I'm paraphrasing this, I came here to find out how to structure my business so I can leave it to my children in the best shape possible. This workshop has given me the chance to do that. That's chicken skin when you know that you have impacted a life that way. On behalf of MEDB I want to thank all of you for your kind attention and ask for your continued support. Mahalo.

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

COUNCILMEMBER VICTORINO: Not at this time.

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VICE-CHAIR WHITE: I have just one question. With the money that we appropriated last year do you have any kind of a scorecard or dashboard of specific results other than the classes and the preparatory items?

MR. DeREGO: Well, we've developed in cooperation with OED a dashboard so if you'd like to, at least a preliminary one before we get the final one done, which we usually turn in with our grant report at the end. We could actually work one up for you.

VICE-CHAIR WHITE: This is just specifically for the additional 200,000 that we provided last year.

MR. DeREGO: The dashboard I think is usually for the whole grant but we could try to pull out some information in regards to that.

VICE-CHAIR WHITE: If you could that would be very helpful.

MR. DeREGO: Okay. Thank you.

VICE-CHAIR WHITE: Thank you. And our next testifier after Sandy Ryan is Carol Ball.

MS. RYAN: Good morning, Chair White and Members of the County Council. My name is Sandy Ryan and I'm a Program Director at Maui Economic Development Board and I direct the annual AMOS Conference. MEDB has organized and presented the AMOS Conference since 1999, and in the 16 years since the conference has evolved to address the global challenges and technological advances of Space Object Identification and Debris Tracking shared by the International SSA community. Their vital work touches each of us every single day with every mobile phone call we make, every satellite TV show we watch, and every ATM withdrawal we make. In 2014, the AMOS Conference contributed well over \$1 million to the Maui economy. Our audience has grown to include commercial groups that launch satellites and the civil agencies that monitor them, government and military organizations, private industry, national labs, and international universities. *Space News* is the trade publication that every executive in the Space industry has on their desk. I've prepared some written remarks for you, and in your packet you'll see a handout from 2014, the *SpaceNews* sent a reporter to the AMOS Conference and it was the first time ever that we'd had that type of coverage news from the AMOS Conference in that publication. This year a record 130 researchers have chosen the AMOS Conference as the technical gathering to present their latest research. We've received the highest number of international submissions also to-date with input from Australia, Canada, China, France, Germany, Italy, Japan, Korea, Spain, and Switzerland. We look forward to welcoming all of these folks to the AMOS Conference in September. We will also welcome 300 middle school students from Maui to our Space in the Classroom Event, which features an audience with an astronaut, hands on science activities, and a tour of the exhibit center really designed to help show these students possible career paths that they might pursue. The AMOS Conference is also a key business development tool that MEDB uses to nurture Maui's Space and Optic sector. For example last year's AMOS Conference

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spawned a new collaboration between a Maui company and a larger national company that led to work being conducted on Maui and resulted in renting office space in the Maui Research and Technology Park. Mahalo for continuing to support the diversification of Maui's economy through programs like the AMOS Conference.

VICE-CHAIR WHITE: Thank you, Ms. Ryan. Members, questions for the testifier? Seeing none --

MS. RYAN: Mahalo.

VICE-CHAIR WHITE: --thank you for being here today. And Carol Ball will be followed by Ashley Takitani.

MS. BALL: Good morning, Mr. Chair --

VICE-CHAIR WHITE: Good morning.

MS. BALL: --Committee members. I'm here this morning as a member of the Maui Redevelopment Agency and to speak to the budget item that we're requesting. Mr. Starr already briefed you on the various aspects of it. The 383,500 that we're requesting comes in the form of this Clean and Safe, the infrastructure integration, as well as the parking plan. I was interested in Chairman White's question about the private industry because in fact it is an important concomitant of what we're working on is to entice private industry to come to Wailuku. I'm a Wailuku girl. I was born in Wailuku and I chose to live there as an adult as well, a very mature adult. But it's more than sentimentality that I believe in the redevelopment of Wailuku. It is our town. It's the civic center and the County seat and we deserve a lot more than it demonstrates presently. We do need some money to get started but we've already begun with the planning part of it and working with private industry as well as the County to create a plan that will make everyone proud of our hometown. Hometown redevelopment seems to be kind of a fad now but it's more than a fad for us. It's a very, very important thing and certainly the members of our agency as well as all of you I know will be behind it. Thank you so much.

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

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Yes, Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah. Thank you, Ms. Ball, for being here this morning.

MS. BALL: Thank you.

COUNCILMEMBER VICTORINO: You know you hit the nail right on the head about you know revitalizing Wailuku town to be something that we can all be proud of. In your

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day, what did you remember about the town itself? Just so that people have a better understanding. Revitalization is just not revitalization. It's really putting together a town that we can be proud of but your little memories.

MS. BALL: Well, when I was growing up there was no other town.

COUNCILMEMBER VICTORINO: That's right.

MS. BALL: Kahului didn't exist. There were two drug stores, two shoe stores, two bakeries, two banks. Wailuku Town contained everything to sustain life and it really still does except it needs a lot of help and we hope that you'll help us help it.

COUNCILMEMBER VICTORINO: Okay. Thank you. I just wanted that --

MS. BALL: Thanks. Thanks for asking that.

COUNCILMEMBER VICTORINO: --that historic perspective brought back out. You know I think we've all lost that or at least this young generation when you say bakery in Wailuku they don't even know what you talking about. You know so it is good to have someone like Ms. Ball here tonight --

MS. BALL: Thank you.

COUNCILMEMBER VICTORINO: --I mean today to remind us. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. Thank you, Mr. Victorino. Thank you, Ms. Ball.

MS. BALL: Thank you.

VICE-CHAIR WHITE: And our next testifier Ashley Takitani will be followed by Tony Krieg.

MS. TAKITANI LEAHEY: Good morning. My name is Ashley Takitani Leahey. I'm one of the owners of Maui Thing, for those of you that don't know, which I'm hoping is none of you here; we're a boutique on Market Street. We're a little store. We've been there for seven years now. This summer will mark our seventh year on Market Street. I'm here as well to support the Clean and Safe Program, the integrated infrastructure program as well as parking management in our town. In the past seven years, it's been extremely difficult. We've seen businesses come and go constantly, small businesses, local owners, you know, with the same complaints of parking, no foot traffic, things like that but we've also seen so much improvement in Wailuku. Again you know I'm a Maui girl. I've been here all my life. Went away to college, came back and in the past seven years of being a business owner on Market Street we have seen a ton of improvement, a ton of forward movement, a lot of growth. And initially opening our store in Wailuku, our reasoning behind it was that we had affordable rent and again because it's our hometown. We're Wailuku girls and we want to stay in Wailuku. And to be honest we don't really leave Wailuku all that often. And so we fought for its

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revitalization and for its forward growth from the success of First Friday to a couple new bustling restaurants now, a couple cute new boutiques, and then as well as the new website that we have for Wailuku Town, wailukutown.org and the new branding project. So, I'm really excited and I think the time is right now to support these kinds of projects in our town because the energy is there, the motivation is there, the businesses are there and I think it would be a great way to attract new businesses to Wailuku as well. That said I'm especially in support of the Clean and Safe Program. Speaking on behalf of our Wailuku merchants there have been multiple instances recently of theft and vagrancy. There's been trash left throughout the streets and it's, you know, people like us that are on the street everyday that are picking up the trash or you know volunteers that are coming to clean. In fact this Saturday we actually have the Rotary Club doing a street cleanup for us on Saturday. And you know it would really, really help facilitate all of that if we could get a little bit of support in that realm to make sure that all of our employees as well as all of our visitors are safe in Wailuku. We, you know, because of the small town charm and community feel, we picked Wailuku again to open our small business where we could have picked a mall. You know we could have picked the mall. We could have picked another town that you know had a ton more foot traffic but we didn't. And these malls and I know Lahaina Town they have a security program. They have kind of a Clean and Safe Program you know there currently. And so if we could get that in Wailuku we would really appreciate it. Again I cannot emphasize enough for the safety of our employees in our store as well as the other stores and the other local businesses in Wailuku and to really generate new business and make it a little more attractive to new businesses in Wailuku Town. Thank you.

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

MS. TAKITANI LEAHEY: Thank you.

VICE-CHAIR WHITE: And Mr. Krieg will be followed by Michael Reiley.

MR. KRIEG: Good morning, Council Chair, Members of the Budget and Finance Committee. My name is Tony Krieg. I'm the CEO of Hale Makua. And as you heard me testify earlier this week in Kahului we are requesting that the Council approve the \$250,000 line item request which is included in the Mayor's version of the proposed County Budget. These funds will provide some relief for the cost of providing physician services to Maui residents who need to be admitted to our two nursing homes. But I'm here specifically to address two questions: one, isn't this a problem that the State of Hawaii should fix; and haven't you asked, haven't we asked the State for money? Before I do that though I want to bring this home a little bit. As a couple members of this body know Hale Makua is there to help with post acute services when you are discharged from the hospital or waiting for hospitalization. And a couple of the members of this body were being served by Hale Makua and they were extremely fortunate because they had Kaiser Permanente as their physician. If they did not and they were a customer of the largest medical group in our town, they might still be

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waiting to get out of the hospital or if we had not brought a physician over from the mainland or they may have had to go somewhere else off island. So this isn't a problem for the entire State because, and if it was we would have joined forces with other nursing homes to ask for kind of a collective approach to this physician problem. Oahu facilities are still served in the community by actually the School of Medicine and community physicians. We have asked the State for funds but we're doing so in terms of improving our Medicaid budget. Over the last four years, year over year we've had a deficit and 81 percent of our revenue comes from the Medicaid Program. And we do have, there is a Senate Bill 912, which is now in conference, which would restore an inflation factor to nursing homes across the State. I don't know whether that bill will survive but we have tried to ask the State for funds collectively with other nursing homes. So we've tried to be self-sustaining and we've tried to work with physicians in the community but they have other interests. We've had numerous discussions with Maui Memorial and at one point I was really hopeful that the Community Clinic of Maui, which does an excellent job and provides physician services to Medicaid recipients in our community, would be part of the solution but their Federal handler if you will disapproved that. So we're still looking at other options. I don't want to hang my star on the Hawaii Pacific Health issue that's with Maui Memorial but I have talked with them and I'm hopeful that we might partner with them in the near future on the physician problem. So I think that's it. Thanks for hearing me this morning.

VICE-CHAIR WHITE: Thank you, Mr. Krieg. Members, questions for the testifier? Seeing none, thanks for coming today and thanks for the added information. And Michael Reiley will be followed by Rhonda Satcher.

MR. REILEY: Good morning, Council Chair --

VICE-CHAIR WHITE: Good morning.

MR. REILEY: --Councilmembers. Thanks for the opportunity. I'm here this morning to provide testimony on behalf of the Maui Economic Development Board. Long history, MEDB has been around many years. I actually was on their Board of Directors from 2002 to 2007 so I've gotten to see the internal workings and the many things that they do. I participated in many conferences. The AMOS Conference that Sandy Ryan participated in. I presented papers at that in the past. The Energy Conference that they co-sponsored with the Office of Economic Development with the County. I've been on panels there as well. So I just wanted to, you know it's coming from somebody that has really seen what's there. I wanted to, I'm the President of HNU Photonics, HNU Energy, you know, the HNU family of companies and what we do crosses paths many different ways with the Maui Economic Development Board. We are, you know, still a small business technically but growing and involved in many different things and I just wanted to bring to the Council's attention some of the things that have been instrumental to us. So, we've been a partner on the JUMPSmart Maui Project with Hitachi and with the Maui Economic Development Board. We've designed and installed all the quick charge stations that you see around the island and put in

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many, many different homes, and the community outreach that MEDB has done there has been just a critical role. You know Jeanne Skog, MEDB CEO and myself have served on the, not served but presented on these panels including in Kyoto, Japan last November. So we're out in the community. We're out in the world promoting Maui, promoting economic development, and partnering together. The Bio Conference, my company won a big award, the buzz of bio, for the most promising technology that's resulting in putting our technology up on the International Space Station. And MEDB once again in bringing, at the original Bio Conference when we were "discovered by NASA" ...*(inaudible)*... leading up to this Space Act Agreement we have, it was facilitated by Maui Economic Development Board. So they're behind the scenes a lot. They're out in the community but they are impactful to small businesses, to economic development, and I'm just here to testify on their behalf and to thank them for all that they do.

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

MR. REILEY: Thanks very much.

VICE-CHAIR WHITE: --testimony. And Rhonda Satcher is the last person to have signed up to testify this morning. So if there's anyone else in the Chamber who would like to provide their manao this morning please sign up in the lobby and we'll be happy to take your testimony.

MS. SATCHER: Good morning. Public speaking is not my forte so I'll make it brief. I'm here to...

VICE-CHAIR WHITE: Bring the microphone...

MS. SATCHER: Oh sorry.

VICE-CHAIR WHITE: Thank you.

MS. SATCHER: My name is Rhonda Satcher. And I'm here to...

COUNCILMEMBER VICTORINO: No, stay next to the mic I cannot hear you.

MS. SATCHER: Oh, sorry, can you hear me now?

VICE-CHAIR WHITE: Get a little closer.

MS. SATCHER: Better?

VICE-CHAIR WHITE: There you go.

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MS. SATCHER: Okay. I'm here to testify for the Wailuku improvements, the infrastructure, the parking, and the Clean and Safe Program. I'm a new business owner in Wailuku. I've been there for seven months. I have lived on Maui Upcountry for 20 years and I feel I know at least the retail aspect of Maui pretty well because I was a sales rep for 15 years and I had territory from Kapalua to Hana. So I've been in all the shopping areas. And I would just like to say that I think you have the momentum now with the merchants association that's being formed to do some improvements in Wailuku and the will is there, the energy is there as Ashley said. I want to thank her for all of her efforts too with promoting Wailuku. And I think too if you look around you see a lot of strip malls and courtyard malls but people are always drawn to downtown. There's just something about old town and downtown that people like to hang out to eat, to shop. And I think Wailuku is ready for it and it's a great place to have a business, and there's a lot of friendly people. You also have a unique situation where you have more Made on Maui products than you have in most places. So sorry this makes me really nervous. So I think it's a unique shopping experience if nothing else and you have all the historic buildings so it's a huge draw for visitors and for people who live in the area. There's so many residents here. You know they're immediately, that you could bike here, you could walk here. So keeping it pedestrian friendly and, you know, sprucing it up a bit and just getting us a little more promotion I think would be huge. And that's all I have to say. Thank you.

VICE-CHAIR WHITE: Thank you very much, Ms. Satcher. Any questions for the testifier? Seeing none, thank you very much.

MS. SATCHER: Thanks.

VICE-CHAIR WHITE: Is there anyone else in the Chambers who would like to provide testimony? Seeing none, we'll go to our District Offices, first to Hana. Dawn, do you have any testifiers this morning?

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

VICE-CHAIR WHITE: Thank you very much. And we'll go next to Denise on Lanai. Denise, do you have any 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. And to the Molokai District Office, Ella, do you have any testifiers?

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

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VICE-CHAIR WHITE: Thank you very much. Members, seeing that there's no one in the Chambers or at the District Offices, the Chair would like to close public testimony. Any objections?

COUNCILMEMBERS: No objections.

VICE-CHAIR WHITE: Thank you.

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

VICE-CHAIR WHITE: And we're going to take just a very short recess so I can reorganize my desk. . . .(gavel). . .

RECESS: 10:36 a.m.

RECONVENE: 10:40 a.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will please come back to order. And, Members, as you'll recall we were going to, we're going to start off this morning with the review of the Animal Management and then move back into the remainder of the OED grants that we were unable to complete yesterday. And then we'll move into the Clerk and Auditor's Departments, and then we'll move into any revisits that, that you all have requested. So with that I'd like to welcome back Ms. Ridao and please proceed.

**GRANTS PROPOSED IN THE FY 2016 BUDGET**

**Department of Housing and Human Concerns  
(Animal Management Program)**

MS. RIDAO: Good morning. Thank you, Chair. And good morning, Committee Members. We have this morning the topic of the Animal Management Program, which primarily is mandated by Charter that the County needs or has to provide certain services. So I would like to read those services to you and then we do have in the audience the CEO of the Maui Humane Society and her financial person. So they are here to answer specific questions that you may have. The Animal Management Program provides sheltering, adoptions, reclaims, dog licensing, investigation and enforcement of animal related laws, pickup of deceased animals, responding to injured animals, humane education and other public assistance, and community service programs including spay/neuter, airport release, disaster preparedness, and first response, humane trap rentals, euthanasia and cremation. Historically 65 to 70 percent of the Maui Humane Society expenses are directly related to contractual obligations for the County. Recent cuts and shortfalls in County funding have been leveraged by private fundraising so as to minimize impact on programs and services. Private funding has covered up to 35 percent of annual expenses related to our County contract. Having said that I'm

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open to questions and I'm sure Maui Humane Society would be happy to answer any questions you have.

VICE-CHAIR WHITE: Yeah, if you could just go ahead and go down the, down the list then we'll cover the questions on all the items at the same time, the SPCA as well.

MS. RIDAO: Oh, okay. Okay. So we have, okay, so under the Maui Humane Society we have Lanai Animal Rescue requesting \$10,000. We have the Molokai Humane Society, which is also under the Maui Humane Society budget. We have SPCA, which is a separate non-profit entity and that's it I think. Yeah.

VICE-CHAIR WHITE: Okay. And what is the amount, you don't show an amount for Molokai Humane Society, I know it's in --

MS. RIDAO: Yeah.

VICE-CHAIR WHITE: --the 239,000 portion but do you recall what that portion of the application is?

MS. RIDAO: Yeah. It's in, I know that it was proviso'd. It's about 70-some odd thousand. I was just looking at that this morning.

COUNCILMEMBER CRIVELLO: Seventy-seven, the 2014 was . . .*(inaudible)*. . .

VICE-CHAIR WHITE: My recollection was we increased it last year.

MS. RIDAO: Yeah, it was a little increase.

MR. BAZ: Mr. Chair?

VICE-CHAIR WHITE: Yes.

MR. BAZ: So, for Fiscal Year 2015 it's \$79,567 and what we did is that...since it was a proviso we moved that money up to the Maui Humane Society's Animal Sheltering Program portion and added that back up since they're the grantee that provides the funding to Molokai Humane Society as a sub-grantee.

VICE-CHAIR WHITE: Right. Okay.

MS. RIDAO: And so was Lanai, yeah? Lanai was put in there.

MR. BAZ: Correct. Lanai is 10,300.

MS. RIDAO: Correct.

MR. BAZ: It's allocated in that Maui Humane Society for Animal Sheltering Program.

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MS. RIDAO: Correct.

VICE-CHAIR WHITE: Okay. And you're requesting an increase in SPCA to 100,000?

MS. RIDAO: Correct. From 77,250 to 100,000.

VICE-CHAIR WHITE: Okay. Members, questions?

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I would be very interested if we had the opportunity and there are no objections in hearing from the Humane Society Director about the Feral Animal Control and how that went or is going.

VICE-CHAIR WHITE: Yeah, happy to bring her down. Ms. Bryant. I'm assuming there's no objections from the others.

MS. BRYANT: Good morning, Chair White and Committee members.

VICE-CHAIR WHITE: Good morning.

MS. BRYANT: My name is Jerleen Bryant, CEO of Maui Humane Society. The Feral Animal Program, correct that was new for Fiscal Year '15. That was a little bit of a journey that one because when that was allocated to us originally the plan was to bring in an expert that was an expert in feral chickens. Because when we talk about feral animals it's not just cats that come to mind, feral cats, it was the feral chicken problem on Maui too. And after extensive research we realized there was no feral chicken expert to bring in to assess the island, the needs, and help us put together a plan for it. So we took a step back and we looked at ways that this funding could help the community effectively, not just, we just didn't want to throw good money after bad. We wanted it to really have an impact on the community and the issues with feral cats and chickens. One of the things that we did is we purchased many, many more traps, and it used to be that we would rent these traps out and we no longer charge for them. So we also increased our outreach and our communication with the community to help guide them through their feral animal issues whether they were in a neighborhood, whether they had a problem chicken or multiple cats. Ultimately, so there was a variety of ways that we were looking at really addressing the issue and helping the community with it. What we have finally come now to plan B and we are in the process of hiring a feral animal specialist who because we have staffing shortages at the shelter I think that's, you know, not a surprise to anybody. So we wanted somebody specific to this situation that would be there to help guide the community in all of their, all of their issues. And there is a job description. It's much more expansive than what I'm able to explain here in a short time.

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COUNCILMEMBER BAISA: Very good. So you are actually, are you seeing any effects of this? I think it was a good move to not charge people for the trap that way they'll get one.

MS. BRYANT: Yeah.

COUNCILMEMBER BAISA: But are we seeing any results?

MS. BRYANT: We are. We are. People are not so panicked anymore and they feel like they have some control over the situation that is affecting them. And I know that this last year so I guess Fiscal '14 or at the end, there was quite a bit of, you know, I would say letters too, and in the paper, and complaints about the feral, and calls, many calls coming. And I know that the Mayor and probably the Councilmembers were hearing it from the community that they were frustrated with the feral animals and the chickens and the cats. And my understanding is that is abated some and it's, I would like to believe it's through our, you know, concerted efforts to help the community with these situations.

COUNCILMEMBER BAISA: Thank you very much. That's really good, you know, you are correct we were getting a lot more phone calls. Now we get stopped every now and then but it isn't as much as it was. So thank you for whatever you tried to do and keep it up because --

MS. BRYANT: Thank you.

COUNCILMEMBER BAISA: --you know we don't want these chickens.

MS. BRYANT: No.

COUNCILMEMBER BAISA: We got enough things going on without feral chickens. Chair, while I've got her may I ask another question?

VICE-CHAIR WHITE: Sure.

COUNCILMEMBER BAISA: Okay. We've been hearing quite a bit at our Budget Hearings about what you've been doing for the past couple days. Would you like to kind of give us a brief --

MS. BRYANT: Sure.

COUNCILMEMBER BAISA: --description of what's going on?

MS. BRYANT: Sure. A little snapshot. Historically, I think it's no surprise to anyone we have too many animals on this island. Not a surprise. You don't even have to be on the inside of the animal welfare community to know that. Over the years there's been

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multiple agencies putting their efforts towards this problem and through spay and neuter efforts. Unfortunately, regardless of how much has put forth our intake of animals is still overwhelming. So we bring in about the same number of animals every year. We spay and neuter about the same number. We adopt about the same number and the cycle continues. I think that's--what do they call that--the definition of insanity.

COUNCILMEMBER BAISA: Yeah, I heard that.

MS. BRYANT: So last June I was appointed CEO of the Shelter and while there was some housekeeping items I needed to address certainly within the shelter and various departments, my white hot burning goal was to stop that vicious cycle. And the only way we can do that is through aggressive spay and neuter campaigns. So we have just launched what would be the most aggressive spay and neuter campaign this island has ever seen and the very first clinic we had was Tuesday and in one day we were able to fix 102 dogs. And yesterday, I'm a little tired today because we finished at the shelter at 11:00 p.m. last night and we were able to spay and neuter 108 animals. So in two days it was 210 animals. Friday and Saturday we'll be doing the same thing. We'll be having another clinic in June and it will be very consistent. We need to effectively deal with this and we're doing everything we can.

COUNCILMEMBER BAISA: I would like to thank you very much for what you're doing and I also want to thank you for an interesting nine months. You've done a tremendous amount of work in the time you've been here and it shows.

MS. BRYANT: Thank you.

COUNCILMEMBER BAISA: Thank you very much.

MS. BRYANT: So, I look tired?

COUNCILMEMBER BAISA: We know all about staying up until 11 o'clock at night. We know how we look. We don't want to look in the mirror.

MS. BRYANT: Thank you. I appreciate it very much.

COUNCILMEMBER BAISA: Thank you very much. Thank you, Chair.

VICE-CHAIR WHITE: I think we all look just fine.

COUNCILMEMBER BAISA: Okay. Put on your glasses.

VICE-CHAIR WHITE: How many chickens have you been able to trap?

MS. BRYANT: Well, so we, as a shelter, we do not go out and trap the chickens. We absolutely do not have that ability or that type of staffing; however, we educate the

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community in how to effectively trap chickens that are a nuisance on their property. We, you know, help them with the, you know, the trap and again there's no charge for that. And then they are welcome to bring those chickens to us and we will deal with it simply, we will take it from there so.

VICE-CHAIR WHITE: So, how many?

MS. BRYANT: I honestly don't have that number today. I can get you that number but that's not anything that I brought today so.

VICE-CHAIR WHITE: Okay. Members, other questions for Ms. Bryant while she's here?

COUNCILMEMBER VICTORINO: Yeah, thank you.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, thank you, Chair. So this year we're looking at an increase of about almost 500,000 between the two, between Animal Control, oh, Animal Enforcement Program and your sheltering program. We broke it out last year. Do you feel, first of all, let's go with the Animal Enforcement Program, which I think is real pivotal because that's your first line of defense, right?

MS. BRYANT: Well, it's yes. And it all works together. We couldn't do one, we couldn't do one aspect of what we do without the other for sure.

COUNCILMEMBER VICTORINO: Well that true but I mean this where you actually have the enforcement of that. When complaints come in whether it's dogs --

MS. BRYANT: Yes.

COUNCILMEMBER VICTORINO: --chickens, goats, whoever is on the street, right?

MS. BRYANT: Yes.

COUNCILMEMBER VICTORINO: Do you feel this 27 percent considering that 50,000 goes to the Feral Animal Control Program, which is important, do you feel like this will be able to be adequate enough to get the job as you have kind of drawn out for us?

MS. BRYANT: I do.

COUNCILMEMBER VICTORINO: Okay.

MS. BRYANT: When we're speaking about enforcement, our enforcement officers work very hard. And I will admit that, what is that ten months ago or so in June I raised the bar very significantly for them.

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COUNCILMEMBER VICTORINO: Okay.

MS. BRYANT: Change is difficult. It was certainly uncomfortable for some of them but we weren't asking them for anything that they shouldn't be doing. I hired a new enforcement director. He comes with 30 years of experience with the highway patrol where he had retired. So while didn't have animal control experience; he had human, you know, experience and frankly that's where our problems usually lie. So he, together we did raise the bar. Our officers have been doing an excellent job. Every month they respond to an average of between 8 and 900 calls for service. They drive thousands of miles. They are doing a very good job. The increase we asked for in enforcement would allow us to hire one extra officer. National standards based on the area that we serve indicates that we are one officer short and it feels like that, it feels that way. So, you know, along with the additional officer and some other additional funding, and supplies, and training, and things like that absolutely we are ready for the job and we'll do an even, we'll be able to do even better this next year.

COUNCILMEMBER VICTORINO: Okay. That's fabulous. And then under the other sheltering program you're comfortable with the increase there and also by providing, you know, this proviso would go forward this year again.

MS. BRYANT: Yes.

COUNCILMEMBER VICTORINO: You know Lanai and Molokai cannot be left out. So we'll make sure that that gets in there.

MS. BRYANT: Okay.

COUNCILMEMBER VICTORINO: But you're comfortable with those provisos and the amount that you're getting for the sheltering part of the program?

MS. BRYANT: Yes. So, just to clarify that increase of 481,000 includes the shortage that we experienced last year. So this year we are only asking for an additional--so last year for Fiscal '15 what we received was short of what it cost us to provide the services for this contract. So the additional funding that we asked for this year was really 245,000 more than what we asked or what we received last year, what we needed. Not what we received but what we needed.

COUNCILMEMBER VICTORINO: So the difference between that 245 and 336 is what you're catching up from last year?

MS. BRYANT: Yeah.

COUNCILMEMBER VICTORINO: Okay. Okay.

MS. BRYANT: And I did, I know that you get inundated with information from every agency but I did bring a copy of that. We tried, it can be very confusing. It's confusing for me

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and I'm living it right now. So we tried to make it just really a snapshot and as easy to understand as possible. And I did bring a copy for each Member here today.

COUNCILMEMBER VICTORINO: Well, I think if the Chair allows it they'll pass it around to us.

MS. BRYANT: Okay. Thank you.

VICE-CHAIR WHITE: Does Staff have that?

COUNCILMEMBER VICTORINO: I don't think they have it.

MS. BRYANT: I don't think so.

COUNCILMEMBER VICTORINO: And then the last question. This program that you have been into we understand we're looking at something like 450-plus animals fixed over the next four or five days. That's what the number they were giving us last night but still in your opinion that's still a drop in a bucket when in the totally of what the animal problem we have here?

MS. BRYANT: That is very true if we looked at having one clinic.

COUNCILMEMBER VICTORINO: Yeah.

MS. BRYANT: But the...our success is going to be dependent on our commitment to this campaign and our commitment is very strong. So if we just simply had one clinic here and there it would help those animals. It would make a little bit of a difference. We may not even see it at the shelter as far as our intake numbers but we're taking it to a whole other level. We are looking at putting every bit of resources we have into this. I'm soliciting other agencies on the mainland to help support us in this campaign. We truly, failure is not an option. We have to make a difference and so we plan on making a difference and but to do that we also do need the support of the County and our Councilmembers.

COUNCILMEMBER VICTORINO: Well, I think listening to you and your drive, that's the only word I can use, drive, that passion, I'm extremely happy and hope that yes we will, you know, hopefully be able to continue to support you financially and in other means.

MS. BRYANT: Yes.

COUNCILMEMBER VICTORINO: But more importantly, you know, I think the public has to understand that this problem is just not the Humane Society's --

MS. BRYANT: Thank you.

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COUNCILMEMBER VICTORINO: --it is every one of us are responsible. I thought, you know, the one remark, Mr. Chair, I remember last night when somebody said that homeless man got his dog fixed but it was two years old and had already 20 puppies.

MS. BRYANT: Oh, maybe more. She wasn't even three years old and she had three litters of puppies with the last one being 11 puppies. Yeah.

COUNCILMEMBER VICTORINO: Whatever it might have been.

MS. BRYANT: Yeah.

COUNCILMEMBER VICTORINO: But I was like whoa you know. So, you know, I want to thank you very much and hopefully pet owners out there will start seeing the light and start --

MS. BRYANT: Thank you.

COUNCILMEMBER VICTORINO: --being part of the whole, whole solution, yeah.

MS. BRYANT: Thank you.

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

VICE-CHAIR WHITE: Members, other questions? Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, not at this time.

VICE-CHAIR WHITE: Okay. Ms. Bryant, you mentioned that the 336 of that 245 was for this year and the remainder was for last year?

MS. BRYANT: So, no, you know, I realized just as soon as I said that I didn't, I wasn't looking at the numbers. Last year when we had asked, submitted for RFP what we received was \$236,000 less than what we needed. This year we need an additional 245,000.

VICE-CHAIR WHITE: Okay. Yeah, the way you stated it.

MS. BRYANT: I know, I'm sorry about that.

VICE-CHAIR WHITE: Between our late nights and your late nights --

MS. BRYANT: Yes, I know.

VICE-CHAIR WHITE: --makes the math a little more challenging.

MS. BRYANT: I understand.

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VICE-CHAIR WHITE: I would, I really appreciate the focus on spay/neuter because that is a very, very, very critical part of us getting our arms around the intake issue. And I've seen figures where a significant increase in the expenditures for spay and neuter have dramatically reduced intake --

MS. BRYANT: Yes.

VICE-CHAIR WHITE: --by cutting it by, I can't remember the numbers but it was cutting it by like three-fourths of the intake.

MS. BRYANT: Yeah, that's very correct.

VICE-CHAIR WHITE: So we certainly support that. How did you, how is this structure done with this mainland operation that you've been able to bring in?

MS. BRYANT: Well, very simply they had resources I didn't have. And they're an agency called Animal Balance and they typically work outside of the United States fighting pet overpopulation on remote islands. And when I sat down with the executive director of this agency who happens to be from the town I'm from in Oregon and her chief veterinarian is from the same town. So I knew, known about the work that they had done. I explained to her that while yes we are in the United States. At least it usually feels like that. We do, we are on an island and we do have an overpopulation crisis and would she consider joining forces with us. And what they look for is commitment from agency leaders because they want to actually make a sustainable difference. They don't want to go in and put a Band-Aid on an area and I didn't want a Band-Aid. I want to make change. And so what they are able to do is they are a nonprofit and she is, she has a network of medical professionals, veterinarians, and it's kind of like the Doctors without Borders but for animals, so veterinarians, vet techs, and volunteers. And they, she is able to recruit them to come to--and they're all in some sort of, you know, they practice veterinarian medicine on the mainland in a variety of ways either at private practice, veterinarian shelter, medicine or spay/neuter clinics, whatnot. And so they have a great system for these high volume clinics. And these veterinarians aren't your typical veterinarians, they are trained in high volume, high quality sterilization, which means the difference in one veterinarian without that training might be able to fix 20 animals in a day and these veterinarians can fix in excess of 50 but it's high quality. There's no, we're not making any concessions as far as the care for the animal. So she, so we have joined forces with Animal Balance and to put on these, facilitate these high volume spay/neuter clinics in this campaign. So I didn't have, I didn't have the resources to be able to do this all on my own so it really worked to reach out to other agencies that could help.

VICE-CHAIR WHITE: And it sounded to me like the way it works is that if somebody doesn't have the funds to afford the spay/neuter operation that this group is willing to do it without the additional charge.

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MS. BRYANT: Well, we both are because this is a joint effort. This is Maui Humane Society campaign with the support of this other agency Animal Balance. There's quite a bit of investment that is required from Maui Humane Society, too. And but this other agency has expenses as well, and typically they do charge. It's a decreased rate but they do charge. I didn't want to charge on this island. I don't want the cost of the surgery to be a deterrent for people coming even if it was \$20. Some people don't have \$20 and yet they have an animal that is going to reproduce and can reproduce. So what we did, and it was a little tricky and I'll tell you moving forward I won't, I won't be able to sustain this campaign if Maui Humane Society is supplementing our contract. I mean that's just the, that's just the truth of it. But I didn't want to wait on this campaign to see, it was kind of the cart before the horse or the horse before the cart, and so I jumped in with both feet. And we're committed to this but we're going to need support. Anyway, so not only would anybody in the community be able to bring their animal and have it spayed or neutered at no charge, we also as the Humane Society we included a microchip, a County license, which that funding will come out of our pocket for the County license because that's not, you know, that doesn't stay with us. So a microchip, County license, vaccination if the animal needs it, flea and tick topical product, and de-wormer. They were also getting their nails trimmed and their ears cleaned while they were put out. So anything that we could do we did and it was a hit. So and we have a waiting list for the next one so right there that tells us there's a need, right.

VICE-CHAIR WHITE: Good. Yeah, I know the SPCA uses the, uses their funds --

MS. BRYANT: Yeah.

VICE-CHAIR WHITE: --to offset the cost for --

MS. BRYANT: Yeah.

VICE-CHAIR WHITE: --people who can't afford it.

MS. BRYANT: Yes.

VICE-CHAIR WHITE: Everybody is working in the same direction.

MS. BRYANT: And we need to, yeah.

VICE-CHAIR WHITE: Okay. Any further questions for Animal Management?

COUNCILMEMBER BAISA: No.

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR WHITE: Seeing none, thank you very much.

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MS. BRYANT: Thank you all very much.

VICE-CHAIR WHITE: And with that, Ms. Ridao, we're finished with your Department, and we'll take a short recess while we wait for OED to --

MS. RIDAO: Thank you everybody.

VICE-CHAIR WHITE: --get here. . . .(gavel). . .

RECESS: 11:08 a.m.  
RECONVENE: 11:18 a.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will come back to order. And, Members, we will now proceed with the, to finish up the review of the grants from the Office of Economic Development, and we have with us, in addition to Ms. Rasmussen, we have Rob Parsons joining us. Thank you for coming. And we'll start on our last page with grants and disbursements for Water and Environmental Resource Protection and Conservation. So whichever one of you would like to start the review, we'd appreciate it.

**Office of Economic Development**  
**(Water and Environmental Resource Protection and Conservation)**

MS. RASMUSSEN: Okay, I'll just start here with the Aquaculture Marine Resources Development. So this line item funds a Aquaculture Specialist from the University of Hawaii to specifically do projects or work with people that want to do Aquaponics here on Maui. It's Dr. Robert Howerton is the, is the PhD that is our contact on that, our contractor. And so I have met with him recently, he said that there are approximately 20 Aquaponic facilities in our County. He has provided a series of workshops for home aquaponics through UHMC. He has taught for-credit level 300 classes for the Sustainable Science Program. He has worked with Lahainaluna on Aquaponics classes, King Kekaulike, and he's also worked on Molokai with the Bivalve Project that they are trying to get up and running over there. The status on that is that they have to go through Department of Health to have the quality of the water tested in the fishpond that they're working on, this Bivalve Project. So that's a little ways off before they can actually harvest oysters from that fishpond. So that's what that is. Moving on to the Environmental Protection Program grants and I'm going to give you the list of the grantees that we gave the funding to in this section and then I'll let Mr. Parsons take over and discuss some of these projects with you. So, it went to Hoaloha 'Aina, which is the, that's the South Maui Volunteers, you heard them testify yesterday; Maui Nui Marine Resources, which is the Reef Recovery Action, you also heard from Robin Newbold yesterday. Seeds of Hope, this is the DT Fleming Arboretum. This is for them to continue their work on the plants that they keep up there in the arboretum and the outreach to the community that they do. The Maui Nui Seabird Recovery Program which you heard a testifier yesterday. We provided a solar reverse

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osmosis system for Kahoolawe Reserve Commission for Kahoolawe. And then of course the large grant to Maui Invasive Species Committee. So to finish off that section we have Lanai Watershed. We did not put funding into this this year because we could not spend the funding on Lanai last year. Pulama Lanai controls the land. They are doing their own work. They weren't interested in the grant. And then the management of--well that's not, yeah, that's not there. The Maui Soil and Water Conservation Districts of course provide excellent work for the carrying out of conservation and soil conservation in the four districts in Maui and then there's the Molokai and Lanai District that we also fund so.

VICE-CHAIR WHITE: Okay. And...

MS. RASMUSSEN: And then if they have questions . . . *(inaudible)* . . .

VICE-CHAIR WHITE: Or if, Mr. Parsons --

MS. RASMUSSEN: Yeah, did you want to add anything?

VICE-CHAIR WHITE: --do you have any additional comments you'd like to provide please feel free to do so.

MR. PARSONS: Chair, Members, Rob Parsons, County Environmental Coordinator, in my ninth year of service to the community and our conservation partners here. And I was hoping we'd get called up yesterday so I could wish all of you a very happy Earth Day but happy day after Earth Day. To put things in perspective, yesterday was Earth Day number 46. The original Earth Day being in 1970 founded by US Senator Gaylord Nelson from the great state of Wisconsin who felt that at that time it was necessary to raise public consciousness about environmental protection. And it's estimated that 20 million people coast-to-coast participated in the first Earth Day. It's now a global event. On lunch break yesterday I dashed down to UHMC and there were a number, probably 20 booths down there including some of our grantees. MISC was down there with their display of little fire ants, Maui Nui Marine Research Council was there sharing what they do. And I just feel honored to be working with such dedicated partners in our community. I'm in a role that doesn't really exist in the other counties as a liaison for conservation, restoration, environmental protection efforts. I think it's fair to say that around the State, Maui is looked at as being the best in how we fund and support these efforts here, which is not to say that we don't have environmental challenges. We absolutely do. So I'm just appreciative of your understanding of the issues and the means that we have to support them. So I thank you for that. I did make a couple of notes while we were listening to testifiers yesterday including many of our grantees. It occurred to me that maybe a name change is appropriate from the Mayor's Office of Economic Development to "the little office that could". I think it would be a great name just because I was impressed. And I moved over here two years ago because of the environmental protection grants that are held within this office but the breadth of what's going on and the appreciation from the testifiers yesterday really blew me away. Here's the notes I made yesterday. You know in the

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larger environmental protection line item budget we generally don't pencil that out completely at the beginning of the year. And going back to the very first Arakawa Administration, we kept what we titled an Emergency Environmental Response Fund. In the past, we've used that to respond to things like Wiliwili gall wasp. We helped fund the bio control efforts to send Dr. Ramadan to Africa to find adequate bio control. We used that for a number of years to assist with the Maalaea Pump-Out Program. This year we worked with Councilmember Carroll's office and Dawn Lono in Hana, and they were very concerned about the discovery of little fire ants in Nahiku. We've done public meetings. There's another public meeting coming up next month. The unallocated money that was in that environmental protection line item we have bumped up what we're allocating to MISC for rapid response for little fire ants and I think they're doing a very good job. Maui Nui Marine Resource Council, in Robin Newbold's testimony she didn't note that they are in the process of forming nonprofit status and that will help them reduce their administration fee from their fiscal sponsor and it will also enable them to more easily accept direct donations. So I think that's noteworthy. The Kaehu management of the 64 coastal acres that was acquired in 2012, you heard from Duke Sevilla, I think you proviso'd that last year that they wouldn't receive any funds until they received their nonprofit status. It took about 15 months from the time they applied with the IRS but they have done so and so they have submitted their grant. And you see that no new funds are requested for FY '16 'cause they're just getting started on their FY '15. And it's been a real pleasure and privilege working with Duke and his ohana there, and you should, if you haven't been down there lately it's dramatically cleaned up from where it used to be at River Mouth. MISC I know you heard from Teya, one thing you may not be aware of is the amount of dedication that she has to tracking legislation and again we worked with Councilmember Carroll's Office and with the Mayor's Liaison at the Legislature to pursue making sure that the Hawaii Invasive Species Council is adequately funded and then can disperse funds to each of the counties. The Maui Nui Botanical Gardens, you heard from Tamara Sherrill yesterday, when I was at their Hawaiian Music Academy event last Saturday--oh that's in another section in this.

MS. RASMUSSEN: Yeah.

MR. PARSONS: But I'll just tell you briefly that they have landed a \$100,000 foundation grant that's going to be helping them out as well. So they won't be just dependent upon County of Maui. The Maui Nui Seabird Recovery Project, Jay Penniman was on Molokai the last couple of days banding wedge-tailed Shearwaters, putting up a predator-proof fence. They also work very closely with County Parks, Kamaole III, the area between the Kihei Boat Ramp and Kamaole III has nesting. Hookipa Park, the adjacent property there has a number of seabird nests and it was great that their AmeriCorps volunteer was able to show up and talk a little bit about what they've been able to accomplish. The other thing of note is that I believe at some point next year we'll come to you and discuss in greater detail the fact that the IUCN is bringing the World Conservation Congress to Hawaii. And Teena and I have had meetings, one last week about pre-events because we anticipate somewhere 8,000 or more people from 160 nations will be coming to Hawaii to highlight and discuss our conservation efforts

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here, and worldwide conservation efforts, with the largest conservation group in the world, the IUCN. I think that covers the notes that I had. Thank you again for allowing me to share that.

VICE-CHAIR WHITE: Well, thank you very much for your comments. I think it is important for people to know the degree to which we differ from the other counties because it's, and this happened under Mr. Carroll and other people's watches long before I got on the Council. But we had struck out on our own to address environmental issues in a much more direct and effective fashion than the other counties have provided for. And so I think it's, you know, it's to our predecessors' credit that all of that happened and I think the results have made it comfortable for us to, you know, those of us who came later to continue to fund them because the results are pretty spectacular. And we know that there's a lot of very, very hard work put into those efforts. So and I appreciate you sharing that with us. One of the questions I had was on this, the handout you provided us I believe it's OM2, you have the breakdown of the 2015 awards, is it appropriate to assume that the funding levels for 2016 will be roughly the same? Or I know there's a \$72,000 or \$71,000 increase projected, is that primarily going to MISC or is it being...?

MS. RASMUSSEN: Okay, I'll go ahead and take that. I think that yes I think we can expect a similar breakout but I think that if there is any increase at all we would probably try to deploy that to MISC because of their ability, I mean they need to really be able to ramp up with another team of eradicators to work on both coqui frog and little fire ant. And that's really where we want to get MISC so that they have two teams that they can deploy. Teya is here in the audience if you had further questions for her about that but as she said yesterday in her testimony in order to get to that point they are going to need more funding. So we want to help them ramp up and...so if there is any extra we would put it there. Thank you.

VICE-CHAIR WHITE: Yeah, I think we've heard a lot of testimony regarding concerns that the coqui frog population in Maliko is not as contained as I think all of us would have hoped to hear.

MS. RASMUSSEN: Right.

VICE-CHAIR WHITE: But and we've also asked Ms. Penniman to provide us within the next day or so a rough outline of an attack plan and what that would require in the way of funding. So we'll have that for our consideration as we move into our decision-making next week.

MS. RASMUSSEN: Thank you.

VICE-CHAIR WHITE: Members, questions? Mr. Carroll?

COUNCILMEMBER CARROLL: Thank you, Chair. For our Environmental Coordinator. Maliko Gulch for years we've more or less treaded water on that and just containment

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and not tried for real removal because of the expense. We talked about helicopters and the difficulty of eradicating coqui frogs in that area. As we have gone out to the public hearings, we're hearing that it's spreading out rather quickly from there now. The population they had recording over here it was unbelievably loud. It seems the population has grown so much that it's being forced to move out. We have always hesitated to go into an eradication process over there because of the expense and the difficulty of the gulch. But if this Council and the Administration doesn't and if we don't in this Budget session go over there and start looking at the monies necessary to start an eradication program, we're going to lose it. And if you want an example how bad it can be, the Big Island didn't want to spend the money. They didn't want to do it. They tell oh well you know we'll contain it over here. They did the same thing with the fire ants. I think that this year if we don't start looking for money and start targeting these areas that are really, potentially can just explode out, that we are going to lose it. 'Cause one they've spread as much as they have now it's a great danger of them getting onto cars, getting onto vehicles, being transported in plants. We won't have to have somebody else bring it in we'll spread it by ourselves. And I would hope to get a comment from our coordinator of how he would approach this and if he would support a more aggressive approach. And I realize that we're talking about in the millions, honestly, but that ounce of prevention worth a pound of cure, a million dollars might sound like a lot now but it's nothing compared to the damage that our environment is going to have and the control problems and the money we'll be spending later. If you'd like to comment?

MR. PARSONS: Chair, if I may? Thank you, Councilmember Carroll. I'm in very strong agreement with you. I'd be happy to continue to work with Council and with MISC to come up with the numbers that you need to have in front of you to evaluate the control methods. You know the concerns that are coming in from our residents, every one that I have read or heard talk to people on the phone say MISC is great, they show up when we call 'em. They take care of the ones in our yard but they're coming back. And what's happened is we've had two very wet winters. The populations have multiplied. These frogs are climbers. They climb up the sides of the gulch. They climb up trees. And they can be controlled. MISC has come up with some very innovative ways to deal with this terrain. Basically water cannons, gravity fed because, you know, they need to reach down and, you know, we all know that helicopter control is very, very expensive. So they can perch up the top of the gulch and shoot a citric acid solution down which will kill the frogs but it won't kill the foliage. So they've distributed I think the last quarterly report said 50 pounds of citric acid to people that have their own sprayers and want to do their own control. They're professionals, but as Ms. Penniman said yesterday they do probably need a couple additional people on coqui frog patrol to be effective. So we hope to have those numbers to you folks in the next day or two.

VICE-CHAIR WHITE: Thank you very much. Further questions?

COUNCILMEMBER CARROLL: Chair, I would like, I think we need to focus on one thing and we've had this in workshops ten years ago, containment, and then once you have a

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containment, eradication. And if we're just going to look at containment like we've been doing at Maliko all this time we're going to lose. We need to focus on containment and once it's contained in an area eradication, and I would hope that's a direction that the Administration can pursue and the Council can support. Thank you.

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

COUNCILMEMBER BAISA: Thank you very much, Chair. There isn't a whole lot that I can add to what Member Carroll has already stated and I want to say that I am very supportive of us doing a, whatever it takes. I mean if it takes an all out attack to stop this I think it's worth the money 'cause if we don't it's going to come back and it's going to cost us a lot more. And what I'm really worried about is the effect on our visitor industry if we start having this coqui stuff all over the place. My daughter lives in, on the Big Island and oftentimes if we're talking on the phone she'll let me listen and let me tell you it's not something that you want to be a part of. They learned to kind of ignore it, you know, background noise but for people who are not used to it it's really, really annoying. And what I'm hearing from the experts like Ms. Penniman is that it's going to take an all out attack for us to contain it and stop. And I think Maui County needs to invest. We want to get ahead of it. So I don't know where we're going to find the money but that's okay we have miracle workers around here. We'll find it. Thank you.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and good morning. And pardon my tardiness this morning but I'm glad to be here now. So, and thank you, Department, for being here. So forgive me if I didn't hear all of your presentation, Mr. Parsons and Ms. Rasmussen, but on the subject matter of coqui frogs we had lots of testimony last night up in Pukalani and of course here in the Chambers. But, you know, it just dawned on me that nobody is talking about axis deer anymore. So I'm like well what happened to that? 'Cause that was the hot topic a year ago and now I mean are they gone? I mean did we eradicate them? 'Cause now the big hoopla is coqui frog, coqui frog, which I understand but and I know that was in the purview of Ms. Penniman and her organization. So there's many things out there and I know the big thing is the fire ant and coqui frog issue. So yeah I know they do the best they can so I concur with other comments in regards to more resources for them, more, you know, constant coverage and eradication efforts on their part. So we'll see how that moves but I know they are the best ones to do the job and looking forward to helping assist with that. But again if anyone has answers about the axis deer. And I guess, Mr. Parsons, were you folks going through the lines like Ms. Rasmussen did yesterday like five lines? And we stopped at...

VICE-CHAIR WHITE: Yeah. We've done the grouping under the water and environmental resource protection conservation line but we're also referring to the OM2 document that lists the details included under the environmental protection line item.

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COUNCILMEMBER COCHRAN: And my, okay, so for clarification, MISC is under the UH? The recipient is University of Hawaii so the monies go to them then by dispersed to MISC. Is that how it works?

VICE-CHAIR WHITE: I believe that just simply means that that's the nonprofit under which they operate.

COUNCILMEMBER COCHRAN: Okay. And I...

VICE-CHAIR WHITE: Ms. Penniman is here if you have any specific questions for her.

COUNCILMEMBER COCHRAN: I think I'd like to hear from her 'cause I think we just heard third party about her, if we had a million dollars we could do it all comment, but to actually hear from her if they do have a plan or working on a plan to put in place in order to, you know, implement. That would be nice to hear from her personally.

VICE-CHAIR WHITE: Yeah. I'm sure there are no objections to bringing her down.

COUNCILMEMBER BAISA: No objections.

COUNCILMEMBER COCHRAN: Thank you.

MS. PENNIMAN: Thank you, Chair, Councilmembers. Teya Penniman, Maui Invasive Species Committee.

VICE-CHAIR WHITE: Good morning.

MS. PENNIMAN: Good morning. So specific question about, what was your specific question?

COUNCILMEMBER COCHRAN: Well, Ms. Penniman, just in regards to, you know, everyone appreciates that you do with what, make do with what you got. So I guess with the efforts to ramp it up, what is it, do you have a plan in place? You know have you been discussing if we had X amount of dollars we could thereby implement X, Y, and Z in order to, you know.

MS. PENNIMAN: We've, thank you, we've actually done that plan numerous times over the years, looked at it, and put it out. And in one year we had I think \$400,000 that we secured from the Fish and Wildlife Service specifically for Maliko. We probably would be a lot worse if we hadn't had that. But basically Maliko Gulch including the acres that we think are infested and it's from Kaluanui all the way to the ocean and it's not 100 percent dense all the way down. It's more like pockets in different places. And that area as well as the rim, which is the folks you're hearing from, the residential areas along the rim, is about 185, somewhere between 185 and 200 acres that are infested. It costs us about \$2,000 an acre in citric acid cost for a single treatment. So

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you're talking if you wanted to do two--and we figure when we, when we've done other heavily infested areas it takes six to eight treatments to really feel like we've got it. So you're talking about 185 times two is about \$370,000 to do a complete treatment of the gulch. So in order to do that, I'm sorry my brain isn't completely functioning on the math, but you're talking somewhere I think in the 2 to \$3 million to do the entire area. So when we've done it out before like we can't just go do it all at once. It doesn't make sense from an operational perspective. We don't have an army of people to do that. You can as Rob Parsons was explaining we have the tools, the techniques to deliver the citric acid spray using gravity fed systems, fire hoses in the gulch. It really is a quite ingenious approach but it's more like you need to work, our idea is to contain along the rim so to keep it from spreading. And we're actually, we've recently learned that there's some development going in that maybe a mile of fence that's put in along that area I think by A&B or whoever is purchasing that area, will maybe looking at trying to do containment along there. If you recall, a few years ago driving along Kaluanui Road there used to be a coqui barrier, kind of white fabric fencing in there, it will keep the coqui from moving past that area. So that's something we'd like to look at as a containment option to keep them from spreading at least along one section of the gulch. But basically when we've put it out before we looked at it as doing it maybe in the, like at maybe 750K a year for a couple of years and then 500, 500 ramping it down like that because as you get through it it will cost less. But long term, if you want like a ballpark and as I've said we'll write that up and give you a clearer picture of that because I realize that's kind of a broad range but still we're talking in the 2½ to \$3 million is what I would say. And yes we do have plans. We have the area it's not just random go out. We have management units defined so that we know where we're working, when we've been there, how often we've been, when we'll go back. But the problem is we get diverted by all the other locations that we're working on, by the fire ants, and also by, to be honest, by residents who are screaming in our ear saying you've got to come get this, I can't sleep, I've got people coming to rent the house. And so we may not always be doing it as effectively as we would like to because we've been so short staffed.

COUNCILMEMBER COCHRAN: Thank you, Ms. Penniman. So that gives me a better picture. I'm looking forward to the final report or, you know, implementation plan what have you. So, MISC is statewide?

MS. PENNIMAN: No, we're Maui County.

COUNCILMEMBER COCHRAN: Oh, only in Maui.

MS. PENNIMAN: Maui County. Yeah, so --

COUNCILMEMBER COCHRAN: I thought I saw another county.

MS. PENNIMAN: --there are invasive species committees on other islands and so we collectively get our funding from the State through the Hawaii Invasive Species Council. We work on Molokai. There's a separate committee, the Molokai Invasive

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Species Committee that has its own committee, they have their own targets, they have their own staff but all of that funding is administratively handled through MISC.

COUNCILMEMBER COCHRAN: Okay. Well, 'cause I'm trying to figure out, Chair, for something like this if you want to just mobilize, you know, an army for now just the initial brunt attack with extra like limited-term type employees just to come in and powerhouse this area from other invasive species people. You know I just thought if you could pull resource from other places, come in, hey, help us power it out. And then they're not full-time employees to keep on but just for that initial project.

MS. PENNIMAN: Yeah, we have the flexibility to do that kind of hiring and that's what we would look at doing as opposed to, yay, you have a long term job when we can't promise that. We would bring in folks on short term. In fact what we've been looking at is maybe not only short term but focus more starting, typically, our frog crew starts working at about 12:30 and then they work 'til 10:30 or 11:00. But maybe if we had those folks who could help get the, do the prep work in advance then you just bring in folks for a shorter duration just to work in the evening hours to do that work, that would also be a cost effective way to do it. Also to answer the question about the University, all of the invasive species committees are projects of the University of Hawaii. So that's our umbrella organization that we run all of our different grants through.

COUNCILMEMBER COCHRAN: Okay. Very good. And thinking of the area where this problem is starting to originate from, as I understand a lot of lands there have been subdivided, you know, reconsolidated and what have you into big parcels for future real estate ventures. So I'm wondering if near, those developers or whoever the real estate people it would probably behoove them to assist. If they don't want, if they going to have, you know, it may devalue their land or what have you so 'cause it will travel there if it hasn't already into those areas I believe. So that's an idea I thought of. And other than that, Chair, I think they got their work cut out for 'em. But thank you, Teya --

MS. PENNIMAN: Thank you.

COUNCILMEMBER COCHRAN: --for doing what you do. Oh, and real quickly were you folks involved with the Ritz Carlton --

MS. PENNIMAN: Oh, yes.

COUNCILMEMBER COCHRAN: --project? Okay 'cause you did an awesome job there.

MS. PENNIMAN: Thank you.

COUNCILMEMBER COCHRAN: That was something they tackled like instantly 'cause I was like they found one in Honolua, oh my God. So you nipped it, and they're gone and haven't heard a peep since so.

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MS. PENNIMAN: We have some great photos of our staff hauling gear through the Ritz Carlton at night. Yeah.

COUNCILMEMBER COCHRAN: And I have to say I did call them 'cause I heard things in my yard one night and they came in and I just got really loud crickets so. But thank you for coming out at 9 o'clock at night.

MS. PENNIMAN: Thank you. And thank you for all your support.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you for being here. I think Ms. Cochran touched on a lot of questions that I was hoping to ask and you were able to--but, you know, you mentioned you started off for the...750, 500, 500, what is the amount that you see for this particular project, the coqui frog?

MS. PENNIMAN: That's the 2.5 to 3 million is the total. That's my best back of the envelope estimate at present and as I said that we will refine that for you by tomorrow I guess.

COUNCILMEMBER CRIVELLO: Okay. And also getting back to the axis deer, what sort of approach is Maui using to deal with the...

MS. PENNIMAN: So for the axis deer project just to clarify on that, that was the project that was started by a group of concerned ranchers/farmers who wanted to come together and try and address the issue. And it wasn't something that MISC ever said let's take this on as our project because it doesn't typically fall within --

COUNCILMEMBER CRIVELLO: Okay.

MS. PENNIMAN: --within our type of things.

COUNCILMEMBER CRIVELLO: Okay.

MS. PENNIMAN: Well, I'm not stepping away completely from it because we did end up taking an active role in it. We did write the grant and I am managing it, and I did supervise, was the supervisor for the deer coordinator. The problem was we lost the coordinator and we're currently, who took another position on Big Island in Wildlife Management for the State. And so we've had a hiatus with that project and we're also kind of in limbo right now with hiring a new coordinator but we're trying to move that forward. But to answer your question about what's the strategy it's comprehensive, extremely difficult problem to tackle. And the first thing that we had agreed to do was to try and get a better handle on the population. We're still doing that. There's still plans to do that but at the same time it's like well that's nice knowing how, it's nice to know in terms of knowing if what you're doing is making a difference but there's still that problem of how do you control them. I still believe that it needs to be aerial

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control. I don't think that we will ever make a difference in the population unless we just say that's what going to happen. That's problematic because you have to have landowners who are willing to allow that to happen and then there also are some legal issues within the State about aerial control of animals. So that as well as outreach and education, I don't, I actually just had a question earlier today about someone was putting a paper about, about what the status is of the deer harvest co-op. I don't know if that's still active or not. I know that they had removed a number of animals but I don't think making a difference at the population level. So we're not, there was not a request for funding for this coming year for that because I don't think that's, there's still funding in the budget for that project and it's not appropriate to ask for more until we do something with what we have.

COUNCILMEMBER CRIVELLO: So, you have a deer co-op here?

MS. PENNIMAN: There was the deer co-operative and I don't know if the Department can answer that question or if --

MS. RASMUSSEN: Yeah.

MS. PENNIMAN: --if Kenneth Yamamura knows more about what the status of that is.

MS. RASMUSSEN: Yeah, I can give you a little. So their grant is still open. We gave them an extension because the information that, I mean they have worked very hard to find all kinds of ways to eradicate these deer. The biggest problem they have is getting enough landowners to give them access. That is the number one problem they've got. So we've given them more time because that whole entire grant was basically an experiment. You know they were to experiment with different ways to eradicate, and they've tried corralling them, they've tried to entice them to come into the corrals, and then they would go in at night and, you know, it's been very difficult and the land access is a big problem so.

MR. YAMAMURA: Just to let you know like two years ago when the --

VICE-CHAIR WHITE: Please state your name for the record.

MR. YAMAMURA: --before the, oh, Kenneth Yamamura, Agriculture Specialist OED.

VICE-CHAIR WHITE: Thank you.

MR. YAMAMURA: Two years ago before the rain started coming under drier conditions there, it was much easier to shoot animals or even take them out with bows. Where I live for the last 18 months we've had rain every month. So the grass in many areas is so tall, if you go out hunting you can't see the deer. They will just bed down and they're invisible. Two years ago, they shot nearly 900 animals. Last year they shot 50. They tried using ATV's and mounting a frame on top so they could have like a higher place to look down to the animals and it's still very difficult to see deer. The deer are not as

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active now in the farming areas because they have lots of food out there. They do not have to put themselves in danger by going into, you know, areas where people will shoot at them. So it's been very difficult. If we get drier conditions, I'm sure the harvesting co-op could do a much better job. Very difficult to see the deer.

VICE-CHAIR WHITE: Okay. Thank you.

COUNCILMEMBER CRIVELLO: Thank you.

VICE-CHAIR WHITE: Any further questions? Okay. Ms. Penniman, you had mentioned the other day that the State was looking at the possibility of reducing the funding for the State Invasive Species Council. And you had mentioned I believe cuts of between 17 and 30 percent. Do you have any update on that?

MS. PENNIMAN: I do, unfortunately, my number was off, it's cuts between 17 and 40 percent. So it's not gotten any better. Yeah.

VICE-CHAIR WHITE: And could you share with us what the total amount that the State sets aside and what Maui's portion has been and may be cut to?

MS. PENNIMAN: We never know exactly what we will be because it's a competitive process. Last year was the best year for funding for invasive species. There was 5.75 million for the Hawaii Invasive Species Council. In previous years it had been more like four, and then right now before, it's my understanding that the Finance Committee is looking at a \$4 million request and what's in the Ways and Means package is 3.4 million. So I'm assuming, and last year to answer your question, last year for our base operation funding we received about 800,000 from the State which was the most we had ever received. So I would assume that we would have a proportionate reduction. So when I've done my forecasting, my whatever you call that black ball that you look into to try and get an answer to, I'm assuming something like maybe 600,000 from the State so several hundred thousand dollar reduction is what I would, would be my thinking.

VICE-CHAIR WHITE: Okay. Then the other question was you had mentioned that earlier you had received \$400,000 from Fish and Wildlife. Is there any expectation of assistance that we could get from Fish and Wildlife or any other source that you can think of?

MS. PENNIMAN: Unfortunately our Federal partners have, our contributions from them have significantly declined, not because they don't want to fund the work but just because of their budget reductions. We used to get anywhere from 1 to 200,000 from Fish and Wildlife Service. We're now getting in the 10 to \$25,000 range. And the same is true for the National Park Service, which typically used to fund Haleakala, was very supportive of work on Miconia. They largely funded helicopter operations and sometimes a significant portion of staffing. That has been less than 100,000. So unfortunately our cuts from Federal partners have been close to somewhere in the 4 to \$500,000 a year difference. And the County as always has stepped up again to fill

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that gap. You know and I always feel embarrassed that we have to carry such a load and then I have to ask for the County to carry such a load but that's the stark reality of where we are.

VICE-CHAIR WHITE: Okay. Thank you for that information. And yeah it's just another reminder that, you know, when I look at the fact that our employment costs for the County are going up \$42 million, by 2017 we'll be paying \$42 million more than we were in 2013. And when you, when we come against these hard challenges it sure would be nice to have a little extra cash lying around.

MS. PENNIMAN: It would. And to follow up on one of the other questions that, that Councilmember Cochran had about asking landowners to support. We've had exceptional support from our landowners within the gulch who do things like let us use or use their equipment to help with habitat alterations, let us store citric acid, and a number of them make donations as well. And that's something that I would really like for us to focus more on is looking at the private sector. I'd like to spend more of time over the next year developing that as a robust part of our overall operating funds.

VICE-CHAIR WHITE: Would it help you to raise money if we required a match of \$1 for every 4 that we're putting up?

MS. PENNIMAN: No. I don't think so. I mean well, you know, you're the, you hold the purse strings so you can of course do what you want but I feel like I write a lot of grants. And also I want to acknowledge that we've had for example this last year we had 80,000 from the Hawaii Tourism Authority. We also had the Maui Quarantine Fund, which is managed by the Maui Chamber of Commerce who gave us funding for the little fire ant detector program. We've had funding from the Laurence Dorcy Foundation also for fire ants. So we do what we can to go out and get those private foundation grants.

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

COUNCILMEMBER CARROLL: Thank you, Chair. I would like to ask that you work together with our Environmental Coordinator. We don't really have a comprehensive attack plan for all of these things we've been talking about. For one thing deer, goats, feral pigs there will be no eradication because there's a lot of public support that don't want it eradicated. So those things we're looking at control. Realistically it's not going to be eradicated. It doesn't have the support of the general population. However, we still need to work on that but our priorities need to be the things that can literally destroy us. Miconia could devastate our watersheds. Fire ants obviously I think everybody knows about fire ants, the coqui frog. We need to get something they put together to look at, let's just take those three things so fire ants, coqui frogs and Miconia, where they focus on that, yes, keep on working on the deer but the focus needs to be on the things that can literally destroy us in a very short period of time. And we need something from them saying okay this is what we need to work for immediate containment and this is what we need to have eradication, and have them bring it

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before us that we can look how much. What are we really talking about dollars? I just pulled a million dollars out of the air. We don't really know. There's nobody in this room can give you a real dollar value. But if we don't have this and if they don't, if these people can't come to us with this we are not able to make the decisions that can save us or break us. So I would request that our Environmental Coordinator work together and come back to this Council. I don't think they can do that before Budget ends but we're looking at something so serious that it could be done as a budget amendment or we could address it in committee afterwards.

VICE-CHAIR WHITE: We've asked them to provide us the information by tomorrow if they can so that we at least have a framework within which to make decisions during our deliberations or during our decision-making so.

COUNCILMEMBER CARROLL: Thank you, Chair.

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

COUNCILMEMBER BAISA: I totally support what Member Carroll is saying and I think that's important. And you've already asked for the information we need so until we get that there's no point in speculating. Thank you.

VICE-CHAIR WHITE: Okay. Members, any further questions? We've got just a couple more lines if you'd like push through that.

COUNCILMEMBER COCHRAN: Actually, Chair, not so much any for Ms. Penniman, thank you very much for your time.

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

COUNCILMEMBER COCHRAN: But for the Soil and Water Conservation Districts. Question, would that be Mr. Parsons or anyway in regards to that just the origination of this. Does someone have the historical background of why this was created? And what it was created to address and for who?

MS. RASMUSSEN: I could read you something here that's in their report so it says the purpose of this request is to continue to obtain much needed support to carry out the Soil and Water Conservation District Programs by the four SWCD volunteer boards on the Island of Maui. The Soil and Water Conservation Districts are legally constituted self-governing units under the Hawaii Soil and Water Conservation Law Chapter 180, Hawaii Revised Statutes. We were organized as volunteers of the State of Hawaii for the protection and conservation of soil and water resources in the interest of health, safety, general welfare of the people in this region. So they're volunteers but this money supports one person's, their coordinator's salary and the program that they run basically. So the work is done by volunteers but they do need this coordinator too. And the projects are, they've worked on Lahaina Flood Control project, the Upcountry Maui Watershed project, Lahainaluna Drainage Plan, conservation

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education, land judging for the high school students, technical support for the Coral Reef Taskforce. They serve on the Tri-Isle Resource Conservation and Development Board and conservation planning for agriculture land users as mandated by State law. Hopefully that helps.

COUNCILMEMBER COCHRAN: Sort of. But basically I'm trying to figure if this was created after a lot of these plantation large ag landowners had shut down and thereby have left a lot of open dirt fields and uncultivated land, and unmaintained dirt roads where a lot of the runoffs start occurring that go down to the reef. And so, you know, grading and grubbing issues become apparent when they're starting to develop their lands, in order for development versus ag at this point. So, I was just kind of looking back in history and trying to figure out it kind of sort of started to protect negative impacts from that and now we're funding things of this nature via the government entities when literally the issues and negative impacts started from private people. So that was, I was just trying to figure that out.

COUNCILMEMBER CRIVELLO: Okay.

COUNCILMEMBER COCHRAN: So I didn't get an answer.

MS. RASMUSSEN: Okay. So this organization is decades old. This is not something new and this is not something that was created from the absence of plantations. They do work in some of those areas but they work in all kinds of areas across our State. And they get a very extraordinarily small amount of money from the State of Hawaii.

COUNCILMEMBER COCHRAN: No more, Chair.

VICE-CHAIR WHITE: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No I'd just like to relate to my growing-up years back home on Molokai that as far back as I can remember we've had soil conservation whether it was plantation era or not. Erosion also comes from ranching. Erosion comes from the feral animals eating all, you know, that's when our watershed disappears. And I would have to say that the Soil Conservation Office on Molokai, we get, the person there is so well versed and quite involved in our community in more ways than one. The technical support that we receive from her is very impressive, and we have community meetings that goes on as to how we can prevent erosion, and when you're farming come there and even test your soil. It's a partnership thing seems like to be in collaboration with the USDA people and our soil conservation. But as far back as I can remember and that's pretty far back, you know, that back home, you know, the plantations were there and we still have--I can name the people who were actually still at that time until they passed on with soil conservation. And they've been there for the farmers, the homestead farmers. So perhaps maybe they expanded more. I'm not sure as to what Ms. Cochran is saying. So, I just wanted to add that from my own personal experience growing up on Molokai.

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VICE-CHAIR WHITE: Yeah, my recollection doesn't go quite as far back as yours but I know, and my daughter is a rancher on the Big Island. She's involved in the soil conservation work there. And it is largely volunteers that are coming together from various types of people. But Ms. Cochran brings up I think a very valid point is that there are areas that I'm guessing on State land as well as private land where we could be doing a better job of stopping runoff. And I think as fields become fallow like they did in Lahaina, you know, I don't know whether we have the ability to require certain grading or catchment types of things. But my recollection is that soil conservation districts are the ones that actually came up with the projects for all the catchments that are in the works in West Maui and other places. So, they've done a lot of very important work but there's obviously much left to be done. With that, Members, we're going to take our lunch break and please be back at 1:30. We're in recess. . . .(gavel). . .

RECESS: 12:12 p.m.  
RECONVENE: 1:35 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will come back to order. And, Members, we're ready to proceed with the final section or I guess three items on the OED list. So, Ms. Rasmussen, if you could please get into the grants and disbursements for the visitor industry.

MS. RASMUSSEN: Okay. So we have two under the section of the Academy of Hospitality and Tourism has a small grant for \$10,000. This of course goes to prepare those future kids that will be hopefully enticed to work in the hospitality industry. In 2014, they had 86 internships. They had a graduation rate of 90 percent. The scholarships they provided were \$10,000, and keep in mind this organization is funded also by other entities. And the participation in the program was 210 and there were 22 community partners, and 78 percent of them went on from high school to college. So I think that's very impressive statistics. And the last one in this area is the Maui Visitors Bureau. And you have before you in the document that we sent, it's OM5, you have a dashboard for the Maui Visitors Bureau and I thought that was the best way for you to see the statistics on the visitor industry for our County. If you look at the visitor arrivals for 2014, you'll see that we do have an increase of visitors, up to 2.397 million visitors in 2014. And we had them leave 2007 on the dashboard because we wanted you to see prior to the recession the numbers that we were at. And as you can see we've exceeded those numbers now. So I think we're all very relieved by that and we can say that we have got our visitors back. The spending is just slightly up, I think the per day spending, and actually it looks like, yeah, it is just slightly up. But I do believe that, I've talked with Terryl Vencl and members of the Visitor Bureau Board as I sit on that as an ex officio member and they are very concerned about the competition out there and the very, very aggressive nature of these other resort communities. So that's going to be on our minds as we go forward and that's why I believe that we cannot ever stop funding our efforts here. I think it's what's made the difference for our County versus some other counties. And the

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Visitor Bureau has been a great partner with us. They have assisted us with our initiatives and helping us promote for instance the Made in Maui County Festival. They helped us by putting it on all their calendars and worked with us on that. And they have done, we've done workshops together. We did a South Korean workshop. We did a China workshop. And we're talking about our next subject this year being customer service because we're hearing rumblings that the aloha spirit and some of our customer service areas are a little bit lacking on our island. So we wholeheartedly support this budget request. Thank you.

VICE-CHAIR WHITE: Why don't you go on and finish up the other two items since there are only two more lines.

MS. RASMUSSEN: Oh, okay, so we'll go on to economic development initiatives. And in OM2 you go back and if you look at the economic development initiatives there's a long list of projects that were accomplished under this. And the Maui Comedy Festival was a brand new event this year. We funded that to the tune of 10,000. We were presented an opportunity to do a broadband assessment for our County. That consulting has been completed and we are waiting for the final report and as soon as we do we'll be transmitting that to you. And there may be other follow on work, well, we expect there will be follow on work because Maui is facing believe it or not with all the other problems that we have, we're facing a future, not so long in the future broadband capacity shortage for our island. And then we took some of the funding for the Made in Maui County Festival here. The Maui Invitational had come to us two years ago and expressed the problem of the Lahaina gymnasium of being, having inadequate broadband capacity for all the streaming video and all of the people that were doing social media at the games. And even the news agencies that were there, the sports agencies were having a hard time getting photos out. So we brought together the parties, the Visitor Bureau was a part of this, we brought together KemperLesnik and Oceanic Time Warner Cable, and the Parks Department, and we came up with a plan to get that broadband coverage adequate for this last year's games. And it was a small, it was a fix that we split in three different ways. I think that each of the parties came to the table, and Time Warner, Oceanic came to the table. So it was a pretty simple fix and we got it done and they were very grateful to have that at this last Maui Invitational. This Military Affairs Mobile Workshop was, this was just paying for transportation for guests to attend the Hawaii Chamber of Commerce Military Affairs Council Mobile Workshop that was held here on this island. And I'm not exactly, I don't have a lot more details than this. I think this was organized by someone else in our Department but they came here and there was some very important people and they needed some transportation so we helped them out with that. The Kihei Town, Friday Town Party was funded out of this. The Aloha Classic Windsurfing Tournament, Halloween in Lahaina, Fourth of July in Lahaina, the Maui Nui Canoe Race. Two new events the Kamehameha Commemoration I believe that was a parade, and the Aunty Emma Farden Sharpe Hula Festival or day. I think it was a daylong celebration in Lahaina. And then again Basketball Maui provided some school assemblies and clinics. And the last one was the Small Business Revitalization Grant with Lokahi and a portion of that came out of this one. And then the last item on our

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list is our Renewable Energy Program. So this fund is managed by the Energy Commissioner and, of course, as you know we don't have an Energy Commissioner right now but it is absolutely our intention on rehiring an Energy Commissioner at the beginning of the fiscal year. We've asked for a small increase in this fund because this next year is going to be a pivotal, extremely important year for Maui County in the energy arena, as we need to respond to the PUC docket with the NextEra merger. And as you know Maui County is an intervener in that docket and it's going to require a great deal of travel and time and so we asked for a small increase in that.

VICE-CHAIR WHITE: Okay. Members, questions? Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: Yes. Thank you very much, Teena. And thank you for that laundry list of stuff. It looks like an awful lot of things that happened. So am I to understand that the majority of this money really is not going to be automatically we're going to give money to these same things but it is more discretionary and as needs arise your Department will decide, hey this is we can use some money here?

MS. RASMUSSEN: Yes. And, you know, we appreciate that because it's quite amazing, you know, the opportunities that come along during the year that you don't know about in advance. And as I said, you know, if we were trying to run an economic development program and didn't have, and every single thing was encumbered or proviso'd, you would really have no flexibility to take advantage of these opportunities. And no they don't have automatic funding and we make that very clear to our grantees that just because you do get funded one year does not mean you get funded forever and we really make that clear to them.

COUNCILMEMBER BAISA: Thank you very much. Just by the title of it, you know, I can see where it needs to be flexible, and of course everybody has ideas but I understand your need to kind of react to here's an opportunity.

MS. RASMUSSEN: Yeah.

COUNCILMEMBER BAISA: We all need those pots of money. It's like, you know, even in our home budget it's good to have a little bit of stash somewhere for something that comes along that you didn't plan. But, you know, I like some of the, I mean I like the ideas that did come up and that were funded because they are economic development. And of course we can always sit here and argue forever about how much or why this --

MS. RASMUSSEN: Right.

COUNCILMEMBER BAISA: --and why not that but I'm okay with what you did and I'd like to see more of it.

MS. RASMUSSEN: Thank you.

COUNCILMEMBER BAISA: Thank you, Chair.

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VICE-CHAIR WHITE: And thank you for making that point, Ms. Baisa, because that was the purpose of this fund was to give 'em a bucket of money that they could respond to opportunities throughout the year. And I think they've shown that they can, you know, they can do a good job spending it and put it to good purpose. Thank you for bringing that up. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so my first question is in regards to the Maui Nui Canoe Race proviso and what had happened with that? Was it expended? Was it given? Was it not utilized? Is it carrying over?

MS. RASMUSSEN: Oh, their grant, the Maui Nui, their grant was just given to them. It was just executed in February. So they have their grant.

COUNCILMEMBER COCHRAN: Okay. Well, the event was cancelled due to the hurricane. So my question is the money that you just gave them is it to rollover into this upcoming maybe planned event? Because it shouldn't pay for something that got cancelled.

MS. RASMUSSEN: That may be the case. If they have money leftover that they couldn't expend they have the ability to spend it for next year. And so if that's the case then, you know, you may want to consider not provisoing it because we have no option then, you know, it needs, I mean we can't do anything else with those funds. And they may have still incurred some expense even if it was cancelled. And I, you know, I'm sorry I don't know that. I haven't talked to them but we can certainly find that out but they have already put money down for something, you know, or paid for something that they didn't have the ability to cancel, you know.

COUNCILMEMBER COCHRAN: Right. Okay. Yeah, if there's a follow up on that that would be helpful.

MS. RASMUSSEN: Sure. Sure.

COUNCILMEMBER COCHRAN: Thank you. And the...so what's, were the other two going down the line, the Kamehameha Commemoration and then the Aunty Emma Farden, those two provisos is that going to be carried over? Is that an automatic or does that need to be resubmitted?

MS. RASMUSSEN: Yeah, so we did not proviso these in the Economic Initiatives Fund so if you wanted to do so it would have to be done by the Council. I do want to let you know that the organizer of both of these events is the same organizer. There's questions whether they want to do the Kamehameha Commemoration again, and they have brought us a new project. Actually it's a very exciting project and I really like the project they brought to us. It's based around Oahu's fashion week and they want to bring a series of events here. And I really like that because rather than it just being a single cultural event, this has economic development implications. It really helps our

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local fashion designers and our entrepreneurs that want to elevate themselves in that arena. And so I'm actually very excited about that. And the last word I got from him was that he will more than likely not do the Kamehameha celebration.

COUNCILMEMBER COCHRAN: Okay. So are you looking to do that as an initiative on your Department's behalf then?

MS. RASMUSSEN: You're talking about the fashion week?

COUNCILMEMBER COCHRAN: Right.

MS. RASMUSSEN: We have to see, we haven't even got, all we have is a couple paragraph description of what they want to do. We need to have it baked a little bit more than that before we put money into it. We haven't seen the full proposal. But it just came to me like a week ago and so I would absolutely consider this fund for that but I wouldn't necessarily want to see a proviso until I see the proposal because, you know, it could, I mean I want to make sure it's fully baked, you know, and that they can really pull it off so.

COUNCILMEMBER COCHRAN: And so this entity never mentioned that this year makes the 100<sup>th</sup> year commemoration of the Kamehameha Day Parade?

MS. RASMUSSEN: No, they did not.

COUNCILMEMBER COCHRAN: So that's kind of a big, you know, milestone and to say nah we're going to just do a fashion show instead.

MS. RASMUSSEN: It doesn't mean that someone else couldn't take that event and run with it and maybe that's, maybe they want to do that but this was just the word that I got back.

COUNCILMEMBER COCHRAN: Okay. Thank you. Chair, and question in regards to Maui Visitors Bureau --

VICE-CHAIR WHITE: Sure. Go ahead.

COUNCILMEMBER COCHRAN: --if you don't mind. Okay. Welcome back, Mr. Couch. Visitors Bureau looking at the dashboard here I guess it's really blacked out the columns but I'm figuring Maui, Molokai, then Lanai, are the categories?

MS. RASMUSSEN: Yes.

COUNCILMEMBER COCHRAN: It's really dark on the Xerox copy. And so these figures as in per person per day, expenditures, what have you, is it distinguishing between hotel guests versus timeshare guests? Just visitors in general is that it?

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MS. RASMUSSEN: It's not even counting --

COUNCILMEMBER COCHRAN: Timeshare?

MS. RASMUSSEN: --it's not counting accommodations. It does account accommodations? Maybe we could ask, I'm sorry, Terry's back there. Maybe we could ask...

VICE-CHAIR WHITE: Without objection, we'll have Ms. Vencl come down.

COUNCILMEMBERS: No objections.

MS. RASMUSSEN: Okay. Oh, so yeah I guess you're right 'cause it's per person per day. So if it was a couple yeah it would probably, it would include accommodations. I'm sorry. Go ahead.

COUNCILMEMBER COCHRAN: Hi. Aloha, Terry, thanks for being here. Yeah, I was just referring to the numbers and just figuring, you know, factoring, figuring out if it was factored in. If there's a distinguishment [*sic*] between a hotel per say guest versus a timeshare guest? Because I know their style of vacationing varies from, you know, visitor. So is that factored in anywhere here?

MS. VENCL: What is in here is, yes, is they are surveyed. Sometimes it's an exit survey at the airport but then they're also followed up. Sometimes given the information that they fill out on the plane, if you will recall that, they're followed up so that we can ask them how did they spend and what was it spent on. And so these numbers come from the surveys that are done. They do not however include airfare but they do include anybody who's staying in a short-term accommodation who has filled it out or talked to the survey in that regard. And it's everything that they do. So for example in a timeshare you're exactly right they're expenditures might be a little, they might not spend in the same way but if they went to Costco and spent ever how much on groceries for that week they've put it in here. So for like food so and they do typically by the way they will say that they, they'll say they spent X amount of dollars in their five days or seven days or whatever it is. They may not say they went to Costco but I'm trying to explain that they do put a number in for how much they spend.

COUNCILMEMBER COCHRAN: Okay. Thank you.

MS. VENCL: Yeah. You're welcome.

COUNCILMEMBER COCHRAN: And the section saying unique visitors. What does that mean?

MS. VENCL: Yes.

COUNCILMEMBER COCHRAN: Who are they?

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MS. VENCL: Unique visitors are websites. They're typically the first time guys. That's website stats.

COUNCILMEMBER COCHRAN: Oh, that's websites. Okay.

MS. VENCL: Yeah.

COUNCILMEMBER COCHRAN: Websites.

MS. VENCL: They're all unique. All 2.4 million of them are unique.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. Any other questions for Ms. Vencl while she's here? Mr. Couch, do you have any questions?

COUNCILMEMBER COUCH: Thank you, Chair. Yeah, I'm a little concerned about the comment you meant that they go to Costco and put out how much they spend. A lot of that is not local stuff. It's local spending, right?

MS. VENCL: No, no, no --

COUNCILMEMBER COUCH: A lot of that is national ...*(inaudible)*...

MS. VENCL: --because this is coming from a survey of people coming in and going out of the airport or filling out a form. This is, this is not...

COUNCILMEMBER COUCH: Well but you're saying that a lot of 'em, a lot of the timeshare folks go to Costco and they say they spend out this much.

MS. VENCL: No. Okay let me say it a different way.

COUNCILMEMBER COUCH: Okay.

MS. VENCL: Okay. So these numbers come from surveys given to visitors either by exit at the airport or, and/or by surveys that are sent to them via HVCB, HVCB and/or HTA. And the question is how much did you spend on activities, how much did you spend on food, how much did you spend and whatever the time of day was, the time of their vacation was. It doesn't include...

COUNCILMEMBER COUCH: Not necessarily where?

MS. VENCL: Correct.

COUNCILMEMBER COUCH: Okay. All right.

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MS. VENCL: Correct. But I thought that maybe that Ms. Cochran was wondering because there is a difference sometimes in the way they spend and it's not just timeshare it's also condominiums sometimes. You know where you have the ability to have a refrigerator or cook in your place. They all spend, you know, a little differently than somebody who might be staying all seven nights in a hotel.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No questions.

VICE-CHAIR WHITE: Okay. Thank you. Ms. Vencl, is there a correlation between or is there a way to verify the total expenditure numbers? Is there any correlation between these and the State revenue records that you can identify?

MS. VENCL: I'm sorry, Mr. Chairman, I don't know if I understand.

VICE-CHAIR WHITE: Well, you're stating that the total expenditures by visitors has grown to 4 billion --

MS. VENCL: Correct.

VICE-CHAIR WHITE: --95 million. Is there any way to correlate that with State revenue figures in any way? 'Cause I'm...

MS. VENCL: Well, okay, these numbers come from the State and there is a breakdown of every island and a total for the State of these very numbers, the arrivals, the expenditures, the per person per day. There's even a per person per trip. So if it's a family there may be a number for that. So...

VICE-CHAIR WHITE: But it's somewhat of a squishy figure because it's done by survey not by empirical data.

MS. VENCL: Well, it's--do you have a question, Teena?

MR. BAZ: I might be able to help, Mr. Chair.

VICE-CHAIR WHITE: Mr. Baz?

MR. BAZ: Thank you. As you know I'm on the State-County Functions Working Group initiated by the State Legislature on TAT and all that. We have asked the State Tax Office to provide us with that information as far as the breakdown if they can determine revenue generated by the State on visitors whether it be GE or TAT or anything related to those type of visitor expenditures. So I think that's what you're asking for is if we can come up with a figure...

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VICE-CHAIR WHITE: Is there some way to correlate whether this is correct or not?

MR. BAZ: Oh, the actual numbers of visitors?

VICE-CHAIR WHITE: No. The visitor numbers, you know, I think...

MR. BAZ: Yeah, what we're looking for is, for at least from our working group side, is what revenue is generated by the visitor industry specifically at all the, we're trying to figure out at all the different levels.

VICE-CHAIR WHITE: Yeah but even that's going to be somewhat squishy because you're, you know, to Mr. Couch's point somebody walks into Costco they don't know whether it's my employee or one of my guests.

MR. BAZ: Right.

VICE-CHAIR WHITE: And same thing for I mean obviously a lot of activities are going to be mostly visitors but retail and restaurants will be kind of hard to identify which is a visitor expenditure and which is a resident.

MR. BAZ: We'll see how the State Tax Office replies to us but we kind of, yeah, we understand it's going to be very, I like your term squishy, but all of this information is fairly squishy, yeah.

VICE-CHAIR WHITE: Well, while you're in communication with the Tax Office would you ask them to please provide us with an accurate assessment of what is, what General Excise Tax is generated in each county. Because currently that's not, they're not recording hotel excise tax to my knowledge.

MR. BAZ: As far as that, Mr. Chair, we did have a conversation with them about that and they felt very comfortable in the numbers that are actually in each district. Because City and County would be charging 4½ percent if they were staying in a City and County of Honolulu hotel, the GE would be 4½ percent. So they felt that the numbers that they were getting from the hotel industries in their reports were accurate to the district that it was being generated in.

VICE-CHAIR WHITE: Okay. Good. Good to hear. Any other questions for Ms. Vencl? Okay. Thank you very much. Mr. Couch, any questions on any other items?

COUNCILMEMBER COUCH: Not at this time.

VICE-CHAIR WHITE: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No.

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VICE-CHAIR WHITE: Okay. One of the questions I had, the \$10,000 for AOHT, my recollection is that used to be provided by HTA. Is that your recollection?

MS. RASMUSSEN: I think we actually had a grant in the County prior to our Administration came in and I think we let it go for a couple years and then they came back you know and asked for the funding.

VICE-CHAIR WHITE: Yeah, but I think the reason they came back to ask for the funding is because HTA decided to move everything to Oahu.

MS. RASMUSSEN: My grants manager says not.

VICE-CHAIR WHITE: Okay. Well, I'll just leave it alone then. Okay. I think we're done. Unless somebody--Ms. Crivello?

COUNCILMEMBER CRIVELLO: I didn't hear what you were asking so may I ask this. Your Maui Visitors Bureau funding is dispersed through your organization or does it come under the HTA?

MS. RASMUSSEN: The portion, the \$3-plus million portion in our budget we administer that directly to MVB. So they put their receipts into our office and request for payment and we process their payments right out of our office. Now they receive a lot of other funding from the State but they deal, that comes directly to them from the State. So our money is completely separated. It doesn't commingle with any State money so when they develop their budget it's all about what they're going to provide for our County.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: And I believe it's also correct to say that the Maui County monies are spent on the activities and marketing and promotions and so forth. None of it goes to salaries. The salaries are all covered by the HTA funds so.

MS. RASMUSSEN: Yeah, yeah we are not paying for salaries now.

COUNCILMEMBER CRIVELLO: So actually the, Terry and her group are being paid by HTA.

VICE-CHAIR WHITE: Correct.

MS. RASMUSSEN: That's correct.

COUNCILMEMBER CRIVELLO: Okay.

VICE-CHAIR WHITE: So each county has a budget provided by HTA that pays for their staff and a variety of advertising promotional expenses. We're the only county that adds a

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significant amount on top of that to get additional bang for the buck. Any further questions, Members?

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: I'm just trying to figure the, you know, this dashboard printout and the amount that we give MVB and those figures. How are they, and they're doing surveys to get, compile facts and numbers and figures, but how does that relate to what they're being funded by us? You know what I mean like...

VICE-CHAIR WHITE: Are you talking about MVB or \_\_\_\_?

COUNCILMEMBER COCHRAN: Yeah MVB not, yeah, not the other entities but the monies that we expend, you know, for the entity. So I mean that's they're compiling numbers, you know, taking surveys what are people spending, how long are you staying, where do you...things of that nature, that's great. But how is what they do directly, you know, factored or?

MS. RASMUSSEN: Yeah.

VICE-CHAIR WHITE: You're asking how they can measure --

COUNCILMEMBER COCHRAN: Yeah, measured. Yeah.

VICE-CHAIR WHITE: --expenditures on behalf --

COUNCILMEMBER COCHRAN: How is it measured?

VICE-CHAIR WHITE: --of Maui County alone?

COUNCILMEMBER COCHRAN: I guess that's a good word, yeah. Yes.

MS. RASMUSSEN: Well, again I mean if you want to just look at a straight investment you know we're giving them 3.8--what is it?--yeah, 3.825 million, our proposal for this year. In 2014, the visitor industry, the visitors spent \$4.2 billion in our County. So when you look at the, you know, the ratio of our investment to what we get I mean it's a phenomenal return on investment if you want to look at it like that. Am I misunderstanding your...

COUNCILMEMBER COCHRAN: Well I mean I'm...

VICE-CHAIR WHITE: No, I think she's asking...

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COUNCILMEMBER COCHRAN: Sorry, yeah, but I mean that they're part of it. There's others I mean KBH puts in advertising and marketing for their entity, that's drumming up people. I mean their survey could have gone and they might have come because of your, I mean there's no measurement as to specifically MVB's. You know I mean versus I know they travel abroad and nationwide to bring out, you know, sell Maui and what have you. And maybe if they track that person they actually spoke to at the desk and then they came off the plane here and filled out the survey and said I spent all this because I met you at this desk. I mean that's total their word, entice this person to come here to spend X amount of dollars. That's...

VICE-CHAIR WHITE: Terryll may be able to add some clarity to that.

COUNCILMEMBER COCHRAN: Okay. Sorry, I know she's going to get her exercise.

VICE-CHAIR WHITE: It's very, very hard to track which marketing dollar actually brought somebody here.

COUNCILMEMBER COCHRAN: Right. And that's where...okay.

VICE-CHAIR WHITE: But I know that there have been some efforts by HVCB to track specific advertising initiatives on the web because they do have the ability in some cases to track that person's actual purchase. And we have some of that capacity in our system but it's not real well defined. Ms. Vencl.

MS. VENCL: You know there's that old saying about I just report 'em. Truly you have a very valid question and I don't know how you would know from a visitor if they came because of what KBH spent in advertising versus what we spent in advertising. I do know that the things that we concentrate on are very much, are demographic. I know that the things that we concentrate on are the things that maybe properties for example if that's the example we want to use may not go to the same audience. They have a different, they may have a little different target audience in some parts of their marketing. But I don't know that you would ever be able to say that it's this person's marketing versus this person's marketing. I think frankly it takes us all to get 2.4 million people spending \$4-plus billion. And you know in my mind the end result of that is how many people are staying employed? How many people are still staying in business because visitors are spending there? And that's, you know, for us that's really the bottom line. I you know I've run the numbers. I can tell you what the return is on \$4 billion and it's very high if you look at only 3.8. If you look at the other 3.6 that the State gives us, you're looking at a \$7 million budget it's about \$500 return on the dollar of investment. But can I say that that came from what we did versus somebody else, I don't know how you would do that.

COUNCILMEMBER COCHRAN: Thank you, Ms. Vencl. Well, I'm looking, I mean you know how many, you can track people to your visits with Facebook or you got Twitter followers.

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MS. VENCL: Absolutely.

COUNCILMEMBER COCHRAN: You got e-mails and letters and brochures and things. And so I guess do you ask in your survey how did you, what enticed you to come to visit or what, who did you get, you know, how did you learn of Maui or Hawaii?

MS. VENCL: In some surveys those are the questions, yes. In the survey that that asks how much did you spend and how long did you stay and where did you stay, I'm not sure that's part of that survey.

COUNCILMEMBER COCHRAN: Okay. I mean that would be interesting because I think most events sometimes will say how did you hear about us? Was it a newspaper article? Was it a magazine? Was it the radio ad? Was it...so they know to put more money to it, right, to enhance that target, you know...

MS. VENCL: You know I'm not even sure that that's not collected. It's not something that I track all the time but HTA breaks these numbers down in several, several, several ways that I don't look at on a regular basis. It could be in one of those surveys and I'm not aware of it.

COUNCILMEMBER COCHRAN: Okay. Thank you. Because I know that we were with you and Ms. Rasmussen, we went to Korea and Japan and you had done your outreach there. And then I'm looking at the Korea numbers and I guess the boom was back in 2012. And when were we there? It's '13, 2013? A couple years back.

MS. VENCL: We were probably there in '12.

COUNCILMEMBER COCHRAN: And so now the Korea numbers are down though from that visit.

VICE-CHAIR WHITE: You need to go back.

COUNCILMEMBER COCHRAN: Oh, okay. Yeah, well let's go and re-entice.

MS. VENCL: Well, actually in the numbers for two fourteen versus two thirteen I will tell you what they explained to me. They have a superstition about traveling for weddings at certain times and it's a certain kind of year. Do you remember that explanation, Teena? And they wouldn't travel. That's romance that didn't travel in '14. It's kind of like, I guess it's kind of like the year of whatever's for other folks. I don't know but that's the explanation.

MS. RASMUSSEN: It was, it was a mourning, you know, a mourning period, too.

MS. VENCL: Well part of it was the ferry.

MS. RASMUSSEN: Yeah.

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MS. VENCL: Yes, part of it was the ferry thing and there was a mourning phase that they went through where nobody would travel because they were in mourning across the country. But there was also this issue of they don't do something in their country in a certain year, a leap year. It's a leap year for them.

COUNCILMEMBER COCHRAN: Okay.

MS. VENCL: That was it.

COUNCILMEMBER COCHRAN: I'm sure there are factors. And also visited Japan and the numbers went down there too. Just I mean, you know, I'm just trying to relate the numbers that we're seeing versus...

MS. VENCL: Well, Japan is down basically because of the exchange rate in a lot of ways. All of them I will tell you are finding it very difficult to fly into Honolulu and wait for a very long time to get to Maui. And that's one of the biggest cruxes that we have in gaining in these particular countries.

COUNCILMEMBER COCHRAN: Okay. Thank you.

VICE-CHAIR WHITE: I'll tell you when the dollar changes we can see a doubling. You know when the dollar is attractive to foreign visitors, our foreign business more than doubles. When it goes the other way it gets cut back in half.

MS. VENCL: Yeah.

VICE-CHAIR WHITE: It's a major swing.

COUNCILMEMBER COCHRAN: Okay. Thank you.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Go ahead.

UNIDENTIFIED SPEAKER: No. No. Sorry.

COUNCILMEMBER COUCH: Okay. You know usually professional marketing firms have formulas that they can use to kind of gauge, you know, where their dollars went and how they went. Do you guys have that same kind of deal? It's kind of hard to say, you know, you spent \$3.8 million or \$7 million and we got this much back versus, you know, what in each individual hotel, et cetera. So is there any kind of formula that you guys can use to put to those numbers, you know, the statistics game?

MS. VENCL: I don't have that right now but I'm sure that HTA must use one and I can find out how they do that and I could then apply it I guess. You know I think the other

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thing that I think should be really important to you folks is that the funds that come from the County which has briefly been mentioned here are all about marketing. They're not about overhead. They're not about payroll. They're not about anything. It's all marketing. And that's the way it was set up and that's the way we intend to keep it because that gives us that extra boost in the market that other folks, you know, may not have. And I'm not looking for you to quote me that it's a 500 with a \$7 million budget, I'm just giving you the, if you just take what it is that we track that's what it comes out to. If you want me to find another formula...

COUNCILMEMBER COUCH: Well, I'm just curious 'cause we're, you know, we're just trying to decide okay we've got to deal with our budget in certain ways --

MS. VENCL: Right.

COUNCILMEMBER COUCH: --and if we say for every dollar we spend for the Maui Visitors Bureau we get 5 or 600 back --

MS. VENCL: Right.

COUNCILMEMBER COUCH: --it makes sense to spend a little bit more 'til we find out where that number cuts or if we're already up at that number where it starts dropping.

MS. VENCL: Right.

COUNCILMEMBER COUCH: Also, you know, all the other counties they don't spend anywhere near as much. Do you have statistics saying well we spent this much on, in Maui County and we got this increase in visitors versus Oahu only spent this much and they only got this much increase or got a decrease? Or, you know, comparing to the other counties how much we spend versus how much they spend and, you know, the percentage, because I didn't see that in your dashboard.

MS. VENCL: No, that's not in the dashboard. I haven't been asked for that. I can tell you what their occupancy is. I can tell you what their per person per day expenditure is --

COUNCILMEMBER COUCH: Right. Right.

MS. VENCL: --versus ours. That's all in the HTA numbers that come out every month. Every island is there. And so they're always there to be grabbed. I'm happy to grab whatever it is that you want me to grab but I don't typically track the other islands other than knowing that I'm ahead of them.

COUNCILMEMBER COUCH: It would be nice if we had that information.

MS. VENCL: Not I'm, we.

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COUNCILMEMBER COUCH: Right. Right. It would be nice if we had that information in some sort of form where we can look at it real quick, you know, during Budget instead of having to go, well, I mean you already see the mounds of stuff we have. So if maybe if you can come up with that fairly quickly that would be very helpful. And next time, next year maybe throw that in there to show, you know, hey we're spending this much and we're getting this much for a return, that would be very helpful.

MS. VENCL: Okay. I'll look that up.

COUNCILMEMBER COUCH: Okay. Thank you.

VICE-CHAIR WHITE: I'll give you an easier thing to compare. We spend 3.8 out of County funds and the visitor plant on Maui generates I think this past year it was a hundred, this fiscal year it was about 100 million in real property tax. We're projecting for next year with this 3.8 million the figure is going to rise to a little over 109 million. The same period the Big Island is going to generate \$12.6 million from their visitor industry. So they're getting what they paid for. They don't market much and they're not getting much. Kauai spends a little bit more for their county's visitors bureau and it fluctuates every year. It's not steady but they're at 22 million. So just in County dollars we're getting almost eight times more than the Big Island gets and a little less than five times what the, no, about five times what Kauai gets. So that's just county dollars for county dollars. Also if you look at what most hotels spend, they spend the money in order to protect or generate their revenues. Like our hotel is, revenues of between 30 and \$35 million a year and we spend in direct marketing and margins that we give to wholesalers for them to do marketing about five and...between 4½ and \$6 million a year. So we're spending six to get 30, and the County is spending 3.8 to get 109. I'd take your deal any day of the week. And the other thing we have to remember is that, and there's an old saying, and Terryl will probably shoot me for saying this but and this I heard many, many years back, I know half of the money that I'm spending on marketing is really working well for me, I just don't know which half. And so it's the marketing dollars you know you need to spend but you don't know what's working the best for you and what's not working very well for you except by some measures that we hope we can find. And the Internet is actually providing us easier ways of providing some measures but the bottom line is that marketing is, you know, from a destination standpoint is all about relationships. And you've got to be out there on the road, all the time, maintaining relationships, and being the person who's on the spot when some decision is going to get made. And I remember having one of my, I sent my head grounds man with my Sales Department to Boston and New York and he came back wide-eyed and said you know not a single travel agency that we visited in New York or Boston had anything about Hawaii. It was all cruise ships and Caribbean and Europe. And so his take away was if somebody from that area decides to come to Hawaii, they decide to come to Maui and then they decide to come to our resort, I have a responsibility to take really good care of them because they've got so many thousands of destinations to go to and hundreds of thousands of hotels to go to. So it's, you know, we can pick apart the marketing kind of expenditures but I'm

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not interested in taking a chance on having people lose jobs because we don't have occupancy. And so, Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. You know I never thought I would be sitting here making this statement but I'm going to do it. You know when I came to the Council I had heard a lot of the negative conversation about us funding the Visitors Bureau and I began to look at it too and say well yes this is a lot of money and, you know, why don't they do their own thing. They, you know, it's business and business should take care of its own and whatever. But, you know, as I have sat here over the years and I've been through good times on Maui and bad times on Maui as a member of the Council. You know I was here during the downturn. I was here during the good times and I see us coming back. And I also look at the competition that we're getting around the world. And as a frequent traveler of Mexico, I do know that, you know, they're looking at us and saying hey, hey, we want some of that Hawaiian money too. And so, you know, we are facing a more competitive situation. I have learned that our visitor industry is truly the place we look to to keep our economy healthy. And we all know what happens when tourism downturn happens we're in big, big trouble. I lived through 9/11 and the \_\_\_\_\_ program and what it did to this community. And so I don't want to take that chance. I don't want to take that chance of saying let's not spend this money. Maui is wonderful and everybody is going to come anyway and everything is going to be fine. I see it as an investment and as you mentioned the investment is very tiny compared to the return. How many people are working? How many people have, you know, contribute to our economy? Spend their paychecks here on Maui? And everything it's just so integrated. Tourism is integrated in so much of everything we do whether it's people that come and stay in a hotel or people that come and stay in a B&B or stay in an illegal TVR or wherever they stay, you know, they're here. And they employ people, and they contribute to our economy, and they keep us healthy. Members of my family work in this industry now, and none of us were before, we were sugar people. But, you know, a lot of us have transitioned into different things and work in the visitor industry and are supported by it. And so I look at this as an investment, a wonderful investment with a huge return on our investment. And I don't want to take the chance of not being in competition and waiting and having to live with oh, well, we took the money and now look what happened. I think we've got some great momentum going. There's not a book I read, there's not a magazine I read, there's not a TV show I don't read that has some mention of Maui. And I don't think we get to be the best island in the world by accident. I think that's a very deliberate business plan. And so I'm going to support it and I think that it's money well spent. I'd rather do this than take the chance of not doing it. And I want to say thank you to the people that work in the industry and people like Terryl who make it happen.

MS. VENCL: Thank you.

VICE-CHAIR WHITE: You know I'll just add another perspective. And that is that, you know, we talk about diversification a lot around here.

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COUNCILMEMBER BAISA: Not really.

VICE-CHAIR WHITE: But I think one of the things that has not been stated enough is that when the island depended on, you know, largely on agriculture--and, Terry, you can sit in the first seat--when the island depended on big agriculture, all the money came in through the plantations. The plantations decided where they were going to build, what stores they were going to provide, and so they basically controlled all the inflow of assets. But with the visitor industry, the hotels are conduits not just the landing spot for all the cash. And as people go out from the hotels it allows people with significant geographic diversity to start their own businesses whether it's in Hana or on the way to Hana or whether it's anyplace on Maui, Molokai, or Lanai that they choose to do something. This setup has diversified geographically the access to, you know, small business and in some cases very large businesses so. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And yeah part of my line of questioning is to find out if we actually may need to give more but that's for future discussions. It's unfortunate you had her sit down 'cause I did have one other question on...

VICE-CHAIR WHITE: Well, I asked her to sit down on the first seat so she didn't have to walk so far but she choose to go back up to her regular seat.

COUNCILMEMBER COUCH: While she's coming down, Ms. Vencl, the question I have you mentioned that the Japanese and the Koreans that come over here don't want to wait on Oahu and then come over here. Do you, is your organization involved in trying to get direct flights to here with the different airlines and whatnot?

MS. VENCL: For about 25 years.

COUNCILMEMBER COUCH: So you do?

MS. VENCL: Yes. I watch every move that's made. I try to offer every kind of help I can offer. Yes.

COUNCILMEMBER COUCH: And one of the biggest concerns is customs, is that right?

MS. VENCL: Yes. Yes.

COUNCILMEMBER COUCH: Okay.

MS. VENCL: Yes. And we've looked at every angle. We've tried every angle. You know we want to have direct flights from the international community but we are not able to do that at this point. And until we do we have to take them as secondary visitors --

COUNCILMEMBER COUCH: Right.

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MS. VENCL: --so-to-speak and that they go to Oahu and then come here but I'll take those. I'll take those. And, you know, the newspaper asked me recently it looks like the day tripper numbers are on the rise, is that a concern? Meaning or thinking that that means they're not staying long and it's actually just the opposite. For me I like those numbers rising because what happens is they go there, they land in Oahu, they come over here they test the water, and guess where they come the next time. So I think it's just the opposite.

COUNCILMEMBER COUCH: Okay. And some of the questioning too I'm very concerned about as Mr. White says we got people coming to the hotels and they disperse and spend their money wherever and other businesses crop up. And some of the things we've heard about timeshares in that there may not be that same level of spending. It's just more steady throughout the year. Are you still working on or are you working on any kind of study to see where the spending is, you know, hotel guests versus timeshare guests kind of thing?

MS. VENCL: There are studies that have been done, and as I mentioned earlier not just timeshare but condo as well.

COUNCILMEMBER COUCH: Right.

MS. VENCL: They will cook some meals inside but they are still, they're in Hawaii, they're in Maui. They are going to experience restaurants and retail shops, and all of the other things, the activities, all that go with it. So they don't just go and stay put. And a lot of the timeshares by the way that we see are people who are not the owners coming back all the time. And it may be a first-timer because they've done whatever they do, and they are the people who will obviously spend more than the repeat visitor.

COUNCILMEMBER COUCH: Okay.

MS. VENCL: Because the repeat visitor comes and finds all the wonderful places.

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

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you for being here.

MS. VENCL: Sure.

COUNCILMEMBER CRIVELLO: You know you mentioned or in regards to Mr. Couch's question I'm glad he asked, you know, for 25 years you mentioned that you've been trying to get the direct flights, and it sounds as though your response to that was also with customs. What is the problem with getting customs? I mean what does it take to make it happen if that is something that, a goal we want to reach? And I'm not even

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sure if we have the infrastructure to accommodate the visitors from Korea, China or where have you.

MS. VENCL: I think that we do have the infrastructure, and by the way when you open up that kind of a gate it's not like everything just falls in your lap on that day it opens. You know typically it would start with a charter like Cananada [*sic*], like, I still can't say it, Canada does. You know we started with charters and then the business grew. The reason as I understand it and I was there back in those days of the airport battles is that there was a memorandum of agreement is what I call it signed between DOT and airport, I'm sorry, DOT and the folks who intervned at that time trying to extend the runway.

COUNCILMEMBER CRIVELLO: Okay. Okay.

MS. VENCL: And said you can't do it until certain things happen, one, you know there's three, there's three items on there, and some of those things have happened but we are still sitting here until DOT gets ready to...

COUNCILMEMBER CRIVELLO: Oh, I guess, if I may, I guess what have to be decided if we do want to have that extension of the airport or not.

MS. VENCL: The extension...

COUNCILMEMBER CRIVELLO: Right, because that plays a big role.

MS. VENCL: Right. The extension of the runway has now changed. It's not in the same number it once was because now we, our aircraft has changed, and now we don't need as long a runway. And, you know, you could land the larger planes here all the time but the takeoff because of the heaviness, the weight, that if you fill up that plane the runway wasn't long enough. We don't need that any longer because our aircraft are different sizes now.

COUNCILMEMBER CRIVELLO: Oh, good, good. Interesting. Thank you. And, Chair, I appreciate you sharing on the revenues versus the expenses 'cause most of us don't pay attention to that. So the 109 million real property tax and then we take off the 3.28 or whatever it is --

VICE-CHAIR WHITE: Right.

COUNCILMEMBER CRIVELLO: --for the MVB. So I appreciate that.

VICE-CHAIR WHITE: Well, and another way of that I choose to look at this is that when we're spending this \$3.8 million on marketing in some respects we're doing so on behalf of the retail companies, the restaurants, and the activities --

COUNCILMEMBER CRIVELLO: Right.

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VICE-CHAIR WHITE: --that don't ever have to spend any money.

COUNCILMEMBER CRIVELLO: Right.

VICE-CHAIR WHITE: Hotels have no choice we have to go to the mainland. We have to go to Asia. We have to go to Europe. We go all over the place to see what we can generate in the way of business. But those other entities on island wait until we get the visitors here with Maui Visitors Bureau's help and then they market to our guests at the same time we're trying to get them to spend money in our restaurant or go on activities nearby. So, you know, that's why, you know, if you guys said we should spend more money I'm fine with that because I know more is going to happen and we're going to be more secure in providing jobs. But just --

COUNCILMEMBER CRIVELLO: Thank you.

VICE-CHAIR WHITE: --another comparison, 10 years ago, Maui County generated \$4.8 million in real property tax revenues. You know how much we gave Maui Visitors Bureau then? Three point six million. So we have a \$60 million increase in our income from the visitor industry in that 10-year period and we're now giving them 3.8 so.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Yeah, Mr. Victorino.

COUNCILMEMBER VICTORINO: Very interesting conversation. I'm sorry I joined a little bit late but you know...

VICE-CHAIR WHITE: That's all right I know you had things you needed to get done.

COUNCILMEMBER VICTORINO: Yeah, yeah, and thank you, Chair, and I appreciate that. I wanted to ask you who the new guy was on down next 'cause I don't know who that guy is but I pictured him and then I remembered who he was. And welcome back, Mr. Couch, I appreciate it. What I'd like to also add, you know, if you put all the pieces of that puzzle together and I think if anybody is paying attention they know how important all of this is to our community. And the area that many people forget, and I'm not just talking the Charity Walk 'cause that's just one, I repeat one of many, many events or many means for which the hotel industry and I'll put even in the timeshare 'cause they are an integral part of visitor industry today. Contributes to this community and helps many organizations survive.

VICE-CHAIR WHITE: Right.

COUNCILMEMBER VICTORINO: Imagine what the line would be if we did not get that kind of support from the visitor industry. It would be out the door, down the corner,

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around the block, and all the way out to Waikapu and that's how many people would be asking for more help. 'Cause I know your hotel in particular does a number of great things. Westin, I mean I knew many of the properties they had all these different events that helped whether it's Lahainaluna, Kam III. I don't care what it was, whatever organization they helped. So that's something that also is left out of the picture a lot of time because we talk about, you know, they only take-take and they don't give back. No I disagree.

VICE-CHAIR WHITE: Right.

COUNCILMEMBER VICTORINO: They give way more, way more than we ever take and I think that's important. Those corporations just don't take all the money out of the State. A lot of it stays right here and helps our individuals. So I think helping the Visitors Bureau to continue to help us is not a bad thing. Another thing I'll mention is if you add up all the other counties together, together they don't even hit a million and a half in direct visitor support to their VB's, whatever they, you know. We more than triple what they do. I remember years ago Kauai was so proud they said we're giving half a million dollars to our visitors bureau and I looked at them I said oh we only gave 3.6 this year. Wow you guys really increase by that much? I said no that's every year, pretty much 3 million whatever it was. And I said we understand the value, we understand what they bring to this community, what they bring to this County. And whether it's Molokai or Lanai or Maui or any, the support we get from the visitor industry is fantastic. And I can say in your case your hotel has been so generous for the Charity Walk, you contribute so much and you get like luncheons and all that. I mean you don't have to do that and people still give but you do it because you want to encourage more help and I thank you for that. I just want people to know this industry has bar none taken care of our community for more years than we can ever count on and we can continue to count on their support. Diversity, diversity is important but you know what, we've got a great, and you guys all heard that we were number one of all the islands and all this other stuff. And the number one island in the world I forget where it was but was someplace I never heard of and even the announcer said I got to go look that one up. So, you know, that just told me but I can tell you all of us travel, we all go to different conferences and the moment we say Maui, bam we're just loved. And they're like wow Maui, you know, they get all excited, you know, we're great. We have a lot to be thankful for. So if you wanted to put or somebody wants to put more money I could support that. I really could. Teena, we've got a golden cow don't let that golden cow stray off.

VICE-CHAIR WHITE: It's a golden goose, Mr. Victorino.

COUNCILMEMBER VICTORINO: No, it's golden cow in my...no golden geese. You know goose has a negative connotation. I like the cow better.

VICE-CHAIR WHITE: Okay.

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COUNCILMEMBER VICTORINO: Excuse me I choose. I'm Portuguese. I choose what I want to choose, sir. Thank you very much, Chair.

VICE-CHAIR WHITE: I'll just share one last little story before we move on. I was giving a speech to the Retail Merchants Association in the State of Hawaii and in preparation I went to HVCB and said could you please tell me what the total contributions from the retail industry Statewide are for, you know, to help market Hawaii. And the amount of money was what I spend in two and a half weeks at my one hotel. So that's why I feel it's, I'm very comfortable spending tax dollars whether it comes, whether you say it came from the hotels or whether it came from someone else. I'm comfortable spending tax dollars to make sure that we're marketing to support the retailers, the restaurants, and the activities that we all depend on so. Ms. Rasmussen, any closing comments?

MS. RASMUSSEN: Well, thank you so much for listening to us for the last day and a half. And we really appreciate the support and the comments that you've made about the programs. And I want just close with something just from me. I want to give, you've heard of all of the different programs we're involved in and all the grantees we're involved with and amazing work for this County. And I think, you know, if that had to be replaced by government doing the work it would probably cost us quadruple if not more than quadruple. And so I think these programs carried out by all of these private entities in our County are just so important and it does save the taxpayers' money in the end because so much of this work would have to be done and it would cost us more. And the last thing I want to say is I want to send a huge mahalo to my entire staff. Some of 'em are watching on television, some of 'em are here. They are the ones that interface with these people every day. Our Grants Manager Tina Silva has been, I couldn't have done this presentation without her and I just have so much aloha for my staff and I'm grateful every single day to be working with such great people and that they care so much about our community. And I'm very touched and I love working with them, and our Budget Director who is just awesome. So thank you so much.

VICE-CHAIR WHITE: Thank you. And, Members, we'll take a five-minute recess and then we will...oh, recess. . . .*(gavel)*. . .

RECESS: 2:42 p.m.  
RECONVENE: 2:55 p.m.

VICE-CHAIR WHITE: . . .*(gavel)*. . . This meeting of the Budget and Finance Committee will please come back to order. Members, we're gonna proceed with our review of the Public Works portion of the capital improvements or I'm sorry the Countywide Equipment Bond, and Staff has a handout for you to follow along on provided by Mr. Goode. Can we just pass it out and stamp it later?

MR. MOLINA: Mr. Chair?

VICE-CHAIR WHITE: Yes.

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MR. MOLINA: Just for the Committee's reference, the Countywide Equipment is on Page 728 of the Budget narrative.

VICE-CHAIR WHITE: Thank you.

COUNCILMEMBER VICTORINO: Thank you. You know, Mr. Chair, I believe every Budget season we probably take about two-thirds of the forest in the Dakotas when we go through this. I mean look at all the paper unbelievable.

VICE-CHAIR WHITE: Well, I know Staff is going to probably force us into going paperless relatively soon so.

COUNCILMEMBER COUCH: Good.

COUNCILMEMBER VICTORINO: I have no problem if I can figure how to do it. I have no problem in doing it.

COUNCILMEMBER BAISA: Me, too.

VICE-CHAIR WHITE: Yeah. Okay. Mr. Goode, would you like to walk us through this please?

**BOND EQUIPMENT PROPOSED IN THE FY 2016 BUDGET**

**Department of Public Works**  
**Highways Division**

MR. GOODE: Sure. Good afternoon, Chair and Members of the Committee. David Goode, Department of Public Works and I'm here to talk about the Equipment Bond items, equipment items for the Department of Public Works and this is all within the Highways Division. I did hand out some proposed revisions that totaled the same dollar amount that reflect our priorities as they've changed slightly since our submittal back in end of last year, beginning of this year. So make sure everybody has that.

COUNCILMEMBER VICTORINO: Yes, sir.

VICE-CHAIR WHITE: Yeah, we got it.

MR. GOODE: Okay. Our first item is actually in the Special Maintenance Program, General Fund. This is for the Wailuku Road District. It's to replace an existing D-7 dozer that's used primarily in the Iao Flood Control area. This is between the two line sections. As you can see we submitted a photo, in fact there's a photo on just about everything here, the existing D-7 dozer is 2002. We're looking to upgrade to a slightly larger machine, a D-8 so it can handle some of the...if you ever seen it down there

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there's a lot of big boulders and the D-7 struggles at times and so we're not as efficient with that piece of gear. This has been used a lot and it's time to replace. So that would be in the General Fund. Should I just walk through 'em all, Chair?

VICE-CHAIR WHITE: Either way.

MR. GOODE: Okay. Well, moving on then the next ones are in our Road, Bridge, and Drainage Maintenance Program, which is in the Highway Fund. And the first item, and these are, by the way, in order of priority for us as well, this is a new item, an expansion, 4,000-gallon Water Tanker Truck. We have an existing truck I believe it's slightly smaller. We have in that district, and of course this district covers from Makena to Kahakuloa. We often have the need for water tanker trucks not only when we help the Fire Department like we got called out yesterday to Kanaio as an example but to service culverts, to clean them out, to prep areas that we're working on, sometimes getting debris off a road, landslides, trees down. Water trucks are very efficient at that. And the districts identified the need to have a second truck, that's their number one priority. Next, brush cutter in Makawao. The existing brush cutter in some ways I guess is a testament to the skills of our mechanics. It's 22 years old, the parts are becoming obsolete, harder to find. It's spending more and more time in the garage. And in that district, Makawao, we have a lot of tall grass areas that are often on slopes, down slopes, up slopes, et cetera, and you can't get to it with a regular tractor mower so you need this brush cutter. That's Makawao's highest priority. The next item is for Lanai. A skid steer is a very versatile little machine with a lot of different attachments. They're showing five different attachments here that they can use. It allows them to get into small, smaller working areas. It's very versatile. The cost as compared to other types of equipment is less and they think this is the piece of gear that they need to do their job better on Lanai. Next, Molokai Road District, our Street Sweeper is 14 years old. It's used five days a week when it's running, and which is getting more and more time in the garage. It's approximately \$200,000 and this is, you know, an integral part of what we do in all the districts. And it's Molokai's number one need. Next, Lahaina, we have a D-6 dozer it's 19 years old. It's used in our flood control channels and the dams that we have going up through Napili. It's had a lot of wear and tear. We're looking to upgrade slightly from D-6 to a D-7, again to handle, you know, be able to push more material as we need but not being too big that we can't get into areas that are tight. And so this is again a piece of gear at this age it's got a lot of wear and tear and it spends more time in the garage. Next item Wailuku is a replacement of a 18-year-old loader. And so the new loader is approximately \$380,000 and again at that age it's got a lot more wear and tear and more time in the garage. Then the Hana District, we have a 15-year-old dump truck that, you know, often we're loading boulders and especially on the backside of Kaupo side a lot of material that bangs up the trailer portion and it has to be, spend more time being welded and pieced together. It's 15 years old so it's time to be replaced. Next, the last item, back to Molokai, a front-end loader; you can see our loader here, it's 20 years old. We also maintain the Kaunakakai flood zone area so that's one use. It would be in there but it would also be on the road wherever it's needed in various projects. And finally, Hana their brush cutter is a relative youngin compared to the

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Makawao one, it's only 12 years old but it too gets a lot of wear and tear. It's a tough district for equipment but it's the piece of gear that's, that needs help out in Hana. So, Chair, that summarizes, that's our current list. It's the same, it's a lot of the same items, some different items from our original request. The dollar amount is the same that's in the Mayor's Budget.

VICE-CHAIR WHITE: Okay. Members, we'll take this page-by-page. Mr. Victorino, any comments on the dozer?

COUNCILMEMBER VICTORINO: No, I think something that really is needed. I understand that Iao channel and the large boulders that come down after, especially after big rains, Mr. Chair. So I can support this plus 2002 you're talking what 13 years. I think we've got a good life out of that one. So, yeah, I can support this, Mr. Chair. Thank you.

VICE-CHAIR WHITE: Mr. Couch, questions or concerns? Ms. Cochran?

COUNCILMEMBER COCHRAN: Director, do you have hours on this machine versus year?

MR. GOODE: I can get them. I don't have hours on any of the machines with me.

COUNCILMEMBER COCHRAN: Okay. 'Cause I mean age is one thing on big machinery but normally it's the hours that you put on it that you want to judge, you know, but I take your word I'm not saying that you're making stuff up but. And what do you do with these? Are you selling 'em, using 'em for parts or selling them off for scrap metal?

COUNCILMEMBER VICTORINO: He needs a new dozer ...*(inaudible)*...

MR. GOODE: Yeah, all our...

COUNCILMEMBER COCHRAN: ...*(Inaudible)*...

MR. GOODE: My understanding is, Chair and Ms. Cochran, my understanding is all our replacement is bid out as basically trade-in and then the dealer would then do what they can with it, what they think that value is. So they could part it out. They could sell it to another country. You can do all kinds of things with it.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: No questions. I'm going to trust that the Director knows what he needs just to keep everything going.

VICE-CHAIR WHITE: Mr. Carroll? Mr. Carroll? Okay. Mr. Couch?

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COUNCILMEMBER COUCH: Thank you, Mr. Chair. Something that Mr. Goode said piqued my interest. When you said there's trade in with the old equipment. Is the dollar amount here for the price new without the trade-in or are you taking the trade-in into account when you give us this request for?

MR. GOODE: Fair question. My understanding is that it takes into the account the trade-in value.

COUNCILMEMBER COUCH: Wow. So 1.2 million after trade in for a D-8?

MR. GOODE: Yeah it's an expensive piece of gear.

COUNCILMEMBER COUCH: Yeah, I guess. Okay. Thank you, Chair.

VICE-CHAIR WHITE: Okay. Mr. Goode, you need a larger than a D-6 in Lahaina. Can we put the D-7 in Lahaina and just buy one new piece?

MR. GOODE: Well, yeah, it's at the point where we feel it's, you know, a new one is needed for both of them. If it's, if it was a hand-me-down that we thought was, you know, usable and something that the other district would welcome and not have another piece of gear that's in the same shape. We have done that. We do move pieces of gear from time to time. But the districts felt in this case that they needed new gear for both of 'em.

VICE-CHAIR WHITE: Well they'll always indicate they need new gear.

COUNCILMEMBER COCHRAN: Of course.

VICE-CHAIR WHITE: I mean don't we all like new toys instead of somebody else's? You know what is the normal lifetime, lifespan for dozers with Goodfellow Brothers and other companies like that that are in this same or similar business?

MR. GOODE: My understanding is that you'll often see newer, when I go to job sites I often see newer equipment. And so they also in certain instance will lease in which maybe makes more sense if you're a for-profit company. There's some advantages perhaps to leasing. My best guess would be something about every five years. At some point there's just diminishing returns when you can't count on the equipment and when jobs stall it costs contractors much more money. So they realize that of course that every year machines is going to have less and less utility and at some point they just cut it off. So different businesses have different practices but the ones I'm familiar with, the larger companies I don't think the gear is much older than five years on average.

VICE-CHAIR WHITE: That would surprise me. The other question is you mentioned leasing but effectively with a bond, equipment bond we're essentially doing the same thing aren't we?

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MR. BAZ: Yeah. Mr. Chair, I can I guess answer that question a little bit. Yeah, we proposed equipment bond on these types of equipment because, you know, Director Goode and others have approached the Finance Department and I about leasing. You know and so we did a cost comparison of leasing versus equipment bonds and found that two factors were beneficial for the equipment bond. One was that the interest rate or the financing 'cause basically they're just financing options, right.

VICE-CHAIR WHITE: Right.

MR. BAZ: The interest rate of the bonds that we're issuing is less than the interest rate of the, or the net interest rate of the lease. And the other factor is that we can, you know, this equipment we typically keep. You know if you look at, I don't know if his has dates on 'em, but a lot of the equipment that they're replacing is 15 to 20-plus years old and if we're doing a 10-year equipment bond, we're paying that over only the 10 years life cycle instead of a lease would be, you know, five years or something similar to that. Where so the annual operating expenditure is higher than the, than if it was a bond payment that we're making. So that's kind of the two factors.

VICE-CHAIR WHITE: Yeah, I wasn't suggesting that we should lease.

MR. BAZ: Oh, okay.

VICE-CHAIR WHITE: It's just that by, we're financing, by financing we're ending up spending more money.

MR. BAZ: Correct. Yeah, obviously by financing we're spending more money. You know this, you know, the equipment bond request is \$8 million this year and that would be a huge chunk to come out of operating to pay for something immediately, you know, when the benefit of it is, for the taxpayers, is a very long term benefit. So, you know, there's definitely different philosophies about it and, you know, we're open to however you would like to propose it, that's why we're proposing it as financing.

VICE-CHAIR WHITE: Okay. Moving onto the truck, my understanding this is for an additional vehicle. This is not a replacement of the one that's in the picture. Is that correct?

MR. GOODE: That's correct.

VICE-CHAIR WHITE: Okay. Any questions, Members?

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Ms. Cochran.

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COUNCILMEMBER COCHRAN: And this water truck can be used with the recycled water? Is this for dust control or what? 'Cause you were mentioning or is it just vary from use to use?

MR. GOODE: Mr. Chair and Ms. Cochran, we could use it for reclaimed water and dust control. We don't because we do like it as potable just because there are instances like when we've had tsunami warnings, et cetera that we want to have potable water available. There's been instances where not frequently but on occasion help Water Supply out if they need, you know, in an area that's out and they got to deploy a water truck you know to service a neighborhood kind of thing. So if we put reclaimed water in it there's a series of steps that one needs to do. It's almost like this big Clorox cleaning inside to get retrofit and to get it ready to put potable back in. So if it's dedicated to reclaim water use we can do it but if we switch back and forth it creates a variety of headaches.

COUNCILMEMBER COCHRAN: Okay. Thank you. Chair, I had a real quick to go back to the 1.2 million dozer. This particular equipment is going to be used on a full-time basis or is it just every now and then? 'Cause Mr. Victorino mentioned boulders come down after storms but that's going to be 365 days a year. And if there's another department that has such a piece that if it is used occasionally you can just grab from them.

MR. GOODE: Yeah, generally we're the only department that has dozers.

COUNCILMEMBER COCHRAN: Oh.

COUNCILMEMBER VICTORINO: So I was going to say that doesn't work. That's not a great idea. Thank you.

MR. GOODE: That's us. But it, yeah, when we have those storms it actually takes a fairly long time. One of the permanent requirements the Corps wants is actually, you know, when things move down, boulders move down, they want us to bring 'em back up and put them back more or less the way they are. It takes a long time. So we could have an operator in there for three-four months of the year just rearranging things, you know, generally starting like this time of the year. But yes we're not there every single day of the year.

COUNCILMEMBER COCHRAN: Okay. So primarily just to get the investment versus usage, you're saying typically four times, four months out of the year could be and it's just good to have for emergency.

MR. GOODE: Yeah we could deploy it somewhere else but its primary function will be --

COUNCILMEMBER COCHRAN: Will be Iao --

MR. GOODE: --up Iao, with Iao, right.

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COUNCILMEMBER COCHRAN: --Flood Control Channel.

MR. GOODE: But yeah if we need it somewhere else then we can bring it there but that's its primary use.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair. That's it. Thank you.

VICE-CHAIR WHITE: Okay. Mr. Goode, on the tanker truck, how many tankers do we have on Maui Island and where are they located?

MR. GOODE: I'm pretty sure we have one in every district. So we'd have one in Hana, Lanai, or excuse me, Lahaina and Makawao. And I think the, let's see, Solid Waste should have one, at least one at the landfill. Water Supply I think has different types of tankers.

VICE-CHAIR WHITE: What I'm trying to get the sense of is just how many tankers we have in other areas and other departments that could be called into service if the need arises rather than adding another truck. We're basically increasing it by 100 percent availability in one district, right?

MR. GOODE: Generally, we don't, if we have a job and we try to coordinate and use another department's piece of gear it probably be pretty rare because we actually have the most gear. It's usually the other way around. It's difficult to manage, and I don't suppose it would be impossible but we need, if we have the gear there it's in the yard it's ready to go. It's very deployable.

VICE-CHAIR WHITE: And when you were called out to Kanaio was Goodfellow or HC&S asked to go out at all?

MR. GOODE: I don't know. I'm not even sure if we got out there in time to assist. The Fire Department may have gotten out there sooner. But generally when there's brush type fires we get a call. I know some of the other contractors and HC&S occasionally get, will get calls as well. So it's usually kind of a race see who can get out there first and help out.

VICE-CHAIR WHITE: Okay. So this is outfitted with racing stripes?

MR. GOODE: What's that?

VICE-CHAIR WHITE: Outfitted with racing stripes. Just kidding.

MR. GOODE: We try to help.

COUNCILMEMBER COUCH: Mr. Chair?

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VICE-CHAIR WHITE: Okay. The next one...

COUNCILMEMBER COUCH: Mr. Chair?

VICE-CHAIR WHITE: Yes, I'm sorry. Mr. Couch.

COUNCILMEMBER COUCH: Thank you. Mr. Goode, when you...the Wailuku road section that includes South Maui as well?

MR. GOODE: Yes.

COUNCILMEMBER COUCH: Okay. So...

MR. GOODE: Yes, from Makena to Kahakuloa and everything in between.

COUNCILMEMBER COUCH: So in essence you could have something going on down in Makena and need another one in Wailuku.

MR. GOODE: We generally operate two good-sized crews so it's not unusual to have a crew in Kihei and a crew over here, that same need for the same truck.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Any other questions on the tanker truck? Seeing none, the next item is the brush cutter and based on what some of the...used to be well-trimmed areas on Olinda Road, I can, I know for a fact this is out of service from time to time. Any questions on the brush cutter? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. This brush cutter, is that just the attachment arm that goes to this device or is it the whole vehicle and the attachment device?

MR. GOODE: I'm pretty sure it's the whole vehicle because it's built to handle that kind of leverage and having an arm out that far.

COUNCILMEMBER COUCH: So when...

MR. GOODE: It may have an attachment in the back I can't recall.

COUNCILMEMBER COUCH: Okay. So when it goes out what usually goes out is it the blade or the arm or all of the above or?

MR. GOODE: All of the above. So you can imagine that blade setup could be reaching up 10, 12 feet in the air and also reaching down below if there's a steep drop off.

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COUNCILMEMBER COUCH: So I guess what I'm leading to is can that blade and/or that whole attachment be replaced and the vehicle itself be in good running condition?

MR. GOODE: It's possible but the whole unit is 22 years old at this point. It's used pretty frequently in a difficult district so they're finding the parts are hard to get as is. So even if we had a great arm, if the rest of the body doesn't work then we're not going out.

COUNCILMEMBER COUCH: Okay. All right. Thank you.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. And, Mr. Goode, I think I recall I don't know what meeting of my IEM, I think you were saying how the grass along the shoulder ways in certain places are not kuleana of Public Works. But because we've been doing it all these years people are expecting it and thereby going what's going on, why aren't you doing it. I know you were saying lack of people and now I guess you have machinery down. So is there, can you elaborate on that, my recollection on that?

MR. GOODE: Sure. Mr. Chair and Ms. Cochran, we have an ordinance that basically says if you have less than 15 acres in say Ag or all Residential properties less than 15 acres you're supposed to take care of the frontage. So over 15 acres the County takes care of it. So as you drive through the Upcountry District in particular you're going to come across properties that were formally 20 acres, 30 acres now maybe they've subdivide into five or six or two or something. So there's a lot of areas that we've traditionally maintained and quite frankly continue to maintain even after this 2007 ordinance change. So, we've been in an education process. I know I've been out in the public talking about it at various venues and trying to get the, you know, the public to step up and start taking care of some of these areas. That said there's still a lot of 15 acres and greater lots especially Upcountry that we're responsible for.

COUNCILMEMBER COCHRAN: Okay. Okay. Thank you for that clarification. Thank you, Chair.

VICE-CHAIR WHITE: Any further questions on this item? Let's move to the skid steer, skid steer with attachments. Director, does this infer that for the \$220,000 price that it includes all these attachments or not?

MR. GOODE: That's correct.

VICE-CHAIR WHITE: Okay. Questions, Members? Mr. Couch?

COUNCILMEMBER COUCH: Just an observation and a concern is this is, these aren't very big machines, right?

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MR. GOODE: No it's one of the smaller machines out there compared to say the dozers we were talking about.

COUNCILMEMBER COUCH: Yeah 'cause I think you could push around some boulders with four of those, a big boulder and still be three-fifths of the cost of a big D-8 if you had four of those.

VICE-CHAIR WHITE: I think you might be suffering from...

MR. GOODE: Give me the four employees.

COUNCILMEMBER VICTORINO: Mr. Chair, just one thing I want to clarify. I mean we could use four of these but that's four drivers and who's going to pay the labor on that? Come on, Mr. Couch, please. That's all I'm coming from.

VICE-CHAIR WHITE: No, you'd have the four drivers and they still wouldn't be able to move it.

COUNCILMEMBER VICTORINO: There you go. Thank you.

VICE-CHAIR WHITE: Okay. Moving on to the Molokai Road vacuum street sweeper. Any questions on that, Members? Okay. Lahaina Road the D-7, oh, replacement is a D-7 but it's a D-6 now. Questions? Ms. Cochran?

COUNCILMEMBER COCHRAN: And so I guess your number one item, we can't switch it out, bring this to Lahaina and? The 1.2 mil new one is like you said --

MR. GOODE: Oh, right.

COUNCILMEMBER COCHRAN: --everyone wants new and no they don't want a hand-me-down.

MR. GOODE: Right, they didn't want it to be a hand-me-down, it's about 13, 14 years old and it's been in Iao pushing boulders all that time.

COUNCILMEMBER COCHRAN: Okay. No, and I understand. Thank you. It's Lahaina we need new. The DC, sorry, just kidding, the D-7 or this equipment is this being utilized in Kanaha Valley for the intake up there up Lahainaluna, Hans Michel area? Is that what this, you guys assist with that? I know that's Water Department but like you said they don't have equipment.

MR. GOODE: Yeah, if we assisted something like that it might go up. Yeah.

COUNCILMEMBER COCHRAN: Okay, 'cause he's, you know, always here for Mr. Hans Michel so. Okay. No, no more questions. Thank you, Chair.

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VICE-CHAIR WHITE: Okay. Do you have the downtime estimates on this?

MR. GOODE: I can provide that.

VICE-CHAIR WHITE: Okay. Thank you. Moving on to the Wailuku Road, the loader, if you could provide us the downtime on this as well.

MR. GOODE: Okay.

VICE-CHAIR WHITE: Questions on the 950-J Loader?

COUNCILMEMBER COCHRAN: Sorry, Chair?

VICE-CHAIR WHITE: Yeah. Ms. Cochran?

COUNCILMEMBER COCHRAN: That's a brand, right, nine or is that? I mean 'cause you, it's out to bid on the type of equipment that you purchase. Is that?

MR. GOODE: Right. Right. So when we go out to bid we describe it more generally so that we can get different types of bids. So it would be something like the 950-J or equivalent.

COUNCILMEMBER COCHRAN: Okay.

MR. GOODE: So usually different manufacturers have an equivalent product.

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

VICE-CHAIR WHITE: Any other questions, Members?

COUNCILMEMBER VICTORINO: Yeah, Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: You know so give me specifically, you know, this loader, you know, this fills the asphalt zipper as they're going along. Is that what this loader is used for because I can see the asphalt loader in front of it? Is that what this does or what does this do?

MR. GOODE: Well, the...

COUNCILMEMBER VICTORINO: Just so that everybody is clear with it.

MR. GOODE: Actually a loader is used for a lot of different things. I mean it could be used to you know clean up when we have trees that fall across the road, and we buck it up

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and we got to move it. We have to load just about any type of material into a dump truck to move it out.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: They said, mentioned here, the division mentioned about using, with the asphalt zipper we're actually using, we had this discussion here about what the asphalt zipper was awhile ago.

COUNCILMEMBER VICTORINO: Right.

MR. GOODE: Well, it finally got here, it arrived and we've deployed it out in Kahakuloa and so far they're pretty impressed with the results of that thing. And I actually don't know exactly what they use the loader with the zipper 'cause a lot of what the zipper does is actually reconstitutes the existing roadway and leaves it like a new base and then we can pave over it. So unless there's excess material that comes out it probably be the reason. But loaders are like one of the most basic equipment tools that we use and so we use it quite a bit in all types of situations.

COUNCILMEMBER VICTORINO: Okay. Thank you. And I just wanted that clarified, Mr. Chair, because I know the roadwork we did out in Kahakuloa was fabulous. I don't know if you've ever driven out there. It is, was very impressive how that group, our group went and did a whole lot of work for a whole lot less money than if we had subcontracted it out. So I think something like this along with all the other things it does is well received. And it's not only for our district because this covers everything like you said from Kahakuloa all the way to Makena, right? Thank you.

VICE-CHAIR WHITE: Okay. Moving onto the next page, 8-cubic yard dump truck. Questions? And Molokai, front end wheel loader in the amount of 400,000, if you could provide, actually, if you could provide downtime for both the dump truck and this loader as well.

MR. GOODE: Okay.

VICE-CHAIR WHITE: And hours.

MR. GOODE: Okay, can do.

VICE-CHAIR WHITE: Okay. Any other questions, Members? Okay. Brush cutter, any questions on the brush cutter?

COUNCILMEMBER VICTORINO: Yeah, Mr. Chair, this one is a little smaller than the other one? Oh, no they're the same price. Okay. No, I thought I remembered it was more expensive than ...*(inaudible)*... Okay. My apologies.

VICE-CHAIR WHITE: Yeah, this one is, the one that's being replaced looks a little smaller.

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COUNCILMEMBER VICTORINO: Yeah, but I guess they getting the same thing 'cause the same price.

VICE-CHAIR WHITE: Right.

COUNCILMEMBER VICTORINO: So okay.

COUNCILMEMBER COUCH: Mr. Chair?

VICE-CHAIR WHITE: Okay. Any further questions on any of the other items on Public Works? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. On pretty much all of these items I noticed a lot of 'em are quite old and it just seems like it's the luck of the draw that they all hit at this time. Or do you have another set of equipment for next year that's about the same age and when eventually are we going to get to hey all of our equipment is only about five or six years old? 'Cause almost every time, every year you've come here a lot of this equipment is pretty old and hasn't been replaced in a long time. So when are we going to get out of that old stuff and?

MR. GOODE: That's, I think what I could do is maybe provide a list of all the equipment that we have and its age. Fortunately this Council has been very helpful the last couple years in providing a lot of money to replace equipment, which we've been doing. Prior to that we got zero for a couple two, three years and so, and prior to that I'm not sure what the numbers were. But those zeroes just delay things, right, and so that's why we've been having to, you know, to come back. We're very grateful and appreciative of the monies we've had and stuff we've been replacing. It's going to make us more efficient. It may allow us to do more. I mean the equipment takes the place of so many, you know, people hours. If you had to do it by hand it would be ridiculous. So I could, yeah, I could come up with some kind of list I guess and try to look at the whole thing --

COUNCILMEMBER COUCH: No I was just curious.

MR. GOODE: --and then you get an idea of like wow, where are we and what's coming.

COUNCILMEMBER COUCH: Right. We have 15 years worth of 15-year-old equipment every year so it's always going to be coming around. And, Mr. Chair, another thought we talked about philosophy versus leasing and whatnot, I kind of agree that if, if this is an equipment that can last 10, 15 years it's better that everybody chip in on it and not just the people who are here now. Anybody who comes later in the form of debt service as opposed to pay for it in cash right now. It's kind of everybody is easing or sharing in on the burden is my philosophy on equipment like this as well. So just a thought. Thank you, Chair.

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VICE-CHAIR WHITE: Mr. Goode, I've noticed that you've bought about \$740,000 of unbudgeted equipment. Can you explain to us why you spent it on the items that you purchased instead of on any one of these replacement items or additional items?

MR. GOODE: Are you talking about Fiscal Year '15, '14?

VICE-CHAIR WHITE: This fiscal year.

MR. GOODE: This fiscal year. Yes, we had a few things happen in this fiscal year. One is we had some savings on some of the items we went out to purchase. When we go to, like the numbers we provided you today for this equipment, we go to the...our head automotive services coordinator goes to the dealers here and says hey we're looking at replacing this type of equipment what number should I be plugging in. And sometimes those numbers are good and sometimes they're overestimated and we've had cases where they're underestimated. But they realize that we're giving them a budget number so we have a little bit of play. And so this year we had some items where we've requested I think two or three of something and we only bought one because of some other needs we felt like were being met and we have some savings. So when we had the savings in equipment we look to see, you know, what our current needs were and then we go through a process, I think it's called TEPs, is that Travel and Equipment Purchase. I'm looking at Sandy for the exact name for it. But if we want, if our Highways Division wants to buy something that's not budgeted it'll process internally for that, of course we have to have the money available. And it goes through myself and then it goes through I believe Sandy, Finance, and the Mayor. And so this year we had some savings. We probably have a little bit of savings in our A Account because we weren't able to hire some of the pavement preservation folks 'til late in this year, and we may have had slight savings in some electricity. So it all added up to us being able to purchase the unbudgeted equipment.

VICE-CHAIR WHITE: Okay. I see you bought one 8-cubic yard dump truck already, right?

MR. GOODE: Yeah, I can't remember which district that was in.

VICE-CHAIR WHITE: We don't have an idea what that, what district it was for either.

MR. GOODE: Looks like it was, I have some numbers here, I think it might be Wailuku, oh, no Makawao, Makawao. We've actually been running our dumps pretty hard the last year or so when we've been doing our in-house paving. We also do our own in-house hauling. So we have like when we're doing Kahakuloa right now for instance Lahaina will chip in, Makawao, of course, Wailuku and the district supervisors all work together on these types of paving projects too to help out. And so the dump trucks have been getting a lot of work.

COUNCILMEMBER COUCH: Mr. Chair?

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VICE-CHAIR WHITE: I guess my question is what aided you in making the decision to if it was for Makawao, to buy the dump truck instead of the bush blazer or whatever it is?

COUNCILMEMBER COUCH: Bush cutter.

VICE-CHAIR WHITE: Bush cutter. Thank you, Mr. Couch.

MR. GOODE: Well, each district has its priority list and so by being able to purchase this unbudgeted item the brush cutter became number one. So instead of being number two on the list it became number one on the list.

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER COUCH: Mr. Chair, a follow up to that?

VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: So to put in other words is that, whatever you bought that D-8 or I'm sorry the 8-cubic yard dump truck would have been on this list if you weren't able to purchase it? Okay.

MR. GOODE: Correct.

COUNCILMEMBER COUCH: All right. So something, the only reason it's, that equipment isn't on the list is 'cause you already, you just bought it?

MR. GOODE: Correct.

COUNCILMEMBER COUCH: Okay. Thank you.

VICE-CHAIR WHITE: Okay. Members, any other questions for Public Works? If not, thank you very much, Director.

MR. GOODE: All right. Thank you.

VICE-CHAIR WHITE: And okay, we'll move on to Solid Waste. We'll take a brief recess.  
...*(gavel)*...

RECESS: 3:37 p.m.  
RECONVENE: 3:40 p.m.

VICE-CHAIR WHITE: ...*(gavel)*... This meeting of the Budget and Finance Committee will come back to order and we'll now proceed with the review of the equipment bond items for the Department of Environmental Management.

COUNCILMEMBER VICTORINO: What page, Chair?

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VICE-CHAIR WHITE: It's on the same Page 728.

COUNCILMEMBER VICTORINO: Oh, okay, yeah, right here. I'm sorry. I apologize.

VICE-CHAIR WHITE: It's right above the Public Works item.

COUNCILMEMBER VICTORINO: Right. Thank you, Chair.

COUNCILMEMBER COUCH: Seven twenty-eight?

COUNCILMEMBER VICTORINO: Seven twenty-eight, yeah.

VICE-CHAIR WHITE: Everybody on the right page? Mr. Miyamoto, please proceed or Mr. Ratte, whichever one of you is going to be doing the presentation.

**Department of Environmental Management**  
**(Solid Waste Division)**

MR. MIYAMOTO: Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you.

MR. MIYAMOTO: We're requesting seven pieces of equipment, three of which are refuse trucks. Out of the seven, two are new and the rest are replacements. The first piece of equipment that we're looking at is a D-8 dozer at our Central Maui Landfill. The second piece is the water truck, a 4,000-gallon water truck at the Central Maui Landfill to help us with our dust control. Then we have at the Central Maui Landfill a roll on/roll off truck to help us with the residential bins that we have there. We have some, you know, for when residents come in to drop their trash off for free we have these bins that the truck would help us take to the face of the landfill. And then we have a loader that helps us with maintenance of the landfill, and then we have the three refuse trucks. Two refuse trucks in Makawao and one in Lahaina. And so, Mr. Chair, we can get into the details if you want.

VICE-CHAIR WHITE: Okay. Yeah, please go through each one in whatever detail you feel is appropriate beginning with the dozer.

MR. RATTE: Thank you, Mr. Chair. Yeah I'll go through the detail and then can answer questions after if you guys have 'em. The D-8 dozer is at our Central Maui Landfill. It has 16,000 hours on it. It is reaching nearly 9½ years old but the hours are a little more critical than the actual age of the equipment. This is definitely a workhorse at the landfill and needed on a daily basis. We do have over 75 acres of land space there at the landfill that that has to be available for on a regular basis. Our maintenance cost per year are averaging about \$50,000 a year over the last two years, and the

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downtime that we've experienced there is over 500 hours a year. So roughly 35 days a year of downtime. So what that corresponds to is additional premium pay to get work done at the end of the day using other equipment that's whether that's a backhoe or something else is less efficient. So what we see this is as reached the end of its useful life and our cost for maintenance beyond what the value of it is.

VICE-CHAIR WHITE: Okay. And you didn't request a dozer last year, right?

MR. RATTE: No, I don't believe so. I don't have records for every landfill right in front of me for last year but I don't believe we did.

VICE-CHAIR WHITE: Okay. Yeah, we don't show one on my list. Members, questions regarding the dozer? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And on the D-8 dozer you want a million what?

MR. RATTE: One million fifty thousand.

COUNCILMEMBER COUCH: Okay. And where do you get that price?

MR. RATTE: We've got a quote for roughly, I think that quote that we got was about a year ago at 995,000 I believe. So we do put in factors for inflation and based on the time from then 'til when we actually will put this out to bid so we have to factor that in as well. But we did get multiple quotes for that equipment. It is expensive as you heard Mr. Goode ask for one similar. Ours requires a special blade and special equipment to be utilized for landfill use.

COUNCILMEMBER COUCH: Okay. And are we talking about the water truck too or it's just the...

VICE-CHAIR WHITE: We'll let him explain the water truck and then we'll move to that.

COUNCILMEMBER COUCH: Okay. Thank you.

VICE-CHAIR WHITE: Okay. Proceed with the water truck.

MR. RATTE: Okay. This is a 4,000-gallon water truck also at the Central Maui Landfill. This is actually a new piece of equipment not a replacement. We do have an existing truck; however, that truck is mainly for potable water use and not for leachate hauling. This truck that we're looking to get now will mainly be used for leachate hauling on a regular basis as well as during emergencies. As you guys may or not be aware we've had some, we have a compliance permit that requires us to limit the amount of leachate that is accumulated in the landfill. So this piece of equipment is directly related to that. It also does have a water cannon on it for fire control if we needed that in an emergency for fire suppression at the landfill.

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VICE-CHAIR WHITE: Okay. Questions on the water truck, Members? I note that the, this 4,000-gallon tanker is costing 300,000 versus Public Works at 395,000. Do you know what the difference is? Is it the \_\_\_\_ ability or?

MR. RATTE: I'm not sure of what accessories or components they might have on there but different trucks may have pumper truck capability versus not.

MR. MIYAMOTO: Mr. Chair, I think you're looking at the grader price for Public Works the 395.

VICE-CHAIR WHITE: No, I don't think I was. You know on our second page there's a picture of a 4,000-gallon tanker at 395, but anyway that's a question more appropriately asked of Public Works. So we'll ask them to give us some information. Any other questions on the water truck, Members?

COUNCILMEMBER COUCH: Yes, Mr. Chair.

VICE-CHAIR WHITE: Mr. Couch?

COUNCILMEMBER COUCH: How old did you say it was?

MR. RATTE: This is actually a new vehicle.

COUNCILMEMBER COUCH: Oh, this is going to be a new.

MR. RATTE: Yeah.

COUNCILMEMBER COUCH: Okay. And, Mr. White, you asked the question I was going to ask what the difference in the two are. Thank you.

VICE-CHAIR WHITE: And you don't have other, access to other water trucks to use for this purpose?

MR. RATTE: We would potentially and we have utilized outsourcing from contractors available for that; however, our needs are on a pretty routine basis and sometimes in an emergency basis in the middle of the night depending if there's, you know, two, three, four days worth of rain where we have to address that leachate level as well. So we have utilized outsourcing but with leachate, the equipment, it's internal to the truck itself and all the plumbing inside is so corrosive that it's at times difficult to find, to outsource that at all. Other than, you know, most of those other vehicles they use 'em for non-potable water uses but the leachate is specific and very corrosive so that's a difficult thing sometimes to outsource for us.

VICE-CHAIR WHITE: Okay. Thank you.

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COUNCILMEMBER CRIVELLO: Chair, may I ask a question?

VICE-CHAIR WHITE: Yes. Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you. You mentioned that you outsourced the usage or utilization of this type of vehicle but you also mentioned that it's a requirement because of compliance. So at this, because this is new for you how do you work out your outsourcing and the provisions of having the equipment available?

MR. RATTE: Right. That's a good question. We do have as I mentioned another existing older water truck that we do have there that is utilized in the past from in-house but that truck is not geared up to actually sustain us for hauling leachate because it doesn't have the stainless components inside that truck. So our plan was to keep that old one, keep it in repair and maintain that one and use that for our non-potable water uses at Central Maui. And get this new truck with stainless components to actually enable us to haul the leachate. That other truck is not made for hauling of this kind of material, so we will make use of both, and both can actually also be utilized in Hana and outer islands as well in the case of, if we had to ship it from time to time. But the outsourcing of the leachate has been a challenge for us because of that corrosiveness. So it's not a sustainable plan for us to rely on outsourcing that to pumper truck companies.

COUNCILMEMBER CRIVELLO: Chair? So I guess what we have today is not reliable for us to meet the required compliance. So how long have we not been able to meet the required compliance with what we have existing?

MR. RATTE: I would say we've been fortunate in that we've been able to maintain leachate levels with re-circulating within the facility; however, it is a risk that we would rather not continue to take any further. This is one of those things where we're trying to be proactive to try and realize okay this is something we should have. We did get into some trouble a couple of years back with the Department of Health. We can provide that data but we did receive a fine from them for leachate, I think it was 121,000 just a couple years back for this very related type of an issue.

COUNCILMEMBER CRIVELLO: Okay, but this is the first time you're requesting this type of equipment --

MR. RATTE: I believe so.

COUNCILMEMBER CRIVELLO: --even with what happened two years ago?

MR. RATTE: I would have to double check but I believe so. Yes.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

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VICE-CHAIR WHITE: Members, any other questions on the tanker? Seeing none, let's move on to the next item.

MR. RATTE: Okay. We have a roll-off truck at Central Maui Landfill that we'd like to be replaced. This is actually a 2004 GMC truck that we have there. So it will be 10½ to 11 years old by the time we replace it. The mileage on it is about 190,000 miles with over 13,000 hours on it. This truck does allow for, basically it's used at the drop-off area for residents to come and take our bins from up top down to the working face of the landfill. So we're constantly relocating those up and back. So this is more of a safety concern and customer service concern that we have presently because this existing one is basically inoperable and hasn't been used for over the last six months to a year I believe because it's just, the repair cost exceed the value of the equipment. So for the 250,000 we can get a new roll-off truck to enable us to address these safety concerns 'cause if we don't recirculate those bins fast enough the public will keep loading them up top. And they're not as concerned about where that level of trash is as we are of course but when the winds blowing around down there there's a safety concern of windblown debris as well as just poor customer service if we're not recirculating them fast enough. So this is something that is definitely justified in our opinion to provide that customer service and address the safety.

VICE-CHAIR WHITE: Okay. Members, questions? Seeing none, let's move on to the next item 950 wheel loader.

MR. RATTE: Okay. The 950 wheel loader is also at Central Maui Landfill. This is a new piece of equipment that we're requesting. Currently the landfill has just one loader for the operations and maintenance of the landfill. The loaders are an essential piece of equipment necessary to maintain and operate our landfills. There's times when our existing loader is unavailable or in repair so having this not only using it on a day-to-day basis but also as backup at times when that existing loader goes down. Again, keeping in mind we do have over 75 acres of land there and this is another main workhorse force there. It also would be used for a backup for Hana, and Lanai, and Molokai. Sometimes when this equipment goes down it's down for weeks and sometimes months at a time. So, in times like those we would even ship this off island for a backup for those outer landfills as well as for Hana.

VICE-CHAIR WHITE: Members, questions on the loader? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Is that the same thing as a 950-J loader? Is that a different...

MR. RATTE: I'm not sure what the J designation is for. It's probably a specialty type of bucket perhaps on the front of that piece of equipment. We can try to get that information for you if want from Public Works.

COUNCILMEMBER COUCH: I think Mr. Baz might have a picture.

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MR. RATTE: Yeah, I believe the front bucket on this a fair bit different than what we would actually utilize for at the landfill.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

COUNCILMEMBER VICTORINO: And Chair?

VICE-CHAIR WHITE: Mr. Victorino?

COUNCILMEMBER VICTORINO: Just so that I'm clear, the utilization of that loader is every day for, it's a continuous usage?

MR. RATTE: That's correct.

COUNCILMEMBER VICTORINO: So you need to have it on property for that purpose?

MR. RATTE: Right. So there's been times when our existing one goes down, we're either having to farm that out to other contractors to come in to help us at the landfill or we're just without and having to use like a backhoe or something like that which is extremely inefficient as you can imagine for that type of purpose. But, so we use that to move our litter screens around the landfill, which are big massive screens that help litter from blowing up top. We use it to load dump trucks. We grade the tipping area with those trucks and we remove and relocate debris that's surrounding the landfill. And rentals are available and we have expended cost for those; however, for our day-to-day use the requirement to actually get rentals in a timely manner doesn't really suit our needs in that capacity nor is it cost effective in the long run.

COUNCILMEMBER VICTORINO: Okay. Thank you. I just, I think what a lot of us are thinking that different departments are asking for very similar equipment and if there's some kind of interaction of sharing. But if something you need every day and Public Works need it somewhere else or if it's Makena and you need it today. I just wanted to find that out, Mr. Chair. And okay and, you know, I guess that's what we're trying to get to now, Mr. Ratte. Thank you, Mr. Chair.

VICE-CHAIR WHITE: Mr. Ratte, what kind of experience are you having with the downtime on the existing loader? How much have we spent on repairs?

MR. RATTE: I don't have the actual repair cost right now. I do know that we have it as down on the order of 10 to 15 times a year and each particular time can be a matter of days up to a matter of a couple of weeks, and that varies but it has become increasingly more so. But again this reason for this new piece of equipment was not only for Central Maui but also to be utilized as backup for Hana, Lanai, and Molokai. So we saw it as a multipurpose kind of piece of equipment that we could kind of do what, similar to what Mr. Victorino was saying kind of an in-house basis for all of our landfills.

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VICE-CHAIR WHITE: Yeah, but so that means you're going to be hanging on to the existing one --

MR. RATTE: Correct.

VICE-CHAIR WHITE: --as the backup.

MR. RATTE: Correct.

VICE-CHAIR WHITE: Okay. Members, any other questions? Okay. Moving on to the next item two 28-cubic yard refuse trucks.

MR. RATTE: Yes, these both are for our Upcountry Makawao location which actually also serves Paia-Haiku and in country I guess we would call that as well. Both of these vehicles are over nine years old. Estimated useful life industry wide is on the order of five to seven years. The reason it's so short is just because of the level of use that these vehicles get. Automated trucks there's thousands and thousands of picks on these things and it simply gets used in that fashion and that's why the useful life is so short. That being said we've also done some studies as to the amount of maintenance cost that we've had and that's on the order of \$110,000 a year over the last two years on average for truck no. 1382 and over \$100,000 a year for truck no. 1384 in repair costs. If you look at that and you're dividing the cost for the truck by that cost you can see that it is more expensive to repair this thing than it is to buy new when it reaches that level. In addition to that we have approximately 15 percent downtime, which is about three days a month being offline. When you compare that to the amount of missed routes that we have and delayed routes Upcountry it becomes a significant community impact when it gets to this level. So, our recommendation is to replace both of these trucks and it is commensurate with our normal estimated useful life and repair schedule.

VICE-CHAIR WHITE: How much trucks do you have in the Upcountry and Makawao area?

MR. RATTE: I don't have that right in front of me here. I can certainly get that.

VICE-CHAIR WHITE: The reason I ask is that we approved two 28-Cubic Yard Automated Trucks for Upcountry in last year's Budget.

MR. RATTE: Right. I think another component to that question is the total number of automated routes versus manual. We can get that information maybe even before we're done here I can have it for the Council.

VICE-CHAIR WHITE: Okay. Thank you. Members, questions on the two automated trucks? Okay.

COUNCILMEMBER COCHRAN: Chair?

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VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: And so these will be automated also though?

MR. RATTE: That's correct.

COUNCILMEMBER COCHRAN: Okay. Not like purchasing something not automated --

MR. RATTE: Right.

COUNCILMEMBER COCHRAN: --'cause it's like replacing automated but it doesn't state this is automated.

MR. RATTE: Correct. That's correct.

COUNCILMEMBER COCHRAN: Okay. Okay.

VICE-CHAIR WHITE: And what were the prices you were able to secure the trucks that were allocated in this year's budget for?

MR. RATTE: I can try to get that information for you.

VICE-CHAIR WHITE: Actually we might have it.

MR. RATTE: It's about 409,000 each. So we have a factor of, for inflation in there so we have enough in our budget to pay for the new ones.

VICE-CHAIR WHITE: Okay. Yeah, we show 815 out of the 819 you had projected so that's pretty close. Okay, Members, questions on the automated refuse trucks? Seeing none, we'll move on to the last item, a refuse truck in the amount of \$420 or \$420,000.

MR. RATTE: Yes. Thank you, Chair. This is for Lahaina Baseyard. This is another 28-cubic yard automated truck. This is actually, also will be about nine years old. Again estimated useful life industry wide is five to seven years. The mileage on this thing is nearly 100,000 miles as well. The challenge we have with this and any equipment from Lahaina is that it is actually traveling, not only picking up the route but bringing it all the way to the Central Maui Landfill. The repair and maintenance cost over the past couple years averaging close to \$60,000 a year and the occurrences per year is about 36 days where it's been offline on average for the past two years. So when this happens as with any of our refuse trucks as well as the ones I just mentioned in Makawao, when the truck is offline whether it happens on the road or whether it's just offline what that equates to is additional premium pay potentially when staff has to do a double route that day or come back in the next day on overtime to do that route. So that component of cost is on the order of about \$350 per route when that takes place. So that's about 12 to \$14,000 a year that we spend on this particular truck just in

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premium pay when it's offline. So that's a component that we use to determine whether something is worthwhile to continue to repair and maintain versus replace.

VICE-CHAIR WHITE: Okay. Thank you. How many backup trucks do you have now of the automated and the back loading refuse variety?

MR. RATTE: In Lahaina we have one. There's one automated truck and one manual truck there in Lahaina.

VICE-CHAIR WHITE: That's...

MR. RATTE: You can't use both obviously for either use. We use our automated trucks...

VICE-CHAIR WHITE: No, wait, I'm sorry. Are those backups or that's?

MR. RATTE: It's one automated and one manual only there. Our backups we would utilize trucks from Central --

VICE-CHAIR WHITE: Okay.

MR. RATTE: --Makawao or Lahaina. So we kind of have a pool of vehicles that can be used at any of those three baseyards.

VICE-CHAIR WHITE: How many backup pieces do you have of each type of equipment?

MR. RATTE: I believe we only have one. What my notes say here is one auto and one manual backup total.

VICE-CHAIR WHITE: Okay.

MR. RATTE: So at times when any equipment is down we can absorb that but with all the vehicles we have island wide when more than one goes down in an area that's when we're experiences the overtime for a double route or for bringing somebody in using the same piece of equipment on a double shift.

VICE-CHAIR WHITE: Okay. But the trucks that are being replaced this year, will you be holding the one or two of those pieces as backup?

MR. RATTE: No we would not. These are trucks that we feel are not fiscally responsible to repair or rehab at this point.

VICE-CHAIR WHITE: Okay. Any other questions, Members? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so this is the same type of vehicle as the previous two that you're asking for?

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MR. RATTE: Correct.

COUNCILMEMBER COCHRAN: And yet the other two are 409 each and this is a 420?

MR. RATTE: I think the 409 was the quote that we had gotten when we put our budget together. I'm sorry if there was a misunderstanding there. So we put a factor of inflation there to ensure we have enough money in the budget to cover it when this actually goes out to bid, you know, we're talking August, September of this year.

COUNCILMEMBER COCHRAN: Okay. That's all, Chair.

VICE-CHAIR WHITE: Okay. Any other questions on the equipment bond --

COUNCILMEMBER COCHRAN: I think...

VICE-CHAIR WHITE: --or on other Solid Waste items while they're here? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Is this where we revisit some of the...

VICE-CHAIR WHITE: If you have items to revisit we still have the Clerk and the County Auditor to go through, but please, please go ahead.

COUNCILMEMBER CRIVELLO: Thank you, gentlemen, for being here. I have some questions in regards to your employee expansions. And I know in most of your explanation it's the ditto ditto of regulatory compliance support. So if we can look at the 5-56 and I have quite a number of pages but all in all is let's start with 5-56 on the Solid Waste Administration Program. The proposed expansion for a Civil Engineer III, you have other Civil Engineers IV, Mechanical Engineer. And the other engineers cannot deal with the regulatory compliance support?

MR. RATTE: In general looking at the past ten years of history of the division and looking at our regulatory compliance track record, I would say unequivocally no. We have looked divisionwide as far as all engineering responsibilities. Those specifically associated with regulatory compliance as well as all of our operations and engineering projects at our landfills and closed landfills. We have a number of areas that we're not even doing work that we should be doing now in. So we've already had to prioritize in a very strict manner, but just refreshing we do have on average of over ten CIP projects ongoing, over 40 regulatory permits in the division, and on the order of 50 operations engineering projects on three islands and Hana. So, yeah, our current engineering staff is, we're well understaffed to address that in a sustainable and in-compliant manner I would say.

COUNCILMEMBER CRIVELLO: Okay. I mean not that I agree with your explanation but I can appreciate that. Also, you have on Page 5-65 in your Central Landfill, your Construction Equipment Mechanic II but you also, let's see you have a Construction Mechanic Equipment, Construction Equipment Mechanic II and Mechanic I. Are

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those both, so right now you don't have any mechanics is that what I am to understand?

MR. RATTE: That's correct.

COUNCILMEMBER CRIVELLO: So who repairs?

MR. RATTE: Right now we outsource almost all of our repairs that go on at Central Maui. Just to give you an order of understanding of our infrastructure we have probably over \$50 million worth of heavy rolling equipment at our landfills without any in-house mechanics or maintenance staff whatsoever. Currently some of our staff does what they can. I will say that some of that work potentially is out of class work that they're doing. That being said our thoughts with these mechanics is in building a beginning of a maintenance program for us at Central Maui Landfill to enable longer term planning and tracking of our maintenance needs there. We don't have anybody that's dedicated to do that whatsoever right now so it's kind of a run to failure and then the equipments down. It's down for a longer period of time because it's unplanned. So we want to create a maintenance program there. This is the start of that and the start of this maintenance connection program that's similar to what Wastewater has done over the last five or six years where we're actually planning and tracking and forecasting maintenance needs rather than just running to failure. Obviously outsourcing that takes time and the downtime is much longer than it should be and more expensive.

COUNCILMEMBER CRIVELLO: Even with all the percentage of benefits and liabilities that come with new employees you're saying outsourcing is more costly?

MR. RATTE: Definitely. It's more costly from a fiscal perspective and it's also more costly from an environmental or downtime perspective. I mean to have this amount of equipment in our landfills without any in-house staff whatsoever to do routine maintenance. I'm not talking these guys aren't going to be replacing heavy equipment replacement. They're going to be taking care of hydraulic hoses and lines and doing routine maintenance items that can keep our equipment running, and taking it offline on a planned bases versus running it 'til failure and then outsourcing that when it's down for days when it could be just planned for hours. So there's a fiscal component as well as the actual environmental and community service component that this will address.

COUNCILMEMBER CRIVELLO: Okay. The other one I have is the Landfill Equipment Operator for Hana. I can see the need for that but when we were in Hana, residents made mention of the contracting of green waste and I note here you have a more detailed description for this position. What's the possibility of having this position also managing or prepping the green waste for community use?

MR. RATTE: Green waste by itself if it's not processed it is relatively easy if the public wanted to come and pick that up. I think that the disparity there is that the public in Hana potentially may want compost, which is what we've heard or mulch, which

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requires processing. This position that we're asking for here is actually to give us a dedicated operator at that site and to allow the working supervisor there to manage the site, to oversee it, to do planning, to do budgeting, to oversee the ancillary location in Hana that we also get involved with which is the cinder pit out there. We also have a recycle center there as well. So when our only person with an operator abilities there is the supervisor and that person is out on the working face a majority of the time we obviously aren't able to do that management and oversight. So we have a disparity there. Certainly if there were limited processing involved. I mean anything is possible. Our thoughts with green waste however is, and we've I think provided some information to Councilman Carroll for a couple of responses regarding working with the Hana community to come up with a local solution for processing of green waste into actual compost or mulch that would be available. So we're actively seeking that out as well at the same time.

COUNCILMEMBER CRIVELLO: Oh, okay, that's good to know. One last one, Chair. On Page 5-97 you have I note you're transferring Solid Waste employees to, you have three recycling, two Recycling Specialist and one Coordinator. Are those existing from Solid Waste?

MR. RATTE: That's correct.

COUNCILMEMBER CRIVELLO: And where are they located today?

MR. RATTE: Physically located, their office is on Wells Street here in Wailuku.

COUNCILMEMBER CRIVELLO: And so you're just going to put them under the Sustainability Program?

MR. RATTE: That's correct.

COUNCILMEMBER CRIVELLO: Is that the intent?

MR. RATTE: Yeah. Without any expansion positions, without any additional budget per se for that, what our vision was was to create a new division with the same employees but have the ability for them to have priorities that are landfill diversion and recycling orientated rather than being combined with the Operations Program, which as Council knows and as the County has mentioned that that combining of that has been difficult. Because the priorities for landfill that is heavily regulated from an operation perspective versus recycling and diversion has different sets of goals and priorities that the thought is in taking Council's suggestions from last year and some of the criticisms that we've had is to create this to try to solve that and make it a win-win for not only the landfill and operations to be able to dedicate that effort there but also for recycling and diversion to have their own division to be able to focus on their priorities.

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COUNCILMEMBER CRIVELLO: Okay. Thank you. I appreciate it. I really hope there will be more consideration to sort of combine all the regulatory oversight. I mean, you know, how many pages do you have for each landfill or how many closures you have? And why do you have to have a specialist, if you want to call 'em that, for every other landfill to meet the closure or compliance requirements? It's like right now you mentioned I think you're bringing somebody from the mainland, right, you have that outsourced? Is that correct? No?

MR. RATTE: Chair? For some of our regulatory compliance efforts at some of our landfills, yes, we do bring in consultants from the mainland to do that. Some of it is very highly specialized and highly technical and may only happen every quarter or once a year some of these reports. So we bring in outsourcing for that. That's a little different work than the operators that we're talking about at our landfills that actually do the operations.

COUNCILMEMBER CRIVELLO: Or the engineers that you're looking to be the --

MR. RATTE: Basically.

COUNCILMEMBER CRIVELLO: --oversight or overseers of compliance and regulation.

MR. RATTE: Right.

COUNCILMEMBER CRIVELLO: And you will still have these people who come up only quarterly. So in the meantime...

MR. RATTE: Yes.

COUNCILMEMBER CRIVELLO: I'm just trying to understand why you have to have so many of these positions to meet the compliance if...

MR. RATTE: Right.

COUNCILMEMBER CRIVELLO: But that's, no need, okay. Thank you.

VICE-CHAIR WHITE: Okay. Any other questions for Solid Waste? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. This is our last hurrah with them. I'm just kidding it's always a party with you guys.

VICE-CHAIR WHITE: I'm sure we'll see them next week as well.

COUNCILMEMBER COCHRAN: Okay. So, number one, Malama Maui Nui their proposed, your folks' proposed budget for them 155,500 and I'm wondering does that encompass them picking up appliances in the neighborhoods?

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MR. RATTE: I'm sorry do you have a page number?

COUNCILMEMBER COCHRAN: Oh, sorry I'm kind of just getting that figure from our narrative budget book on Page 180. It breaks down your folks' grant subsidies and it's basically Malama Maui Nui at 155. And it gives a brief description of what it is they provide in services.

VICE-CHAIR WHITE: Ms. Cochran, Staff has mentioned that that's in the Admin Section not in the Operations, not in the Solid Waste Operations. It's in Environmental Management Admin I believe.

MR. MIYAMOTO: Mr. Chair?

COUNCILMEMBER COCHRAN: Oh, okay.

MR. MIYAMOTO: I can shed some light on that. That was the grant that used to be in the Housing and Human Concerns Department and since the funding came from highway beautification they felt that we were better suited to manage that. So I think last year was the first year that it was transferred to us, and so they provide, you know, the various services for, you know, litter pickups, invasive species removal. They can go on private property whereas we can't so we utilize them in that aspect a lot. And they do some training education for us. They do hold some community recycling. You see some of these Adopt a Highway type deals that they're helping out with.

COUNCILMEMBER COCHRAN: Right. Well, Chair, I'm looking to see if they can assist with household appliance pickup in neighborhoods. Because as I understand at least in Lahaina it's been difficult with staffing and what have you and it's kind of not like on a high list of priorities to do so things tend to sit week after week ending up into months perhaps at times. So I thought if more funding could go to these folks to maybe incorporate this type of service into, under their grant umbrella or something to that effect.

MR. MIYAMOTO: Yeah, having been in Public Works I remember when we had this roadside littering issue and whenever there was a problem with appliances I would send Community Work Day at the time a notice telling them what was there. I would get an inventory of what appliances were there. I would send them a map where it was located roughly and then they could pick it up. If people are leaving their appliances on the side of the road then we can certainly, we've certainly used them in that aspect. If people want to get us to pick it up then, you know, they shouldn't be leaving it on the side of the road until we let them know when we're scheduling that pickup. I think we try to call at least 24 hours in advance we try to notify them that hey we're going to have this week or we're going to have it tomorrow, put your appliance out, put your street number on it so that we know we're picking up the right one. So, yeah, Malama Maui Nui can be, can assist with that and they have, they have.

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COUNCILMEMBER COCHRAN: Okay. But I would like to take it off your plate. I haven't spoken to them. I'm just saying what kind of figure though do you feel they would need in order to incorporate it into their current level of service, is what I'm trying to get at?

MR. MIYAMOTO: That would be something we'd have to check with them because, you know, they're going to want to know how often and if it's islandwide. They already pretty much handle islandwide 'cause we do get a lot of public complaints and then we ask them to go out and they'll go out and send a guy out and take a look at it. We're supporting them in the landfill diversion grant process also with some additional funding to help them to, I think in the past we've provided them with funds to purchase a vehicle, a truck to help with the, one of those lift gates so that they can lift the appliances into the truck. So we've supported them in that aspect of it and to be honest I really don't know how much more they would want if it was going to be, they would want to know how much do we anticipate, you know, that increasing above what they normally do now.

COUNCILMEMBER COCHRAN: Right. Okay, just to bounce it off you folks. And as in West Maui has there been discussion at all in regards to building Solid Waste own baseyard? Because all the other districts have one and now they're kind of cramped and sort of, you know, tucked in there with Public Works and everyone or Wastewater I think. Maybe like at the Olowalu transfer site or something.

MR. MIYAMOTO: Yeah, we've actually, you know, a few years back we actually tried to look for a recycling center and that was a failure because it was just so difficult and the prices of the land we were looking for were just...was out there, was just expensive. The one site I was thinking about was like you're saying, you know, in that area where that industrial area above the Cannery Mall in that area. And when we looked at that, you know, we would need probably two or three vacant lots adjacent to each other. Similar to like what I think Highways had done on Molokai they had bought several lots so that they could have a contiguous baseyard. So we would probably need about two or three vacant lots and those lots go for a lot, the vacant lots that are on that development mauka of the highway. So finding the land has been our challenge. So we've moved them around in our Wastewater Treatment Plant for now but yeah it would be nice to find them a permanent home.

COUNCILMEMBER COCHRAN: But you have not looked into the Olowalu area where the closed landfill area is and where trash gets brought to already and?

MR. MIYAMOTO: I guess the challenge we have there in being in Olowalu because we have the refuse routes are mainly in Lahaina and in that area, so now we're driving out to drive back and then we drive in. I guess it's like you're saying it would take us longer to respond in the morning. We'd probably, you know, we'd probably start at 5:00 and by the time we get to the first route it might be 5:30 or a little bit later. So yeah timingwise it can be a challenge because now it's taking longer to get there, they're picking up the same amount of time, and then they're driving to the landfill. So they

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may be able to get one dump at the landfill but if they need to get a second dump they may not be able to do it, you know, in that day. The timing of it because the landfill will close, 3 o'clock the landfill closes so you can imagine trying to make two trips to the landfill in one day from the Lahaina area.

COUNCILMEMBER COCHRAN: So an entire new baseyard strictly dedicated to Solid Waste wouldn't help assist in all of that?

VICE-CHAIR WHITE: Ms. Cochran, I'm going to ask you to have this conversation on the side since it's not necessarily something that we're able to deal with right now.

COUNCILMEMBER COCHRAN: I was looking to maybe put money in the budget, but going to Mr. Baz in regards to all the heavy equipment we just discussed is there an overarching bundling kind of concept happening here too?

MR. BAZ: Thank you, Mr. Chair. I know the Department of Finance Purchasing Division does bundle equipment and mostly vehicle purchases when there's a significant amount of them. From what I know and even listening to the discussion today the needs of the different departments and the types of equipment they're purchasing the specifications are different for each equipment. So I don't know that we would get necessarily a better deal trying to bundle and buy three D-8's at once or anything like that 'cause they're so different in what they're asking for. But I can definitely talk to Purchasing and see if they can work that on equipment as well but definitely for the vehicle purchases we do that, we do bundling.

COUNCILMEMBER COCHRAN: Well, I'm thinking, you know, you have overarching companies Hawthorne, John Deere, they all carry all these different varieties of equipment. So if you went to one company and said hey we want D-8's, D-7's, skip whatever, all this list, how can we...

MR. BAZ: Yeah. Unfortunately we can't do that. We're required to, we can't negotiate with bidders. We have to put it out to bid and they have to bid on it. So, you know, yeah, they may look at us and say wow we're going to, you know, we're going to spend \$8 million on equipment and they're all happy just because they know what's coming as far as a bid is coming. But we can't negotiate with them to say hey, you know, if we buy all of this equipment from you then can you give us a better deal, that's not allowed by State procurement unfortunately.

COUNCILMEMBER COCHRAN: Okay. Thank you.

VICE-CHAIR WHITE: Okay. Members, we're going to move on to the Office of the County Auditor. And I want to thank the Solid Waste Division and Mr. Miyamoto for being here this afternoon. And the Chair's intent is to go until...

COUNCILMEMBER CARROLL: Chair? Chair?

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VICE-CHAIR WHITE: Yes, Mr. Carroll.

COUNCILMEMBER CARROLL: No, I just would like to say that myself and the community appreciate the Department going the extra mile to work with the community on the green waste trying to find a solution for that that will better for all of us, the County and the community. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Carroll. The Chair's intent is to go until 5:00. We have a public hearing this evening at 6:00 and since the Clerks are handling the public hearing section if we can't get to them by 5:00 we'll take them up after the public hearing. So with that I want to thank you, gentlemen. And the Auditor is here and ready to go. Just take a very brief recess. Please stay right in your seats. . . .(gavel). . .

RECESS: 4:30 p.m.  
RECONVENE: 4:31 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . .presentation by the Auditor. Please provide whatever opening comments you'd like to provide and then go through your Admin Program.

**OFFICE OF THE COUNTY AUDITOR**

MR. TAGUCHI: Thank you, Chair White. Lance Taguchi, County Auditor. Thank you for this opportunity to discuss the proposed 2016 Budget of the Office of the County Auditor. As you're aware the mission of the County Auditor's Office is to serve as a catalyst for positive change in County Government through focused independent audits and examinations, advocate for efficient appropriate use for public resources, increase government transparency for the purpose of bringing a higher quality of life to the citizens of Maui County. The Office of the County Auditor consists of a County Auditor, two Senior Analysts, and an Administrative Officer. Our office is responsible for promoting economy, efficiency, improved service in the transaction of public business in both the Legislative and Executive Branches. We adhere to very rigorous and demanding professional audits requirements described in Generally Accepted Government Auditing Standards more commonly known as Yellow Book Standards. These are the same standards utilized by the State Auditor and the other county auditor offices throughout the State and the mainland. The Office of the County Auditor has completed its Charter mandated projects, which includes the audit of the Comprehensive Annual Financial Report for Fiscal Year 2014, which we transmitted on January 27, 2015, the audit of the Department of Water Supply Financial Report for Fiscal Year 2014, which we transmitted on February 5, 2015. The single audit reports for the Federal Financial Assistance Programs for Fiscal Year 2014, which we transmitted on March 19, 2015. These audits were performed by N&K CPAs, Inc. with oversight from our office. In addition to these audits our contract with N&K CPAs was amended to include an audit of the Supplementary Schedule for the Section 8 and HOME Programs and to perform agreed upon procedures for the Section 8 and HOME

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Programs. These audits and procedures were completed as of March 20, 2015. Regarding the self-initiated projects. The examination of the Treasury function of the Department of Finance was completed and transmitted on April 2, 2015. The audit of the expenditures of the Fiscal Year 2012 Budget appropriation for the Old Wailuku Post Office Rehabilitation Project is in the fieldwork stage of the audit. The audit of the County Roads Resurfacing Improvement and Maintenance Practices is also in the fieldwork stage of the audit. Originally, the audit of the County payrolls was a project that was identified to be outsourced to a contractor however we have been looking into conducting a similar audit in-house instead. Either way this audit will be assigned and initiated before fiscal year, the end of Fiscal Year 2015. Finally, given the wording of the Charter and an opinion from the Department of Corporation Counsel, the Office of the County Auditor has provided and continues to provide limited administrative support to the Cost of Government Commission. Our support is limited to procurement of a Technical Writer and processing of invoices, general support at the Cost of Government meetings including posting and copying, travel arrangement and mileage reimbursement claims for commissioners, filing oaths and Annual Financial Disclosure Statement updates. I also attend Cost of Government meetings when requested by the Commission. Thank you, Chair.

VICE-CHAIR WHITE: Thank you. If you could just go through your various accounts since they're relatively short why don't you go through A and B Accounts together.

MR. TAGUCHI: Going through our A Account, let's see turning to Page 4-1 of your detailed budget, the Fiscal Year 2016 budget request for salary and wages is \$366,000, which is composed of the salaries for the County Auditor, two Senior Analysts, and an Administrative Officer. Chair, do you want me to go?

VICE-CHAIR WHITE: Yeah, you can just go through the remainder of your budget.

MR. TAGUCHI: For operations we are requesting a total \$796,450. Primarily large numbers are composed of a \$450,000 request for audit services. The \$450,000 includes an appropriation for the Charter mandated audits for Fiscal Year 2015. In addition, included in the audit services is an allowance for a possible outsourced audit within the next fiscal year. The other large appropriation in the B Account would be the professional services appropriation of \$200,000. I just want to note that the professional services appropriation is primarily for consultants that we may require during the course of an audit. Depending upon what the audit subject is there may be a need to hire third-party engineers or perhaps legal counsel. Part of the \$200,000 that we're requesting for professional services also would be a contingency in case we would not be able to procure the third party audit with the \$100,000 that we provided for in audit services. Chairman, did you want me to go over each individual item in the B Account?

VICE-CHAIR WHITE: If you can just highlight the changes.

MR. TAGUCHI: Oh.

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VICE-CHAIR WHITE: For example on Page 4-20, you've got a continuation request and an expansion request, which is increasing your registration and training fees from \$2,200 a year to 35,000 so.

MR. TAGUCHI: Yes, okay, in Index Code 901013, training and registration fees, we are transferring from Index Code 901013 6250. So that continuing request is a transfer from index code, from that index code. There is an additional \$5,000 needed for continuing professional education requirement to comply with Yellow Book auditing standards. This will cover the three accountants' in-house training session and off island travel. In regards to rental of office equipment there is a decrease of \$10,000. This was primarily due to a \$3,000 budget transfer to a different index code and a 7,000 reduction because we do not anticipate renting additional office equipment.

VICE-CHAIR WHITE: Okay.

MR. TAGUCHI: The primary driver for this was the copier, which we are leasing. Okay. Rent is a very minimal increase according to the rental agreement. Computer software this is a number that we received from the Office of Council Services in terms of our portion of what would be needed for the software upgrade. I think the other primary, in training and fee seminars you see the movement from that line item up in 901013 Index Code. And finally under Cost of Government Commission, the Cost of Government Commission I transmit their budget request through my office to the, no, to the Mayor and the Council. And the Cost of Government Commission has requested a \$15,000 increase from 20,000 to \$35,000.

VICE-CHAIR WHITE: Okay. Members, questions? Mr. Carroll? Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Mr. Hiromoto. I'm interested in, sorry Hiromoto, oh God.

COUNCILMEMBER VICTORINO: You okay? We all knew who you meant.

COUNCILMEMBER BAISA: When we do Lance's we just do Lance's, sorry *...(inaudible)...* Interested in the Charter, the folks that do the Cost of Government Commission and their request, can you elaborate a little bit more about what that's for?

MR. TAGUCHI: The Cost of Government Commission Chair Tina Gomes is in the audience but primarily in their Cost of Government Commission meeting the increase was primarily due to the fact that they now have a commissioner from Lanai. That commissioner commutes on the ferry so there is some ferry, there is an additional expense for ferry rides and rent-a-car because the ferry lands in Lahaina and he has to drive over and return the car. The other portion of the increase was primarily due to from the understanding that there may be a commissioner from Molokai. If there is a commissioner from Molokai that will be coming to the monthly meetings then that commissioner will probably have to fly and depending upon the flight schedules I

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think they anticipated possibly overnight stay. But those were the considerations, primary considerations for why the Cost of Government requested \$15,000 more than the prior year.

COUNCILMEMBER BAISA: We have correspondence from them. There's talk about a professional writer or somebody that they use to help do their report. Is that part of that, too?

MR. TAGUCHI: Yes. In the current year, the Cost of Government Commission had a \$20,000 appropriation. A large part of that appropriation was used to hire a Technical Writer. The Technical Writer assists the Cost of Government Commission with compiling the report, limited I guess administrative work in terms of letters requesting information coordination. The Technical Writer's position was partially in response to my initial request that there's some independence between the Cost of Government Commission and my office. My concern when we started to take over the administrative duties from the Office of the Mayor was that I wanted to be certain that there was no confusion between the Cost of Government's work and the Office of the Auditor's work. And because I had limited resources in that I only have one Administrative Officer, I supported their request to get a Technical Writer. The Technical Writer by the way has been something that for several I think even under the, when they were supported under the Mayor, they were provided a Technical Writer for I don't know the past three, four years I think. So that was still consistent carrying over from the prior years.

COUNCILMEMBER BAISA: Okay. Thank you. Thank you, Chair.

VICE-CHAIR WHITE: Any other questions for the Auditor's Department? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Just a little concerned on you have the 450 for audit services, so those are audits on top of the audits that you guys are doing or are you guys farming your audits out?

VICE-CHAIR WHITE: The 450 is for the Financial Audit, the annual Financial Audit.

COUNCILMEMBER COUCH: Just the one for 450?

MR. TAGUCHI: Yes.

VICE-CHAIR WHITE: And all the single audits as well.

MR. TAGUCHI: The 450, the lion's share of the 450 is for the Charter required audits. We do have an amount that we put in which was about \$100,000, which we put into the budget because we wanted to possibly if we could outsource one of the audits. In the course of hiring on my second auditor who has experience in the payroll area of audits, we decided to not outsource it. So this year we'll be lapsing that \$100,000. In our current budget request we still provide that \$100 [sic] there because we would like

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to outsource an audit if possible if it's the right type of audit. And we also have an additional 100,000 in the professional services area as a, in case this audit would cost more than 100,000. In my conversations with the State Auditor in general a small audit that is outsourced to be done under Yellow Book Standards she's been paying around maybe 150...100-150 depending upon the scope of the audit. I'm looking at trying to do a mix of maybe a outsource audits and in-house audits for now, trying to see if that's viable. We could, I struggle to find what is sustainable. I could hire another auditor but that's a long-term commitment because along with the salary comes the training, comes the benefits, and all of this. So, I'm trying, you know, I think I have a good base now and I'm trying to see what can work but before making that commitment I wanted to try and see if we could outsource an audit and basically that's it.

COUNCILMEMBER COUCH: Okay. Yeah, I would think a mix might be better 'cause we're waiting for audits. Okay. Thank you.

VICE-CHAIR WHITE: Ms. Crivello, any questions?

COUNCILMEMBER CRIVELLO: Thank you. I don't have any questions but when are your meetings held, your Cost of Government meetings that would, may have the potential of overnight stay?

MR. TAGUCHI: The Cost of Government meetings right now they've moved the time to 10 o'clock. So it's from 10:00 to generally 12:00, sometimes they go over. But I know with the Lanai Commissioner he is able to come in the morning. He just makes the meetings depending upon if the ferry is late or not and there is an afternoon going back. I'm not quite sure about...

COUNCILMEMBER CRIVELLO: You have afternoon flights.

MR. TAGUCHI: Oh, Molokai? Oh, okay. I wasn't quite sure whether they could make that back.

COUNCILMEMBER CRIVELLO: You glide, you glide. You squeeze and you glide.

VICE-CHAIR WHITE: Anybody else have any questions for the Auditor's? If not we'll move, well, we have a public hearing at 6:00. I don't know how many testifiers we anticipate this evening but I think it's generally relatively quick. So if you want to take, we can do one of two things. We can either break now for dinner and take the Clerks after dinner or after the public hearing or take them now and have a shorter dinner break.

COUNCILMEMBER COUCH: Later.

COUNCILMEMBER BAISA: After dinner.

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VICE-CHAIR WHITE: Okay. So, we'll break now for dinner and we'll take the Clerks up after the public hearing. Okay. We are in recess until...

COUNCILMEMBER COUCH: The public hearing is at 6:00.

UNIDENTIFIED SPEAKER: Chair? Chair?

UNIDENTIFIED SPEAKER: Recess.

VICE-CHAIR WHITE: Okay, let's just take a short recess. . . .*(gavel)*. . .

RECESS: 4:49 p.m.  
RECONVENE: 4:51 p.m.

VICE-CHAIR WHITE: . . .*(gavel)*. . . The meeting shall come back to order and we will be in recess until 7:00 p.m. . . .*(gavel)*. . .

RECESS: 4:51 p.m.  
RECONVENE: 6:58 p.m.

VICE-CHAIR WHITE: . . .*(gavel)*. . . Recess until 7:30 p.m. . . .*(gavel)*. . .

RECESS: 6:58 p.m.  
RECONVENE: 7:34 p.m.

VICE-CHAIR WHITE: . . .*(gavel)*. . . This meeting of the Budget and Finance Committee will come back to order. Members, we're going to proceed with the review of the Office of the County Clerk, and we have with us the Clerk Danny Mateo and his Deputy Josiah Nishita. And so, Mr. Clerk, would you please provide your opening comments and then proceed with the presentation of your budget?

**OFFICE OF THE COUNTY CLERK**

MR. MATEO: Chair White and Members of the Budget and Finance Committee, thank you for the opportunity of being able to join you this evening. For the Committee's information I'd like to very briefly highlight a few of the successes as well as the challenges facing the Clerk's Office in FY '16. A few of the successes in Fiscal Year '15 includes a successful 2014 Election for the County of Maui, the removal of volunteers from flying on chartered flights at night when ballots and equipment needed to be returned from Hana, Lanai, and Molokai on Election Day, establishing the first Maui County Elections website for the public to access in both English and Ilocano. And we're currently working in conjunction with the State Office of Elections on a Statewide voter registration program allowing for online voter registration, which should be going online within a few months, and successfully rejuvenating the young voters registration program enrolling several hundred high school seniors through the

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State pre-registration program. And further we continue to strengthen our educational information program awareness, awareness program as we now turn to our Your Vote Count Initiatives now aimed at the youngsters in our elementary schools. A few of the challenges that we will be addressing in this upcoming year includes digitizing the huge backlog of aged County documents, same day registration during the absentee walk-in period during the Primary and General Elections, space issues for our elections section the 2016 Elections season, an increased possibility of an all mail voting process currently being looked at through various bills in the State Legislature, and the Clerk's Office has been advised of potentially five initiatives from various groups that are looking into the initiative processes. And the five potential initiatives includes establishing district voting, establishing a County manager form of government, prohibition of sugar cane burning, prohibiting riding in the back of pickup trucks, and legalization of marijuana. Those are initiatives that are currently being looked at by a variety of individuals. With that taken care of at this point I thank you for the opportunity of sharing our successes and challenges with you. Josiah and I have had the opportunity to meet, review, and discuss our proposal with each one of the Members regarding our proposal. And, Mr. Chair, if it's okay I will just go right into A, B, C.

VICE-CHAIR WHITE: Please.

MR. MATEO: And Josiah and I are both prepared to address some of your questions. In the reference to the A Account, the items that are notable in terms of a dollar value. The A Account does include an expansion position for the Clerk's Office, which is an Office Operations Assistant II position, and the additional increase in our budget does reflect Bargain Units 3 pay increases that is required as well as temps, our temporary elections staff adjustments. Mr. Clerk, excuse me, Mr. Chair, Mr. Chair, we're ready to...

VICE-CHAIR WHITE: Got you a little rattled tonight?

MR. MATEO: It's so different on this side. Josiah and I are ready to address some of your questions.

VICE-CHAIR WHITE: Thank you. Members, questions on the A Accounts shown on Page 3-3 through 3-5? Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, everything looks pretty flat except of course the expansion position. Mr. Clerk, could you tell us a little more about why you need this person? That might help.

MR. MATEO: Thank you for the question, Member Baisa. The position that we're looking at is a position to provide additional services to primarily the Clerk and the Deputy. At this point in time, Deputy and I we primarily do our own correspondence, e-mails, schedulings, programs, and the like. And some of the programs that involves a lot of time for example is a program that we've embarked on which is the young voter

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registration program. That is a program that involved numerous hours trying to schedule ourselves to get into the schools to register the various high school seniors. In addition to that, for us we're looking at the need for imaging in our office with all of the files that is in need to be digitized. And the individual would also be available to help us greatly in that regard. The individual will also assist with our elections warehouse operations; perhaps assist us with inventory categorizing, packing as needed. So for us it's a position that will not only service the legislative side of the house but also the elections side as well.

COUNCILMEMBER BAISA: Thank you very much. At this point you essentially do all your clerical and secretarial stuff, both of you?

MR. MATEO: Both of us.

COUNCILMEMBER BAISA: It's because you're so skilled at it but I would imagine that it takes a lot of time that could better be used by yourself to do something else.

MR. MATEO: Well, at this point, Member Baisa, there's a lot of requests for documents and general information. For example the real popular request or one we get most frequently is requests for birth certificates, marriage certificates, death certificates, and the like. And because of the requirement to provide a response within ten days, we usually do it immediately. So yeah the day-to-day operations does become time consuming.

COUNCILMEMBER BAISA: Well, I just would like to say and just for the record and for anybody else who's interested that I am very pleased with your performance and with your Deputy. You folks took on a very challenging situation and I think have done an excellent job. Thank you.

MR. MATEO: Thank you.

VICE-CHAIR WHITE: Thank you, Ms. Baisa. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, no questions on A Account. Thank you.

VICE-CHAIR WHITE: Okay. Mr. Couch?

COUNCILMEMBER COUCH: No questions.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. No questions.

VICE-CHAIR WHITE: Mr. Guzman?

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COUNCILMEMBER GUZMAN: Thank you, Chair. I would also like to concur with Councilmember Baisa on the job that you've done so far. I have a question on the when you say temporary elections clerk and some of them have 12 months. You hire them a year in advance or how does that work? What is the cycle there? Is it ...*(inaudible)*...

MR. MATEO: When you take a look at, yeah, when you look at the listing of temps that we hire there is some that are hired for 12 months, some for --

COUNCILMEMBER GUZMAN: Yeah seven, right.

MR. MATEO: --eight months, et cetera. Those that are for 12 months they stay with us for the 12-month term, which carries them beyond the elections. So they for our purpose they also provide training opportunities for the new temps coming in with the shorter terms. Those with the 12-month period go through more extensive training because we also use them as trainers.

COUNCILMEMBER GUZMAN: Are those, the 12-month staff are they regulars that come every other year or do you have to retrain every time they come about, you know, a year before the election?

MR. MATEO: Yeah, every election cycle training occurs for the temps. Every election cycle.

COUNCILMEMBER GUZMAN: And how long does the training last and when does the actual work begin after the training?

MR. NISHITA: Yeah, Mr. Guzman, training actually kind of never stops in our office. You know the Elections is such a moving target so to say in that things are always happening and things are always coming up at the last minute. So our staff undergoes constant training throughout the year. Most of the people that are indicated on the 12 month as temporary elections clerks, these individuals we really rely on them for providing services during the election days. All of the polling places call into our office and we rely on these individuals to basically answer all the questions and put out fires during those days. In addition because of a bill that passed I believe last legislative session or the previous one, there's going to be allowing voter registration during the absentee walk-in period. Previously it was 30 days prior to the election so that's going to put an additional strain on our staff to be able to take in an influx of individuals who are looking to register to vote during the basically about ten-day period prior to each election. At this time because the State of Hawaii has never done this before, we don't know the volume of individuals that we'll get into our office but we'll definitely have a better idea after the 2016 Election.

COUNCILMEMBER GUZMAN: So you start your recruiting...you're recruiting right now then I suppose?

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MR. NISHITA: Yeah, I mean we do have individuals on the 12-month schedule as a temporary election clerk --

COUNCILMEMBER GUZMAN: Okay.

MR. NISHITA: --that are currently working in our office.

COUNCILMEMBER GUZMAN: Well, I'm impressed that you are able to hire people that fast and compared to a lot of other departments that are just waiting around trying to get people hired, but thank you.

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

COUNCILMEMBER VICTORINO: I think they've done a fine job. Thank you.

VICE-CHAIR WHITE: Thank you. Mr. Clerk, on the temporary hires, those who you show as seven, six, five and four and half month positions, when would you bring those individuals on ahead of the 2016 Election? What month would they be brought on?

MR. NISHITA: I mean basically you would just count back from that June 30<sup>th</sup> end of the fiscal year. So, you know, if we have a six-month temporary election clerk we'll bring them in roughly January, a seven month would be about December or so.

VICE-CHAIR WHITE: Okay. What I'm asking is prior to the Election are these people serving four and a half months or are they serving four and a half, five or six months prior to the election itself?

MR. NISHITA: Yes, so if you just take one example like a six-month temporary election clerk for FY '16 we would hire them basically around January 1<sup>st</sup> or January 2<sup>nd</sup> of 2016 and then they work through the end of that fiscal year and then we would come in again in FY '17 asking for an appropriation for them to continue working through the rest of the election cycle. And most of our temps, the majority of them stay on 'til roughly about November 30<sup>th</sup> following the election.

VICE-CHAIR WHITE: Something's not adding up for me.

COUNCILMEMBER VICTORINO: I was just going to say.

VICE-CHAIR WHITE: Because we're having, we have this, because you had six months in last, let's just take CTL-0013 it's a six-month position in last year's budget and a six-month position in this year's budget. So I assume that that would cover, in this fiscal year it would cover the six months of last year, of this fiscal year running from beginning of July through November. So I guess that would be five months but.

MR. NISHITA: Well, yeah, well, Mr. Clerk, we're not hiring like for the, I'm sorry, Mr. Chair.

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COUNCILMEMBER VICTORINO: Chair. Chair.

MR. NISHITA: I'm inheriting that. Yeah, Mr. Chair, when we're asking for a temporary election clerk for six months we're not necessarily hiring them on July 1<sup>st</sup> of that fiscal year. So we're hiring them for a six-month period but it may start January 1<sup>st</sup> within that fiscal year. So what you made reference to that 0013 six months previously and then six months for this election year, I mean for this fiscal year, that would basically run from a calendar year of January 1<sup>st</sup> to about December of the election year.

VICE-CHAIR WHITE: Okay. I still feel like we're double booking the numbers. But would you provide us with a schedule of when you will be hiring these people for the next election? Because currently you don't have any of these employees working, correct?

MR. NISHITA: Yeah.

VICE-CHAIR WHITE: Except the 12, well, do you have the 12-month period, 12-month employees working now?

MR. NISHITA: Yes, we do.

VICE-CHAIR WHITE: So the 12-month employee is, employees are working full time?

MR. NISHITA: Essentially, yes.

VICE-CHAIR WHITE: Okay. Thank you. Any other questions on the A Account, Members? Okay, let's move on to the B Accounts.

MR. MATEO: Mr. Chair, if I could just clarify one point. I know all of you received a copy of the Clerks Office's vacancy list and I just wanted to be sure to note that the two positions that were recognized as vacant. One was the Council Information and Reference Technician and the other was the Elections Warehouse Technician. The first position the paperwork has already been forwarded to Personnel, that position is filled. The other position, the Elections Warehouse position, that particular position we are in the process of securing names so we could in fact fill that particular position. So just to clarify the question on vacancy, the vacancy list.

VICE-CHAIR WHITE: Okay. Thank you.

MR. MATEO: Thank you. Moving on to the B Account, the items that I would like to highlight are the, in operations, are the contractual services which is Sub-Object 6112 that is \$14,000 for the audio consultant contract and 6132 professional services that would be for the imaging project. Also, Sub-Object Code 6108, which is the codification. There is a slight increase in that sub-category as well. Should we cover the Elections side as well, Mr. Chair?

VICE-CHAIR WHITE: Yes, please.

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MR. MATEO: Thank you. For the Election side, there is sub-code item 6101 advertisement, that includes the radio and print elections and PSA's for elections. The sub-item 6130 for print and binding, that is \$25,000 recognition for us, it's for the white and yellow cards and the absentee walk mail outs. And sub-code 6132 this covers professional services, the 105,000 is for the Hart InterCivic contract renewal which is our elections vendor, and 25,000 is for our microfilm project.

VICE-CHAIR WHITE: Okay. Thank you very much. Members, questions in both B Accounts? Mr. Carroll, questions? Okay. Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing at this time. Thank you, Chair.

VICE-CHAIR WHITE: Mr. Couch?

COUNCILMEMBER COUCH: No. No.

VICE-CHAIR WHITE: Oh, I'm sorry. You looked like you were getting ready to ask a question so I was looking down at my papers. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No questions at this time, Chair.

VICE-CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: Yes. Thank you, Chair. Mr. Clerk, on the professional services, this would be Sub-Object Code 6132, what is this additional funding needed for renewal of the Hart InterCivic contract?

MR. MATEO: Yeah.

COUNCILMEMBER GUZMAN: What is that, it's a contract with...can you go into details?

MR. MATEO: Yeah. Thank you for the question, Member Guzman. Hart InterCivic that is our elections vendor for our elections machines. And for us it is a yearly review during the contract period. Not, renew, excuse me, it's a renewal not a review.

COUNCILMEMBER GUZMAN: A renewal of the --

MR. MATEO: Yes.

COUNCILMEMBER GUZMAN: --contract?

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MR. MATEO: Correct.

COUNCILMEMBER GUZMAN: So you put down like, is it \$25,000 like deposit or something?

MR. MATEO: No, well, it's 105,000, which is a prorated share --

COUNCILMEMBER GUZMAN: Oh, prorated.

MR. MATEO: --that all of the counties contribute to.

COUNCILMEMBER GUZMAN: Oh, okay. Thank you.

MR. MATEO: Thank you, Mr. Guzman.

VICE-CHAIR WHITE: Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

VICE-CHAIR WHITE: Okay. Thank you. Mr. Clerk, if you could explain what the \$25,000 increase is for imaging, for additional funding for imaging? I'm assuming that's not taking pictures of the Councilmembers.

MR. MATEO: Thank you for the question, Mr. White. I'm going to ask Mr. Nishita to review that.

VICE-CHAIR WHITE: Thank you.

MR. NISHITA: Yeah, Mr. Chair, our office has been undergoing efforts to provide the public and also staff and the Administration easier access to Council and legislative documents. Currently, our office incurs about \$15,000 a year for storage space, maintaining some of these legislative records that according to State law we'll be able to image and then possibly get rid of it depending on the feeling of the Council and the Chair at that time when we get to that point. But basically this project is to help us save money in the long term with warehousing costs as well as help to catch us up to date so that the general public will have easier access to legislative documents.

VICE-CHAIR WHITE: Thank you. Just to add a little bit to that, Members, we have in storage, contracts dating back to 1941. So part of the challenge here is deciding what to image and whether to...there's some savings if you image everything and obviously then you can make it all available relatively easily. The Clerk and Deputy Clerk rightfully are not terribly excited about going through every document in storage and deciding what to image. And I don't have any great desire to do that either and I'm not sure any of you would like to do that. So that's part of the review that they're going through and the reason for this increased expense. I think I'm comfortable with the other expenditures. Any further questions, Members? Mr. Guzman?

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COUNCILMEMBER GUZMAN: My question it's very manini but this \$1,000 dues. What's the dues for? This is Sub-Object 6212. It's very manini but what dues are you paying?

MR. NISHITA: Are you speaking of Index Code 902056?

COUNCILMEMBER GUZMAN: Yeah. It says dues.

MR. NISHITA: Yeah, so that covers dues to our Elections Administrator and I believe one other, maybe our Elections Assistant is members of National Association of Election Officials. They also are members of, and I don't know the name of the organization but they run these conferences called Election Centers. And basically it's an organization that tries to bring together, similar to like NACo bringing together all the county officials, they bring together election officials from across the nation. And the dues provide them resources like online materials. I believe they receive newsletters, e-mails about updates to election regulations and whatnot.

COUNCILMEMBER GUZMAN: That's good to know.

MR. NISHITA: So that's basically mainly what that is used for.

COUNCILMEMBER GUZMAN: Thank you.

VICE-CHAIR WHITE: Okay. Members, if...

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Oh, I'm sorry, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. And so the monitor is, that's through your office, correct, that you're looking to install and it's similar to what we see here on the wall? And whereabouts? Oh, on this end.

MR. MATEO: Yeah.

COUNCILMEMBER COCHRAN: On this end.

MR. MATEO: Mr. Chair, we could go into C?

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: Oh, sorry. We're not there. Sorry.

MR. MATEO: Thank you.

COUNCILMEMBER COCHRAN: Yes. Okay.

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MR. MATEO: Thank you, Member Cochran. The C Account is straightforward and direct. The \$70,600 that the request is includes the additional monitor, it includes the Chamber sound system, and finally the portable PA systems for the respective district offices. And, Ms. Cochran, the other monitor at this point looks like it's going to go on that far wall just because when you look at the two, the distance from this one could be a little difficult for your side of the room to be able to see. And if we mounted another one on the other side it kind of evens out your ability to view the screens.

COUNCILMEMBER COCHRAN: Okay. Thank you. Thank you very much. And the audio system, Mr. Couch would really like it that when we leave for personal biological breaks we can continue to hear the, hear our Council meetings. Will there be any speakers in the restrooms? I mean we don't want it two-way, please.

COUNCILMEMBER VICTORINO: Mr. Chair, I need a recess.

COUNCILMEMBER COCHRAN: You know Maui Beach Elleair Ballroom does that. It's very helpful. You can take care of things and still be, you know, abreast of what is happening at the meeting or conference or what have you. So has that been thought about?

VICE-CHAIR WHITE: If you can answer that with a straight face please do so.

MR. NISHITA: Yes, Mr. Chair. Yes, that has been thought of and unfortunately due to our old system, we actually have been looking at it through this fiscal year, our old system and I apologize I don't know exactly the terminology I believe it's like phantom power or something. That the old system cannot provide enough phantom power to run a speaker through the eighth floor bathroom: however, if we do replace the system and our funding is approved for that that new system would be able to accommodate that and we would be able to install a one-way speaker in the bathroom.

COUNCILMEMBER COCHRAN: Please one-way. Thank you.

VICE-CHAIR WHITE: Or Mr. Couch can bring his own wireless headset.

COUNCILMEMBER COUCH: Whatever.

COUNCILMEMBER COCHRAN: Thank you for the explanation. Sorry, Mr. Couch, to bring you into my questioning.

COUNCILMEMBER COUCH: Yeah, thanks.

VICE-CHAIR WHITE: It's that welcome back, Couch.

COUNCILMEMBER COUCH: Yeah. Yeah.

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COUNCILMEMBER COCHRAN: There you go.

VICE-CHAIR WHITE: Okay. Any further questions on the C Accounts?

COUNCILMEMBER VICTORINO: I don't have anything like that.

VICE-CHAIR WHITE: I think we're all ready for a break. Staff, the...we're going to take a quick recess so that we can make sure that you have the appropriate instructions for turning in your proposals tomorrow and get a sense of what tomorrow holds. So with that we're in recess at the call of the Chair. . . .*(gavel)*. . .

RECESS: 8:02 p.m.  
RECONVENE: 8:05 p.m.

VICE-CHAIR WHITE: . . .*(gavel)*. . . This meeting of the Budget and Finance Committee will come back to order. Members, the Staff is available this evening and tomorrow morning up until 10 o'clock if you need any questions answered on the preparation of your budgets. At 10 o'clock tomorrow morning we will be doing revolving funds and we will recess that or I guess it would be adjourn? Oh, no recess, right. We'll recess while we complete our budget preparation and then budget proposals will be accepted at 4 o'clock tomorrow afternoon.

COUNCILMEMBER VICTORINO: Or before.

COUNCILMEMBER BAISA: Riki said anytime.

COUNCILMEMBER VICTORINO: Anytime now.

VICE-CHAIR WHITE: Well, as you know we sometimes have questions as to whether we can do it that way or not. So, Riki's feeling is that we turn them in anytime. Staff is still saying that we need to do it in open session. So we will, between now and 10 o'clock tomorrow morning, we will make a decision, so we will advise you of that tomorrow morning. So I'll just leave it at that. So we will be back here at 10:00 in the morning and we look forward to receiving your proposals tomorrow. Okay, with that we are adjourned. . . .*(gavel)*. . .

**ACTION: DEFER pending further discussion.**

ADJOURN: 8:07 p.m.

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APPROVED:



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RIKI HOKAMA, Chair  
Budget and Finance Committee

bf:min:150423:cs

Transcribed by: Cathy Simmons

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CERTIFICATE

I, Cathy Simmons, 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 this 18<sup>th</sup> day of May 2015, in Wailuku, Hawaii.

  
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Cathy Simmons