

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 28, 2015

Council Chamber

CONVENE: 9:04 a.m.

PRESENT: Councilmember Riki Hokama, Chair (out 10:31 a.m.)
Councilmember Mike White, Vice-Chair
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member
Councilmember Elle Cochran, Member
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (in 9:45 a.m.)
Councilmember Michael P. Victorino, Member

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

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

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor
Jacob Verkerke, Chief Technology Officer, Management Information Systems Division, Department of Management
Kaala Buenconsejo, Director, Department of Parks and Recreation
David Goode, Director, Department of Public Works
Danilo F. Agsalog, Director, Department of Finance
Tivoli Faaumu, Chief, Department of Police
David Taylor, Director, Department of Water Supply
Holly Ficke-Ho, Waterworks Fiscal Officer, Fiscal/Customer Service Division, Department of Water Supply

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

Seated in the gallery:

David Ching, Deputy Managing Director, Department of Management

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OTHERS: Eric Nakagawa, Wastewater Reclamation Division Chief, Department of Environmental Management
Alison Cohan, The Nature Conservancy
Erin Wade, Small Town Planner
Cesar Gaxiola, Executive Director, Cameron Center
Keith Regan, Managing Director, Department of Management
Herman Andaya, Chief of Staff, Department of Management
Teena Rasmussen, Economic Development Director, Office of the Mayor
Mark Sheehan, Haiku Community Association
Kelly Pearson, Chief Executive Officer, Boys and Girls Club of Maui
William Spence, Director, Department of Planning
Michele McLean, Deputy Director, Department of Planning
David Taylor, Director, Department of Water Supply
Lucienne de Naie, Conservation Chair, Sierra Club Maui
David Goode, Director, Department of Public Works
Tivoli Faaumu, Chief, Department of Police
Pamela Pogue, Planning Program Administrator, Long-Range Planning Division, Department of Water Supply
Craig Mojonnier
Jennifer Livingston
Jeffrey A. Murray, Fire Chief, Department of Fire and Public Safety
Tamara Paltin
Tony Krieg, Chief Executive Officer, Hale Makua Health Services
Teya Penniman, Manager, Maui Invasive Species Committee
Jacob Verkerke, Chief Technology Officer, Management Information Systems Division, Department of Management
Pualani Enos, Executive Director/Principal, Hui Malama Learning Center
Oriana Kalama
Marilia Ledezma
Michael Ratte, Solid Waste Division Chief, Department of Environmental Management
Dr. Joseph Kohn, MD
Others (15)

PRESS: Akaku: Maui Community Television, Inc.

CHAIR HOKAMA: ...*(gavel)*... Okay. This meeting shall come to order. This is the Council's Budget and Finance Committee. This morning present we have Committee members Mr. Carroll, Ms. Baisa...

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR HOKAMA: Good morning. Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha, Chair.

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CHAIR HOKAMA: Aloha. Mr. Couch.

COUNCILMEMBER COUCH: Aloha, Chair.

CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good morning, Chair.

CHAIR HOKAMA: Good morning. Mr. White.

VICE-CHAIR WHITE: Good morning.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Aloha. Good morning, Chair.

CHAIR HOKAMA: Excused at this time is Mr. Guzman. We are going to take public testimony at this time, Members, at which according to our posting we allow three minutes and no minute to conclude. We shall assist in public testimony with a lighting system in the Chamber. You have three minutes. At the 2 minute 30 mark, the yellow light will go on and indicate you have 30 seconds to conclude. At three minutes, the red light will go on which indicates you shall stop. You shall direct your comments to the Chair. I would ask everyone in the Chambers including myself to turn off our noise-making devices or in silent mode, please. Okay, we shall maintain decorum in this meeting. And we shall rotate between this Chamber and our District Offices if there are those wishing to share testimony in our districts. Okay, this morning we'll start off with Mr. Eric Nakagawa, if you would please come forward and share your testimony with us.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. NAKAGAWA: Good morning, Chair --

CHAIR HOKAMA: Good morning.

MR. NAKAGAWA: --and Members. In 1999 the County of Maui was issued an EPA Consent Decree due to numerous wastewater spills into the environment. Over the next 15 years, the Wastewater Division developed multiple programs that increased the reliability of the wastewater infrastructure and decreased the amount of sewer spills and system failures. This was done by increasing staff and funding for operations and maintenance, as well as replacing old infrastructure through CIP projects. Over the past five years, the Wastewater Division kept a flat budget even though operational costs increase each year. This year we asked for a .4 percent increase due mainly to union salary increases, premium pay, and Debt Service. The Committee's Chair

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proposal reduces our operations budget by roughly \$600,000 or a negative 2.8 percent. The proposal deletes salaries from two key positions, the Operations Superintendent and the Plant Operations Manager, reduces our premium pay and operations funding, and reduces all of our funding for CIP projects by 20 percent. With this proposed reduction in funding and staffing, the reliability of our wastewater infrastructure will decrease and sewer spills and system failures will start to increase.

. . .(cell phone ringing). . .

CHAIR HOKAMA: Hold on, Mr. Nakagawa.

COUNCILMEMBER BAISA: I'm sorry.

CHAIR HOKAMA: No, no, no, we'll take care of it.

COUNCILMEMBER BAISA: It just won't respond. Okay, sorry.

CHAIR HOKAMA: No problem. Yeah, and we won't deduct that from your time.

COUNCILMEMBER BAISA: I'm sorry.

CHAIR HOKAMA: Yeah, no problem. Okay, sorry, Mr. Nakagawa.

MR. NAKAGAWA: All right. With the proposed reduction of funding and staffing, the reliability of our wastewater infrastructure will decrease, and sewer spills and system failures will start to increase, just like the County did in the early-to mid-'90s. Therefore, I respectfully request that this body, one, includes the salary for the Operations Superintendent, who manages all five operational sections and a total of 98 people. Two, include the salary for Operations Plant Manager, who manages all five treatment plants. A person currently exists in this position. If not, this person may not have funding for his position. Three, increase the premium pay which allows us to respond to emergencies and reduces the amount of funding to outside contractors. If not, more services from outside contractors will be required. Four, increase the operations funding which allows us to operate and maintain a reliable wastewater system and comply with the State and Federal regulations. If not, the wastewater system operation and maintenance will reduce and violations of permits may happen. And five, increase our funding to the CIP projects which allows us to replace old infrastructure that has reached its end useful life and reduces the risk of catastrophic system failures. Unless the proposed Capital Improvement Reserve Fund can be used for projects where bids come in too high, if not, contracts for projects that come in too high will not be executed due to the lack of funding. In conclusion, the programs developed over the past 15 years have put the Wastewater Division on a path to ensure that the County of Maui has a reliable wastewater system, and has earned the respect of our State and Federal regulators. Let's continue on this path and keep the wastewater out of the environment. Thank you for your time.

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CHAIR HOKAMA: Thank you, Mr. Nakagawa. Members, questions on testimony presented? Mr. Nakagawa, thank you for your testimony. Alison Cohan.

MS. COHAN: Aloha, Committee Chair Hokama --

CHAIR HOKAMA: Good morning.

MS. COHAN: --Vice-Chair White, and County Councilmembers. My name is Alison Cohan and I work for The Nature Conservancy, Maui Program. I'm here today to clarify the need for \$75,000 for the Honokowai-Wahikuli source protection for The Nature Conservancy's Kapunakea Preserve on the West Side. You'll see in this year's budget that for the first time The Nature Conservancy applied for a \$75,000 grant. And I'm going to take this time to apologize because there was some miscommunication. Councilmember Cochran, I think our staff member Pat Bily, kind of, there was a little miscommunication amongst our staff. We did apply for this grant, we did receive a pre-award approval letter from the Department of Water Supply, so it was vetted through the Department of Water Supply's vigorous grant approval process. So we're very much looking forward to hopefully getting this budget line item back in. But just a little bit about the project. Kapunakea is located above Kaanapali and encompasses the pristine mauka headwaters of the Honokowai and Wahikuli Watersheds. The forested watershed areas in this project are above and adjacent to County-designated source water protection areas. Honokowai Stream produces on average 3.5 million gallons per day of freshwater for agriculture and potentially domestic use. This project focuses on continuing critical ongoing management activities, including fence maintenance, ungulate and weed control, monitoring, and research. Although this project does receive State Natural Area Partnership Program funding, our State funding for Kapunakea for FY '16 was cut by 22 percent compared to this year. Department of Water Supply funding will allow for essential barebones work such as keeping pigs from pristine areas near streams and targeting water-hogging weeds such as strawberry guava from reaching higher elevations near stream headwaters. In addition, this grant from DWS would allow us to tackle a couple of new and essential management activities. Most importantly, we'll be working with the State Department of Forestry and Wildlife to release and monitor a bio control for strawberry guava that has been approved and shows strong promise for success. It has already been released at two sites at Kapunakea but five more have been selected and funds are needed for the work of release and monitoring. This is exciting work that could potentially save millions of dollars and resources in the future that would be spent on manual and chemical control of this highly invasive, habitat-modifying weed. In addition, funding from DWS will allow us to undertake more proactive fire prevention in the area. West Maui is already prone to fire, and our access roads and lower elevations of Kapunakea need to be kept clear of highly flammable fuel weeds such as Andropogon. I urge you to keep the DWS grants and this Honokowai-Wahikuli grant in this year's budget in order to maintain the progress we've made on protecting our water source. Thoughtful investments now will ultimately save money in the future. Mahalo.

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CHAIR HOKAMA: Thank you for your testimony. Questions for our lady? Mr. White.

VICE-CHAIR WHITE: Thank you, Chair. What was the amount of the 22 percent cut in State funding?

MS. COHAN: In State funding we got \$140,000 last year and we're down to 110 for this year.

VICE-CHAIR WHITE: Okay. So...

MS. COHAN: And it's over a six-year period. I was just at the NARS Commission yesterday and they approved that cut.

VICE-CHAIR WHITE: Okay, thank you.

MS. COHAN: Sure.

CHAIR HOKAMA: Any other questions for our testifier? Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And yes, thank you for the work that you do in the area up in Kapunakea. So the, I was wondering if this new grant and I know you've not asked from us before is why it's new, but if it was going to address a different area other than what you already are, you know, caretaking. So that is what I was asking for a map to sort of show. The 75,000, is it going to a new section, because it's been now determined as a designated high priority watershed?

MS. COHAN: Right.

COUNCILMEMBER COCHRAN: So is it for this section?

MS. COHAN: It's not going to a new area, Kapunakea is across both of the high priority watersheds, Honokowai and Wahikuli. It will just help us maintain progress, especially considering the cut that we've received, and we're hoping to do some more work with strawberry guava, and the fencing, the lower boundary elevation fence is critical in keeping pigs out. And we've really made a lot of gains with that and if we lose momentum it could be really terrible for us.

COUNCILMEMBER COCHRAN: And a leveraging question. Thank you, Chair. And so I read your grant proposal, and so the leveraging you said \$1 to 2 from I think State. So is this one the cut, is that part of that leveraging ratio that you're --

MS. COHAN: Yes.

COUNCILMEMBER COCHRAN: --mentioning in there?

MS. COHAN: Yes, it is part of that.

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COUNCILMEMBER COCHRAN: So that leveraging ratio has dropped because your --

MS. COHAN: Correct. We'll have to --

COUNCILMEMBER COCHRAN: --total...

MS. COHAN: --come up with some private funding. We're hoping to get some State CIP funding too, to help with the fencing issues, but you're right, the leveraging has dropped.

COUNCILMEMBER COCHRAN: Okay.

MS. COHAN: So we really rely on these funds.

COUNCILMEMBER COCHRAN: Okay. Well, thank you for coming and bringing more clarity today.

MS. COHAN: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions? Thank you very much for your testimony. Erin Wade.

MS. WADE: Thank you. Good morning, Chair --

CHAIR HOKAMA: Good morning.

MS. WADE: --and members of the Council. My name's Erin Wade. I'm the Small Town Planner employed in the Planning Department. I was told I could testify today; however, I haven't discussed my testimony with our directors or members of the Administration, and therefore, my comments represent my own opinion only. And the items that I'd like to address in the order of the Chair's report also affect the work that I do in the small towns specifically, that's why I have itemized these. The first is the Maui Academy of Performing Arts, Line 483, this is for \$30,000 to build their own theater space in Wailuku Town. This is a very modest request that supports the Wailuku Town vision with locally grown performing arts. Number two is Line 705 and 706 in the Department of Management's budget. This represents the KIVA replacement project. As a user I can tell you KIVA is outdated and glitchy, yet it is the primary means of communication between dozens of divisions within the County. Replacing KIVA will bring our permitting system into the 21st Century with its improved efficiency and create an opportunity for staff reductions in future years. Number three, the Lahaina Restoration Foundation for Capital which is Line 904. Phase II of the Lahaina Harbor Front Improvement project was left out of the two projects prepared for your review; however, there isn't a more community-based or well-supported project out there. LRF needs the 1.5 million to continue the project

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completion. And number four, thank you very much, Chair, for the proviso on Line 933 ensuring the Wells Park master plan will proceed this year. This is great. Number five, the Sea Grant Agent, Line 1000. This position's possibly the most valuable position housed in the Current Planning Division, having knowledgeable coastal geologists in-house saving our beaches and saving the County millions of dollars simultaneously. Number six, thank you for the funding for the Clean and Safe Program for the MRA's and for the general, MRA's General Fund budget in full. The cuts represented in Line 1004 are to the infrastructure integration program. This program represents the primary obstacle for private sector redevelopment within Wailuku Town, and without moving forward with infrastructure upgrades Wailuku will remain stuck in neutral in terms of private investment. Number seven --

MR. MOLINA: Two-and-a-half minutes.

MS. WADE: --Wailuku parking, number, Line 1252. We need more parking. We have proposed parking expansion at both the Wailuku Municipal site and elsewhere in town. We would like to come to the County Council to discuss moving forward with several parking scenarios. We just, I would just like to ask that the solutions not be limited to the Municipal Lot only. Number eight, Line 1490, the County campus expansion.

MR. MOLINA: Three minutes.

CHAIR HOKAMA: Okay. Ms. Wade, we are happy to receive, if you have, you can submit that list as written testimony --

MS. WADE: I will do so.

CHAIR HOKAMA: --and we'll be happy to receive the remaining items you weren't able to share with us at this point in time.

MS. WADE: I appreciate that. Thank you.

CHAIR HOKAMA: But questions for Ms. Wade on testimony presented? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you for your testimony, Ms. Wade. The Wailuku parking, you're part of the MRA, you deal with them, so you guys have a or there is a plan and, for parking right now?

MS. WADE: I staff the Redevelopment Agency, and we do have a series of proposals that would phase in parking. However, for the construction of any additional parking at the Municipal Lot would require offsite parking. We can't take the Municipal Lot completely out of operation for any kind of a construction purpose without building additional parking in town first.

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

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CHAIR HOKAMA: Okay, thank you very much. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And good morning, thank you, Ms. Wade, for being here. The comment in regards to Lahaina Restoration Foundation, 1.5 mil in order to complete, I understand that is true, but is that truly needed now for the, you know, at the point they are in their strategy and, you know, process?

MS. WADE: My understanding is Phase I is underway, it's been to the Cultural Resource Commission and can be funded for construction within the next month. So moving forward with Phase II could start as early as October of 2015. So these funds would begin to be utilized at that point.

COUNCILMEMBER COCHRAN: Okay. Thank you. And then a second question on Sea Grant, Chair. Sea Grant, you said helps save, that position, it's very integral to the Planning Department and saves County millions. In what way?

MS. WADE: Tara and her guidance with all of us as staff planners, she's by far the most knowledgeable about coastal geology, and so when we get a permit with, that has shoreline impact and we can ask her about what the impacts might be, we're able to get a very researched and educated response which in turn keeps us out of court. Because it does limit private property rights oftentimes within the coastal areas, and she does provide expert testimony. I also think it saves the County millions because Maui has gorgeous beaches and they're our largest attraction for tourism, and protecting those is very important. If they're eroding and disappearing, our tourism dollars will decline.

COUNCILMEMBER COCHRAN: Okay. Thank you again for your time, Ms. Wade. Thank you, Chair.

MS. WADE: Thank you.

CHAIR HOKAMA: Okay. Any other questions --

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: --for the lady? Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. Couple of quick questions. Ms. Wade, this KIVA replacement, you were saying that this...and I know our system is antiquated, but we didn't cut everything out. But you feel this is not enough to get the system working the way we should or at least moving in that direction?

MS. WADE: My personal opinion is this is a very minor investment for an extremely-broad-reaching system that affects all departments, and as our primary

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source of communication across the divisions, it is critical that we provide the best platform possible. And whatever is being researched, I'm not part of the MAPS team so I don't have the specific information about what's moving forward, but I do know that, having worked in other municipalities that there is much more progressive formats out there and that we could save a lot of efficiency and do a lot better job for the general public with an improved system.

COUNCILMEMBER VICTORINO: And, Mr. Chair, the other question was on the parking. You mentioned about, you know, holding up on the parking when we all have discussed this for many, many, many years. What other parking facilities were you looking at beyond the municipal golf, I mean the Municipal Parking Lot?

MS. WADE: There's several opportunities, one of which the Mayor requested the monies for the \$10,000 property acquisition. This would be behind Market Street off of Maluhia for a parking lot expansion. And with that addition we estimate we could add about 70 to 75 stalls behind the buildings on Market Street which opens up that frontage on Market Street and creates loading and creates additional parking in advance of investing something in the Municipal Lot.

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

CHAIR HOKAMA: Mr. White.

VICE-CHAIR WHITE: Thank you, Mr. Chair. Ms. Wade, just to clarify, on the Lahaina Harbor project is the, are Phases I and II going through the approval process at the same time?

MS. WADE: Phase I is the only phase that requires vertical construction, and therefore that process is moving forward first. The second phase is, requires Special Management Area approval, and will be moving forward next, and shoreline setback approval. So that's going to be moving forward next, but the vertical construction was one of the easiest things to permit and to get started immediately so that's why they're doing that first. The rest is majority paving and pathways.

VICE-CHAIR WHITE: So what is the timeframe within which you'll be submitting the SMA portion, the Phase II portion of the permitting?

MS. WADE: I believe the Lahaina Restoration Foundation intends to submit this summer for Phase II.

VICE-CHAIR WHITE: And you think they'll get approval for that --

MS. WADE: We do.

VICE-CHAIR WHITE: --by October?

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MS. WADE: The Cultural Resource Commission has already approved the master plan in concept form, and so the next stage is frankly administrative. So it could move forward relatively fast.

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

CHAIR HOKAMA: Thank you. Any other questions, Members? Ms. Wade, thank you for your presence.

MS. WADE: Thank you very much.

CHAIR HOKAMA: Cesar Gaxiola.

MR. GAXIOLA: Good morning --

CHAIR HOKAMA: Good morning.

MR. GAXIOLA: --good morning, Chair. Good morning, Councilmembers. My name is Cesar Gaxiola and I am the executive director of the Cameron Center. Cameron Center's nonprofit mission is supporting agencies that provide health and human services, social services, and educational opportunities for the residents of Maui. In recent years, a number of factors have combined to present the Cameron Center with some of the major challenges that affect our ability to maintain operations of the facility while remaining in our commitment of providing a high-quality locals office and program space for Maui nonprofits. After 40 years of services and continued operations for Cameron Center facility, fixtures and equipment have become, they need some update and substantial rehabilitation, and improvements are now needed to maintain the facility properly. In the past six years, we have secured funding in excess of \$4 million to support specific projects. These funding sources have included County of Maui, the State of Hawaii, the USDA, Harry and Jeanette Weinberg Foundation, and many other local private foundations. We continue actively to pursue grant funds from public and private sources on an ongoing basis to complete specific projects as funding is secured. This year we are requesting \$180,000 from the County of Maui to help us accomplish specific projects. These funds will be utilized to assist us with our replacement of AC, air conditioning units and repairs to the playground, also replacement of dividers for our meeting facilities and replacement of approximately 100 feet of sewer line. On behalf of the Cameron Center, we respectfully request the Council's support for an approval of this allocation. The Cameron Center is a community service facility that benefits a large members of the Maui residents each year. Please help us preserve and maintain a safe, affordable, and well maintained resource for Maui nonprofit agencies. Thank you.

CHAIR HOKAMA: Okay. Thank you very much for your testimony. Questions for the gentleman? Ms. Baisa.

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COUNCILMEMBER BAISA: Thank you very much, Chair. Thank you, Mr. Gaxiola, for being here this morning. By any chance, have you submitted to us a breakdown of the items that you're asking funding for, the cost?

MR. GAXIOLA: Yes, I did.

COUNCILMEMBER BAISA: So it should be somewhere here?

MR. GAXIOLA: Yes.

COUNCILMEMBER BAISA: Okay. Well I'll try to locate that. I think it's important that we see...

MR. GAXIOLA: If not, I can submit it again.

COUNCILMEMBER BAISA: Okay. Thank you very much.

MR. GAXIOLA: Sure.

CHAIR HOKAMA: Okay. Any other questions for the gentleman? Having none, thank you for your testimony this morning. Mr. Regan.

MR. REGAN: Good morning, Chair Hokama --

CHAIR HOKAMA: Good morning.

MR. REGAN: --members of the Maui County Council's Budget and Finance Committee. My name is Keith Regan, Managing Director for the County of Maui. I'm here this morning to provide testimony on the budget proposal that was presented yesterday during the Budget and Finance Committee meeting. I'd like to start by expressing our deep appreciation for the hard work and effort that's been put into this process since we delivered the budget to you on March 24th. We know it's not an easy task reviewing each page of our proposal, spending long, late hours in discussions with departments, asking tough questions about their programs, services, and projects. We know this because much like yourselves we too have been through a similar process with each department, each division, from the bottom of the organization to the top. We too have analyzed each request, weighed its merits, and made the tough decision to either include it or not. We've listened much as each of you has to the public and incorporated their needs, their interests, and their direction into our proposal. We've looked for ways to do more with less. We've attempted to live within our means while also ensuring that the future of our community remains bright. We've pushed each of our directors and deputies to think outside of the box to search for new and innovative ways to meet the demands put before them, to save money, to extend the life of our infrastructure, to reorganize tasks and operations, to look deep into their operations and improve efficiencies without impacting effectiveness. It's not an easy task because the demands placed on each of us continue to grow, because our four-island

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community continues to grow. Every year more people decide to make Maui County their home. We're a popular place, a desirable place to live, to raise a family, to make an investment into the future. I personally believe that people fall in love with our community for many reasons. This is by far one of the most beautiful places on the planet. People are attracted to Maui County because we've made some really important philosophical choices that go right to the core of what's important to our community. We've created a world-class community thanks to the combined efforts of our Administration and the Council. We unlike many other communities throughout the nation, have made a conscious decision to invest in our future. We're not about kicking the can down the road so that some future generation of citizens will have to deal with the problem. We're not about ignoring social welfare issues that other communities are now dealing with, because they didn't have the foresight or commitment to set aside funding. It's because you've made these commitments and supported --

MR. MOLINA: Two-and-a-half minutes.

MR. REGAN: --these investments in our future that Maui County is attractive and is in a much better position than other municipalities that have opted to ignore and defer these investments. All you have to do is travel to any number of communities to see exactly what I'm talking about. Some of our departments will come before you today to share their thoughts on the impact of the proposed changes. We're all concerned about the outcomes, and it's critical that we have that discussion as part of this process. We know that in the end there are tough decisions to be made. As Chair Hokama stated --

MR. MOLINA: Three minutes.

MR. REGAN: --nothing is free. But by simply deferring needs...I'm sorry, that concludes my testimony.

CHAIR HOKAMA: Thank you, Mr. Regan. I will just say before I ask for the Members' questions, we appreciate your cooperation also, Mr. Regan, as the Managing Director. And yes, this is still a continuing process.

MR. REGAN: Yes.

CHAIR HOKAMA: This is...and we appreciate the comments you and your departments will be sharing with us on the Chair's draft, and that is what it is, a Chair's draft. It is not the final Committee's recommendation to Council for consideration, so it is still a working document. And we appreciate the comments that we will be receiving from your representatives.

MR. REGAN: Thank you, Chair.

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CHAIR HOKAMA: Any questions for the gentleman? Okay. Having none, Mr. Regan, we thank you very much for your presence, sir.

MR. REGAN: Thank you, sir.

CHAIR HOKAMA: Herman Andaya.

MR. ANDAYA: Good morning, Chair Hokama --

CHAIR HOKAMA: Good morning.

MR. ANDAYA: --and members of the Committee. Thank you for this opportunity to address this body regarding the Administrative Programs budget for the Office of the Mayor. As you know, there are a number of activities within this program including Mayor's clerical support, the communications team, the Budget Office, CDBG, and the Mayor's executive assistants. Members of our staff in these offices are individuals who are dedicated, hardworking, and most importantly customer service oriented. They often do not receive fanfare for the work they do, relying only on the satisfaction that they were able to make a difference in people's lives. The issues that our staff handles are numerous and varied. One moment they may be handling a Building Permit issue, another, a request to install a speed bump in their neighborhood or even disputing a water bill. Our staff listens to many such issues and assists our constituents through the myriad of governmental processes and regulations. Many times we receive calls from our constituents or they may drop in our office unexpectedly. Whichever means, we never turn away someone who is in need of assistance. I humbly ask that you allow our office to continue to provide this service to the community. Last year, our budget was cut by roughly 300,000 and as a result we cut the Mayor's staff by four positions. Our ability to serve the public was hampered because of these cuts but it did not cease. We have been able to continue working with what we have; however, another substantial cut for our office would be extremely difficult. Some of you may ask why our office has grown since the Mayor's first term over 12 years ago, our population has risen and the Mayor's directive of making our office more open has led to the increase of constituents seeking help. We did our best in the first term; however, the need for more staff is very apparent. If our funding is restored, it is not our intention to grow the Mayor's Office, we will continue to make do with what we have. Another change which the Mayor felt was necessary was the creation of a Chief of Staff position. In the Mayor's first Administration, the Mayor who consistently had a full day of meetings with the public, had some challenges in managing the offices under his purview. When the Mayor returned to office for a second term, one of the changes we did was create a position whose responsibilities included overseeing personnel and operations within the Office of the Mayor. We have implemented policies in our office which included improving communications with the public through new media options such as --

MR. MOLINA: Two-and-a-half minutes.

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MR. ANDAYA: --social media, video, and print. We have focused in creating an office that is open to the concerns of our constituents. While the Managing Director manages our departments, my role as Chief of Staff is to manage our relationship with people outside of County government which includes the general public, media, community organizations, State and Federal governments, and foreign governments. We also handle matters brought to us by the Maui County Council. I also serve along with the Managing Director...thank you very much, Chair and Members of the Committee, for this opportunity.

CHAIR HOKAMA: Thank you, Mr. Andaya. Members, questions for Mr. Andaya on testimony provided? Having none, thank you very much for your testimony this morning.

MR. ANDAYA: Thank you. Thank you.

CHAIR HOKAMA: Teena Rasmussen, please. And after Ms. Rasmussen, we'll check with the District Offices.

MS. RASMUSSEN: Good morning, Chair. Good morning, Members. Thank you so much for allowing us to come in this morning. I'm here to ask you to please consider reinstating our Energy Commissioner position in OED as well as the Energy Program Fund. You know I'm a firm believer that every position, every employee in this County should provide far more public value than the cost of their salary. Sometimes it's hard to quantify that and sometimes it's easy. In the case of our Energy Commissioner it is easy to quantify. Just the overseeing of 21 PV projects being installed on County facilities has brought a \$500,000 per year savings to the County of Maui for the next 20 years. The Energy Commissioner serves a different but complementary purpose to the civil service energy position. The Commissioner's role is visionary and project driven and policy oriented. The civil service position is one that is charged with monitoring PUC dockets, energy emergencies such as fuel shortages in the County, hurricane preparedness, research, et cetera. When we came into office four years ago, Maui County was hovering around 15 percent renewable energy and today we are at 30 to 35 percent. We are well ahead of our goals, and I credit this stellar progress to the Mayor's vision, to a public that cares about these issues, and a strong Energy Commissioner who pushed hard to implement that vision. With the NEXtera merger on the PUC docket, Maui is facing the most pivotal and important era possibly in our entire energy history. We need a strong, experienced Energy Commissioner to keep Maui's needs front and center through this PUC process. Maui is an intervener in this docket and we need a strong visionary leadership to see us through. This position is also our liaison with Hitachi's JUMPSmart Maui program. In addition to the position, I would like to ask you to move the Energy Program Fund back to OED. This fund is partially used as a grant fund. We have provided funding for various energy projects like sponsoring MPower this year, in the past creating a solar summit, providing seed money for the Maui Energy Conference.

MR. MOLINA: Two-and-a-half minutes.

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MS. RASMUSSEN: The civil service position that you moved this to is not equipped to implement projects like this because it required other OED staff. To wrap up, I just want to say that Maui exports \$200 million in fuel every year to pay for MECO's fuel, \$200 million for the purchase of MECO's fuel. Now is not the time to take a low profile in the energy arena by eliminating this position, just the opposite is needed. Thank you very much. I ask for the, if you could please consider putting this back. Thank you.

CHAIR HOKAMA: Thank you, Ms. Rasmussen. Questions for the lady? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Ms. Rasmussen, for being here. You're saying that this position is an important position and your testimony is, I got it loud and clear. The question is have you been searching for this position? Because I haven't seen any ads in the paper or I didn't really look online but...

MS. RASMUSSEN: It has not been publicly advertised but yes, we have been searching, we have collected resumes. The position is very critical and we want to make sure that we get the right person with the most experience that we can afford with the salary here. And as you know with our previous commissioner, we have very big shoes to fill, so we want to be cautious and make sure we get the right person.

COUNCILMEMBER COUCH: And...but I thought that that position was filled now or is there a body in that position?

MS. RASMUSSEN: There is but it is, it was a very temporary situation until we could fix the shortage. This goes back to my presentation on our Admin budget where I asked to have a two-thirds position reinstated because we had a situation at Maui Business Resource Center where we only had a one-third position for the person at the front desk. And we've had to rotate specialists through that position and it's been incredibly difficult to operate that center with that situation. And so for just temporary there is a person in there, but it was never intended to be a permanent thing. And it will be fixed with the 2016 proposal that I put forward that you have accepted so far, so I would just urge that we let that, you know, continue.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you very much. Any other questions for the lady? Thank you very much for your testimony this morning.

MS. RASMUSSEN: Thank you.

CHAIR HOKAMA: We'll go to the Hana District Office. Ms. Lono, anyone wishing to provide testimony?

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

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

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

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

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

CHAIR HOKAMA: Okay. Thank you very much, ladies. We'll continue in the Chambers, Mark Sheehan.

MR. SHEEHAN: Good morning, Chair.

CHAIR HOKAMA: Good morning.

MR. SHEEHAN: Good morning, Councilmembers. My name is Mark Sheehan. I'm here to ask for your support funding being put into the budget of \$3.2 million for 312 acres between Kuiaha Bay and Jaws. It's an open space. I've been involved with open space requests going back 35 years, and when we proposed 155 acres at Makena Beach years ago, there were people who had their doubts about it, but I think we can all see now that that was a great investment in the future of Maui and this is a similar property. The Hamakualoa area of Maui has received no funds for open space since the Open Space Fund was created 15 years ago, so it's time to take a look at the growing needs in that area. It's culturally significant with two known heiaus. This is raw land so the cost is minimal for the size of the property, and it's a very affordable purchase. The coastal lands, like there's near communities, schools, and youth facilities and never been made available by A&B before, and local community groups, I know maintenance is always an issue but like the acreage, the 64 acres in Kaehu in the Paukukalo area that was made available in 2012 that was funded, local community groups are willing to step forward and deal with the maintenance, but there are many, many groups that would benefit from this. Hiking groups, cultural groups, equestrian groups. A property like this requires a certain amount of vision to see, but with the growth here on Maui and the shortage of parks and open space area, this would be a tremendous asset to the community. It has view sheds, natural and cultural resources, and recreational use, and it's a natural fit for the Maui County Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund. So I ask for your support and consideration of including this acreage in the budget. Thank you.

CHAIR HOKAMA: Okay. Thank you very much. Any questions? Mr. Couch first.

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COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Sheehan, for being here. Can you say again how many acres this was for?

MR. SHEEHAN: Three hundred and twelve.

COUNCILMEMBER COUCH: Three hundred and twelve. And that, do you know if that's the asking price, the 3.2 million?

MR. SHEEHAN: I believe that is, yes.

COUNCILMEMBER COUCH: Okay. And we've received testimony, written testimony about potential number of homes there. Is that, that's all ag right now isn't it?

MR. SHEEHAN: It's all ag right now. There are various parcels that have been made available to the, I think it was that 1,200 acres that A&B released to a developer and there were a number of large parcels there were rearranged for various reasons so that they could be sold off.

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

CHAIR HOKAMA: Okay. Thank you. Mr. White.

VICE-CHAIR WHITE: Yeah, I was going to ask for the TMK but I think I found it.

MR. SHEEHAN: Okay.

CHAIR HOKAMA: Okay. Any other questions for the gentleman? Okay. Having none, thank you very much --

MR. SHEEHAN: Thank you.

CHAIR HOKAMA: --for your testimony. Kelly Pearson.

MS. PEARSON: Good morning, Budget Chair Hokama --

CHAIR HOKAMA: Good morning.

MS. PEARSON: --and County Councilmembers. My name is Kelly Pearson—sorry--and I stand before you as the Chief Executive Officer for the Boys and Girls Clubs of Maui. First of all, I want to thank you for the support that you've given us over the last decade to serve more and more youth in the County of Maui. Thank you very much for that. I also thank you for the level funding that's in the budget right now. I'm here today to ask you to consider putting back two items in the, into the budget, and, you know, as I sat here in the last hour trying to think well which one is more priority if I had to pick one and both are priorities. They both address immediate needs that we

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have. The 5 percent increase that I'm asking for from last year's or for this, from this current budget to next year will allow us to hire, it'll be at least, it'll be four part-time positions. Less than four part-time positions. We already in this current fiscal year have an increase since last year of 11 percent members, so there's more and more kids coming to our organization, to our clubs. Our funding supports four clubs, our Lahaina, Haiku, Makawao, and Central clubs. We also bring in funding to the County that helps us to support or Paukukalo and Kahekili clubs. So I ask you to support. Our goal is to maximize our, the use of our resources. Our goal is to build strong teams so that we can...right now in our clubs daily attendance goes anywhere from 120 to 180 members a day which kind of looks at a ratio of about 25 to 30 youth per 1 adult staff. We can do it but our facilities and if we manage the facilities right on a daily basis we can do it. I just ask you that the more, this 5 percent increase will definitely help us serve more kids, because we don't just open the doors and let them come in and participate in programs, we do do a lot of structured programs, and as you can see from our youth of the year and the kids who have testified before you. The second item again an immediate need, the one-stop resource center for youth success. I think it's important, I think it'll be a gathering place. There are stats that I pulled out, I'm not going to bore you with them but 144 juveniles for, got arrested for compulsory school attendance--this is all in 2013--eighteen for curfew violation, 141 for juvenile --

MR. MOLINA: Two-and-a-half minutes.

MS. PEARSON: --runaway, and there is more. And there's a lot more that's not reported to MPD. So these are the kids, this is the community that I want to reach with the one-stop resource center. Parents can come in and find out if there's sport communities in the community and we'll have the information for them. They can come in and say I need a homework tutoring program and we'll have the information for them. And they can come in and they can ask about any organization and agency that serves youth in the community and we'll have the information for them in the one-stop resource center. Thank you.

CHAIR HOKAMA: Thank you, Ms. Pearson. Questions for the lady on testimony given, Members? Okay. Thank you very much for your time today.

MS. PEARSON: Thank you.

CHAIR HOKAMA: William Spencer...William Spence. It looks like Spencer.

MR. SPENCE: Good morning, Mr. Chairman.

CHAIR HOKAMA: Good morning, Director.

MR. SPENCE: If I may ask, can Ms. McLean go before me? She's, she has a court appointment.

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CHAIR HOKAMA: No objection, Members?

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay. We'll have Ms. McLean come forward.

MS. McLEAN: Thank you very much for allowing that switch. Aloha, Chair Hokama, Committee members. My name is Michele McLean, I'm the Deputy Planning Director, and just wanted to offer a few comments on the Chair's proposed changes. I wanted to focus just on the Planning Department's Professional Services budget. The proposed reduction while it still indicates an increase over the prior fiscal year, in fact it's a decrease in our Professional Services. In FY '15, current fiscal year, our Professional Services budget, just Professional Services was 173,500. There is a separate 75,000 for Title 19 Code revisions that we kept as a separate line item. So our existing FY '15 budget is 173,500. What's before you today with the Chair's proposed reduction would bring that down to just \$100,000, and that's a pretty extreme decrease. So we'd actually ask if that Professional Services budget just as a standalone would be more in the range of about 150,000. Our FY '14 actual expenditures were almost 127,000. FY '13 was 131,000, so 150,000 is about in the appropriate range for what our historic spending has been for Professional Services. I just wanted to make a couple notes about the big increase that we're requesting for that, again, sort of treating that as a separate item would be the erosion control studies for Kahana Bay. We requested a total of 320,000 for those studies, and just to clarify that the, there are two parts. One part would be \$100,000 to determine if there's enough sand offshore and the right quality sand for beach nourishment to be an option for Kahana Bay. So that's just a study. The Army Corps of Engineers would conduct the study to determine if there is enough sand to do beach nourishment. The \$220,000 also for the Army Corps of Engineers would be to prepare models to see if any types of structures or what types of structures would be needed as a component for beach re-nourishment to work. Groins would be an example, vertical groins. So if beach nourishment were conducted --

MR. MOLINA: Two-and-a-half minutes.

MS. McLEAN: --that sand would be retained. So again, the money is just for the study and just for modeling, it's not to conduct the beach nourishment or to install those structures. If it seems that that's feasible, that funding would come from private sources, the County would coordinate but that would come from County sources and there would be permitting requirements to go along with it. I have more to say but I'm running out of time so I'll just end there. Thank you, Chair.

CHAIR HOKAMA: Thank you, Ms. McLean. Questions for the lady?

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Okay. Mr. Victorino.

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COUNCILMEMBER VICTORINO: Yeah, Chair, thank you. Ms. McLean, would you be able to leave that testimony? Or you have it in writing?

MS. McLEAN: I'd be...it's really just scribbles but I'd be happy to write something up later --

COUNCILMEMBER VICTORINO: Yeah, please.

MS. McLEAN: --today and send it in.

COUNCILMEMBER VICTORINO: Yeah. Since you covered a number of subject matters. Mr. Chair, if that's permissible, please.

CHAIR HOKAMA: Okay. That's fine.

MS. McLEAN: Sure.

CHAIR HOKAMA: Thank you. Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Ms. McLean, for bringing this up. The question I have is I agree with the Budget Chair on this one in that there's a proviso in there that says yeah, you can spend the 320 but it has to be matched by the, by other sources, whether or not it's private. I think even for the study for the sand I would think that the, you've got nine condos there. Do you think it's feasible for them or to be able to talk to them and that they'll come up with some of the matching funds? Because it's pretty much their property that we're doing all this for so I think they need to have some skin in the game.

MS. McLEAN: I do think it's feasible. Our staff has already been speaking with all of those properties not just about this first step of the studies but also assuming and hoping that the studies prove that beach nourishment is an option. They would be the ones kicking in to cover the entire expense, and they have expressed a willingness to do that. I certainly think we could do it, the concern is that time really isn't on our side. We have one property that's pending SMA permitting for a seawall, and we're trying to determine if beach nourishment is feasible before the decision is made on that permanent shoreline armoring. Understanding if that's where the Council wants to go, then again, looking at our Professional Services budget, the reduction would be just 50 percent of that 320,000. So reducing Professional Services by 160,000 rather than 218,000 just so the other Professional Services that we need during the course of the fiscal year is adequately budgeted.

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

CHAIR HOKAMA: Okay. Mr. White.

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VICE-CHAIR WHITE: Thank you, Chair. Yeah, I have a similar concern to Mr. Couch's that if...and my concern is that if we are unable to get the adjacent landowners to kick in a little bit of the money to study, what kind of assurance do we have that they'll kick in the money when it comes to doing the real work? So I think for me this is a way for the County to say yeah, we're, we feel this is an important thing to do, we feel it should move forward, but we'd like to at least have a test of just how much commitment there is from the nine condominiums to participate. And I, 'cause I think it's important that we all participate, this is in my view a critical thing to do, but it's also in some respects a critical test of whether we'll get some additional participation. Because once again, you know, this, as the Chair will always say, the ocean is a State issue and, you know, it's, but I think this is something that you guys have come up with that I fully support, but I don't support it by fully funding it when there are other parties that I think legitimately should be asked to participate at this level. Thank you.

MS. McLEAN: And that does seem, I think it is feasible and I think it's very reasonable. And like I said, we're hoping just looking at our overall Professional Services budget that are unrelated to the study that that budget is adequately funded. So the 50 percent reduction for the studies I think is a reasonable approach.

CHAIR HOKAMA: Okay.

VICE-CHAIR WHITE: Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Ms. McLean, for being here. I know you're in a hurry but one quick question. You mentioned that a permit was pending, where is that permit coming from?

MS. McLEAN: That is a property toward the far end of Kahana Bay, the Hololani property.

COUNCILMEMBER BAISA: Who's going to grant the permit?

MS. McLEAN: That would have be...well they did already receive a Conservation District Use Permit from the Board of Land and Natural Resources, and an Army Corps Permit. They would still need a Special Management Area Permit and a Shoreline Setback Variance Permit from the Maui Planning Commission.

COUNCILMEMBER BAISA: So that's a Maui Planning Commission who would grant that permit?

MS. McLEAN: Correct.

COUNCILMEMBER BAISA: Okay. I just wanted to know who was in charge of doing it 'cause it seems like time is of the essence. And I want to say that, you know, I do

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support the idea of let's partner on costs, I think it's the right thing to do. First thing I heard after the testimony in Lahaina was several people mentioned to me that they would like to see the owners participate also. Thank you very much.

MS. McLEAN: You're welcome.

CHAIR HOKAMA: Thank you. Any further questions? Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. And Ms. Baisa asked my major question but I had another one. Wasn't, we were told that was it one or the two properties had done a study as far as the beach erosion issue. Am I correct? I thought that was mentioned along the line of some testimony from somebody, and I cannot recall, I apologize. But there was, right?

MS. McLEAN: The Hololani, the one with the pending seawall application --

COUNCILMEMBER VICTORINO: They did one.

MS. McLEAN: --had to do an environmental analysis or excuse me, an Environmental Assessment --

COUNCILMEMBER VICTORINO: Okay.

MS. McLEAN: --and part of that process is to study alternatives.

COUNCILMEMBER VICTORINO: Yeah.

MS. McLEAN: So they did look at beach nourishment but just for their property.

COUNCILMEMBER VICTORINO: Okay. But there is --

MS. McLEAN: Rather than the whole bay.

COUNCILMEMBER VICTORINO: --some kind of study out that from, in that area in particular?

MS. McLEAN: Yes.

COUNCILMEMBER VICTORINO: Any other property done, has done anything?

MS. McLEAN: Not that I'm aware of but there could have been another, but most likely it would have been just for their property rather than looking at the entire bay.

COUNCILMEMBER VICTORINO: And I guess the last question and, Mr. Chair, this is very simple. Will they share a part of that, will they share that report with us or it's just part of the SMA so we'll have it anyhow?

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MS. McLEAN: For the Hololani --

COUNCILMEMBER VICTORINO: Yeah.

MS. McLEAN: --we have that anyhow. For the other, the other owners have been extremely cooperative in this whole effort, so if there are any other studies out there I have no doubt they'd be made available.

COUNCILMEMBER VICTORINO: Okay. Thank you. And I hope they'll be willing to work together 'cause it's their property we're trying to save more than anything else, Mr. Chair. Thank you.

CHAIR HOKAMA: Okay. Thank you. Any other questions for the lady? Thank you very much for your testimony.

MS. McLEAN: Thank you.

CHAIR HOKAMA: Mr. Spence.

MR. SPENCE: Good morning again, Mr. Chair, and thank you for indulging us. My name is William Spence, I'm the Planning Director for Maui County. I want to speak a little bit to the Chair's proposed budget and just offer some comments for your consideration. When I look at the budget I look, when I look at a proposed budget I look mostly at what does it take the Planning Department to serve the County, to serve the residents of this island. So with that framework in mind that's the way I propose, I go about looking at the budget and proposing things. So I'll touch on four little, four items in the budget. One is the office operations expansion. This would be a new clerical position for the Zoning and Enforcement Division. Right now we have 1 clerical person for 20 people, so that means the zoning inspectors are writing letters. That means the plans checkers are writing letters and proofing them when they should be really doing other things, when they should be addressing backlogs, when the zoning inspectors should be writing up the notices of warning or doing the research to do the enforcement that the Council has been requesting and that the public has been requesting. So we're requesting that that be reinstated. The Sea Grant position. We have had a Sea Grant representative within the Planning Department for at least 14 years. This person as has been testified provides a scientific background for coastal geology. She is...and the position itself but in particular this person provides a great service to the Department and also to the community as a whole. The proposed zoning revisions, the 150,000 proposed for that, we have basically a 50-year-old car, and as you know, when you have an old car, there's a never ending set of repairs that goes along with that. And so I think it's really time to evaluate what we have, look at it and say okay, do we need a new car or can we continue to just repair it and repair it? And I'm not --

MR. MOLINA: Three [sic] and a half minutes.

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MR. SPENCE: --sure about that. The last item, the KIVA replacement process, project. This goes really to IT's budget. The KIVA program is very old. It's been testified it's buggy. This is not just the departments' communication with each other though that is a primary source, it is also a primary source gateway to the general public.

MR. MOLINA: Three minutes.

MR. SPENCE: Thank you, Mr. Chairman and Committee members.

CHAIR HOKAMA: Thank you, Director Spence, for your testimony this morning. Members, any questions for the gentleman? Mr. White.

VICE-CHAIR WHITE: Thank you, Chair. You know we all understand and accept the importance of the KIVA project and we, I know you know that we've, we funded it adequately last year to get the process going, and my recollection is the funding that we have provided this year in just this fiscal year's budget is equal to the total cost that we were given last year. So we do support the progress or the progress in moving forward with this, but one of the other things is we, we're very close to getting the actual bid numbers on it. So I don't believe we've received that information at this point. But it should be coming within the next...we should be able to get it this week. We were told they were opening bids, I can't remember, was it last week or the week before. So I just want you to understand we all understand the importance of this, because it has a very broad application, not only for the County operations but for the public understanding what's happening with their projects and what the details of zoning and other things are for their property and their neighbors' properties. The next item was, you know, we've looked at other planning departments and yours is fairly well staffed, and I certainly understand the need for clerical help. But I'm just wondering if you've taken a real close look at the assignments within your Department to see if you would be better off changing one of your existing positions to a clerical position or whether you have talked to the Managing Director to see if there is a position somewhere else in the County that could be transferred to Planning if it's that critical a need.

MR. SPENCE: Okay. We haven't asked about transferring from another department to ours. Within the Department, we're sort of treading water as far as the volume of work and getting that out in a timely manner. We are improving. Our efficiency has been increasing. We're meeting some of the goals that have been put for us, you know, with the adoption of the International Building Code where we have 30 days turnaround in initial review, where we've increased efficiency internally to meet those goals. But all the same, the permits keep coming and the increase in enforcement activities also is creating new demand upon us.

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

CHAIR HOKAMA: Okay. Thank you. Any other questions for the Director? Mr. Couch.

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COUNCILMEMBER COUCH: Thank you. And, Mr. Chair, I'll try and keep it within the...you mentioned that you guys are pretty busy trying to get stuff out and Mr. White talks about the size of the Department. And maybe we'll have to bring this up in either my Committee or another Committee, but is part of the problem you being so busy the red tape essentially or?

MR. SPENCE: Yes.

COUNCILMEMBER COUCH: Okay.

MR. SPENCE: The...

COUNCILMEMBER COUCH: Well we'll deal with that in a Committee then.

MR. SPENCE: Okay. And that's part of reevaluating our Zoning Code is the, I mean we, I have no doubt that we are fully staffed comparable to similar sized cities across the United States. The, however, our regulatory regime is typically much more stringent, and we're a regulatory-heavy State and our County is not excluded from that. So sometimes I wonder if we create work for ourselves that perhaps is not necessary and that's part of what the evaluation of our Zoning Code was for.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Other questions for the Director on testimony? I'll just quickly add, Director, that part of my recommendations is giving you notice that you need to talk to this body regarding how to move zoning forward. The Chair believes that it is one of two main tools that we use besides taxation to direct and implement policy to land use for permitting, through zoning, and taxation. So I think we need a good discussion. So your RFP goes out and we get back what we need to make those improvements.

MR. SPENCE: Okay. Mr. Chairman, I'm happy to have that discussion with you --

CHAIR HOKAMA: Okay.

MR. SPENCE: --and the Members.

CHAIR HOKAMA: Thank you very much. Any other questions? If not, Mr. Spence, we thank you for your time this morning.

MR. SPENCE: Thank you, Mr. Chairman and Members. We appreciate your time.

CHAIR HOKAMA: Okay. Mr. Taylor will be next, and as he comes forward, I will say that if and when we get done with testimony today it is the Committee's intent to bring back Parks, Planning, Public Works, and Water today and tomorrow if need be, and then Fire and Environmental Management. Those are the departments that have been

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requested to have further discussions with this Committee. Okay. Just to let you know. Mr. Taylor, thank you for being here.

MR. TAYLOR: Good morning, Mr. Chair, Committee members. My name is Dave Taylor, I'm the Director of the Department of Water Supply. I wanted to take the opportunity to compare and contrast the Mayor's proposed budget with the Committee Chair's proposal, especially in how it relates to the long-term plans we've discussed in Water Resources Committee. DWS presented to the Water Resources Committee back in 2013, numerous options for future capacity needs. Option 1 was the County builds everything, pays for it with various rates and fees. Option 2 was the developers build everything and dedicate it to the County or operate it themselves. This is in the attachments that I've provided. The Mayor's proposal is consistent with Option 1f. The Committee Chair's proposal appears to be consistent with Option 2. Now what we've said all along is these options aren't better or worse, they're different. So this represents a crossroads as we've talked about, about which direction we're going to go in. So the Committee Chair's proposals deals to implement this policy direction by deleting the water system development fee increases which is how we're going to pay for it doing it ourselves plus things like the \$15 million Iao Treatment Plant and some other large CIP projects. So it cuts revenue and cuts projects. That's fine, that's Option 2. If that's where we want to go we can implement that. If you want to go the other way, we can implement that. That's the choice between Option 1 and Option 2. The Committee Chair's proposal adds 9.6 million for source transmission storage for the Upcountry meter waitlist. We do, currently do not have a project that would be ready for construction in this timeframe and most of that money would probably lapse. The proposal also removed the water shortage rates that we spent the last couple years talking about. I've mentioned to the Committee before that without the water shortage rates it is very likely that we need to stop issuing meters Upcountry. We've always said the H'poko Wells can be used for either new meters or drought relief. We wanted to use it for new meters and use drought relief with the water shortage rates, we have a decision to make. The proposal cuts our administrative operations by \$1.2 million and the five Limited Term Appointment E/Ps. That was how we were going to implement the new billing system we talked about in PIA. The sooner we get started on that the better. We've always assumed that as an enterprise fund it was expected that we fund enough to handle unforeseen events, and if we don't have those unforeseen events, have a Carryover/Savings. Departments always shot for about two months cash flow. Usually you hear that number in water utilities, two or three months. So...30 seconds. So what this does, it basically takes that cushion out, the Chair's proposal, and it increases the chance we have to come to the Emergency Fund. Finally, prohibiting the ABC funds from moving with the programs will severely limit our ability to reprioritize. As there have been no accusations that we've misspent funds it seems unwarranted. So the summary, it's we have some options, we have some different choices to make, and I'm more than happy to answer any questions you have. Thank you.

CHAIR HOKAMA: Questions for the Director? Mr. Couch.

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COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you, Mr. Taylor, for being here. You know one of the comments I heard yesterday was that, you know, we've done a lot of CIP allocation of funds but haven't seen any results, and that concerns, you know, that is disconcerting to me that we haven't seen. Can you comment on that? Because, you know, I have a hard time allocating more and more money and nothing coming back. Thank you.

MR. TAYLOR: Thank you, Mr. Couch. In the last three years, we have doubled capital improvement production. We've done that while we've done all these internal plans internally. We haven't hired consultants for that. So and if CIP money isn't spent, if it's cash it's rolled over to control rates the next year, and if it's bond it was never spent. So my management strategy because we are so behind on water infrastructure has been frankly to bite off more than we can chew, push everybody to their limits, not waste money, but if we don't spend it roll it to the next year and keep moving. We are so behind on water infrastructure and I think everyone knows that, that I came in with a slow careful approach in my view was never going to catch up. So again, bite off more than we can chew. I'd rather lapse the money, spend it the next year and keep it rolling over to control rates than just bite off a little bit 'cause we'll never catch up, we're too far behind. But we have doubled CIP production over the past four years.

COUNCILMEMBER VICTORINO: Chair?

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, thank you. Mr. Taylor, you know, again, I tend to agree that, you know, you've done a lot more than has in your predecessors. Waikamoi, you know, that project alone was a big, big undertaking for this County, long, long overdue. But what I want from you is if we were like we're doing in Wastewater and I will propose this and then we'll see how it pans. But a reserve fund specifically for that area for maintenance and repair development, would you oppose something of that nature?

MR. TAYLOR: Member Victorino, I would never oppose that, I would submit that it's a little late. The purpose of a reserve fund is when you don't have maintenance activities you start saving for it. Once you're in the middle and you're behind, what are you saving for? You know you've got to do it now. So I think a reserve fund probably should have been done about 30 years ago. We should have raised rates 1 or 2 percent, and at this point we'd have enough for replacement. It's a little too late once your car broke down to start saving for repairs.

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COUNCILMEMBER VICTORINO: But yet, Mr. Taylor, in your testimony here you add that \$9.6 million that we want to put aside for source, transmission, and storage for the water meter list that you'll have no projects ready for that. So I mean if you're saying one thing and you have things ready and ready to go, especially in these dire areas, I'm okay with it, but I'm hearing just you're saying one thing and I'm reading another. And you're saying that same to me, so I'm very confused. But we'll leave, we'll deal with it as we move on. But I'm just saying that I believe the effort you're saying here is we're not ready for Upcountry, yet Upcountry has been the thorn in our side for years and you've admitted that many times, and yet why aren't we ready with something? Why can't we have things ready? But anyhow, I'll leave it alone. I'm sorry, Mr. Chair. I apologize. Thank you, Mr. Taylor.

CHAIR HOKAMA: We can have more of this detailed project discussion when the Department comes back.

COUNCILMEMBER VICTORINO: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions on the testimony he gave this morning, Members? Mr. Taylor, thank you very much for your testimony.

MR. TAYLOR: Thank you, Mr. Chair.

CHAIR HOKAMA: Lucienne de Naie. And yeah, I just want to give one quick clarification before we have Ms. de Naie share her thoughts. The Water Chair, shortage rates was not deducted in my proposal, it was just not reflected in your worksheets yesterday, 'cause there was no change in the proposal by the Mayor. So I did not highlight that for you. But that was not removed in my draft proposal to you. Ms. de Naie, you're welcome and we are open to your testimony.

MS. de NAIE: Mahalo, Chair Hokama. And mahalo to the Budget and Finance Committee. Thank you for your hard work and surviving this. My name is Lucienne de Naie, I'm testifying on behalf of the Sierra Club Maui Group as its conservation chair. I'm here testifying on open space matters, but I would like to say right up front that I certainly hope that we will continue the position of the Sea Grant Coordinator, the County share of this. This is a very important position, and we have turned to coordinators in this area since the '90s and we need that expertise at our Planning Department. On the open space proposals, all the proposals for the Open Space Fund this year for the \$10.8 million are very worth proposals and I hope you will support them all. I'm here to speak in part really, strongly for the one in the Hamakualoa area. This is an area between West Kuiaha Gulch and Konanui Gulch, or Coconut Grove is another name for Kuiaha Bay. This is a very, very important cultural area. Our old timers, Ralph Ichikawa wrote a book, he put Kuiaha Bay on the cover, *As I Remember*. It's where folks grew up, their folks worked in the plantation fields here, the kids went fishing along the shoreline all the way between what we call Jaws now and Kuiaha Bay. It's an area that's important to our community, and it's a chance of a lifetime. We haven't

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had coastal land for sale very often, especially in a big chunk like this. It's a chance to take all of the good things that are associated with this land, you know, the heritage from the pineapple days, the association with the Hawaiian culture, and the multiple recreational use. It's the site of one of the iconic surf spots in the world, Jaws, which has no managed coastal access. It's a popular area for surfers, divers, fisherman to go, bike riders love it. Years ago we had the pineapple scrabble in those fields for the Haiku Community Association, Hoolaulea, very popular event with the kids where they went out on their dirt bikes and ran through the pineapple fields. All of that would be possible. This area is near schools, it's near the youth center, it's a place where our community could really use. We haven't asked for much over the years, the last open space funding we got and this is before the Open Space Fund existed was the marine park. I think it was 1999. So I think that, you know, our area --

MR. MOLINA: Two-and-a-half minutes.

MS. de NAIE: --would be due. Please put this in the budget as a placeholder. We need to work out the details, the price, the this and that, the exactly which acreage, but just like the Honolua, this was in the budget for years as a placeholder and yes, eventually it happened. And this is the way to get stuff done. And there are groups in the community that want to help with the management. I know that that's a concern but I only have three minutes here so I can't go into great detail. Thank you. Aloha.

CHAIR HOKAMA: Thank you, Ms. de Naie. Any questions for the lady on her testimony, Members? Having none, thank you very much for your testimony this morning. David Goode, please.

MR. GOODE: Good morning, Chair --

CHAIR HOKAMA: Good morning.

MR. GOODE: --members of the Committee. David Goode here, Director of DPW to speak on the Chair's proposal for the FY '16 Budget. Overall it's a good budget for DPW. A recognition of the need to continue to fund roads and CIP and related maintenance as well as keep our constructed-related permit processing improvements and results going strong. A few areas of suggestion. In the areas of highways maintenance. One, the transfer of the two construction equipment mechanics to DEM is premature until a solid plan is in place to quantify the number of positions, consult with the union, reorg, create facilities. Keep in mind we haven't serviced Central Maui Landfill equipment for a number of years as that service had put all of the equipment repairs to the side which had begun to idle our necessary road gear. So that work is subbed out. We do service all the refuse trucks in every baseyard, and the landfill equipment in Hana, Molokai, and Lanai. We also do refuse collection in Hana and Molokai, so we would be happy to transfer all of that with a proper plan and think is a great topic of discussion for next year. The EO IV for Lahaina is really important to improve our productivity given the type of equipment we have, the need for that grade of an operator to run the equipment, and the types of projects we have to do in the flood

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control and sediment basins on the West Side. The replacement dozer would also really help. At some point we will need additional funding at the Makawao Veterans Cemetery depending on the exact time that project is turned over, so please consider adding back the E/P. And if the funding the Mayor requested is not feasible, consider placing a dollar marker for salary which would grease a move to fill the position when the cemetery addition is ready. We need to keep that place shipshape. In the area of CIP. In general, the projects that had reduction in allotments may have bids come in higher. We, they require us to either use Countywide funds if available or applicable or come in for more funds. If we have to come in for more funds I hope we can get your fast support to keep those projects moving. I am concerned the million dollars for Countywide drainage may leave us holding the bag or shall I say the bucket, as we have plenty of projects and a lot of emergency work that comes up that needs this funding in the amount originally requested. For the Maui Lani Parkway/Kamehameha Intersection improvements, we will be getting your IEM Committee those deeds and resos this week, so it is really that close to moving forward. So that intersection just cannot wait another year. The Central Maui signal upgrades, we can just delay the project in for the whole year, so we're fine with deleting that. Pavement rehabilitation in various locations in South Maui. It was mentioned there's additional funds in the Countywide resurfacing, but if we use those funds for design of this Fed-Aid project we're just not going to do resurfacing in South Maui for FY '16. Finally, regulatory-wise, MS4, we can live with the 400,000, hopefully we can still meet DOH requirements. If we find we're in a bind we may come back to you. And the Building Permit Revolving Fund, we were unclear if the Premium Pay was deleted --

MR. MOLINA: Three minutes.

MR. GOODE: --but we need it. That's it, Chair.

CHAIR HOKAMA: Okay. Thank you very much for your comments, Director Goode, and thank you for putting it in writing, very helpful. Questions for the Director? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Goode, for yes, having it in writing as well. You mentioned that in the Central Maui Landfill you don't do the mechanic work for them?

MR. GOODE: Correct. We used to in the past but five, six, seven years ago...that work is incredibly difficult to do. When we get the equipment it is not clean. Not even close to being clean. And we have to transport it back and forth from the landfill. So the, my, I'm pretty sure that DEM subs that work out.

COUNCILMEMBER COUCH: Okay. Yeah, Mr. Chair, that's something we may want to talk with DEM about too. Thanks.

CHAIR HOKAMA: I would agree. And I think the Director brings up a good point, Members, but let's not forget we should have split the assignment of positions a lot earlier when

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we split the one department into two. So there's a lot of responsibility to go around why we're here today. But the Director brings up a good point for a comprehensive review. I appreciate that comment.

MR. GOODE: Thank you.

CHAIR HOKAMA: Any other questions for the Director? Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah. Thank you. And, Mr. Goode, I wanted clarification on number two. The dozer you're referring to is the West Side dozer, right?

MR. GOODE: Correct. I think it was a D7 replacement.

COUNCILMEMBER VICTORINO: D7. Yeah, okay, no, because you just said replacement of dozer, but I wasn't sure if that was just the one you were talking about, not the D8 you were asking here for Iao and the cleaning of the Wailuku.

MR. GOODE: Right. The D8 was actually reduced in amount but we got confirmation late last night or early this morning that that new number is fine.

COUNCILMEMBER VICTORINO: Okay. Very good. Thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Any other questions for Director Goode, Members?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Yes, ma'am.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Director, for being here. And thank you very much for putting it in writing, very, very helpful.

MR. GOODE: You're welcome.

COUNCILMEMBER COCHRAN: And so number six in regards to the Maui Lani Parkway/Kamehameha Intersection, you're saying that it is really, really close to being a good-to-go thing?

MR. GOODE: Correct. We've been going back and forth on the deeds. The owner of the roadway has done all the improvements. And I checked with staff this morning to find out exactly where it was, and they were actually preparing the letter to come to me to go to you folks. So it looks like it needs to be transmitted to the full Council first for referral to your Committee. But I put it in writing here that I'm committing to getting it done this week. And I think that was a concern is the question of, you know, should we spend the money if we don't have the road. I think you had mentioned earlier you'd be happy to move on it once you receive it so.

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COUNCILMEMBER COCHRAN: Yes. And I will be committed to that. So thank you for the update, and thank you again for writing. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Any other questions for Director Goode? Okay. Thank you very much for your time, sir.

MR. GOODE: Thank you.

CHAIR HOKAMA: Okay. At this time, the Chair will announce we'll bring up Chief Faaumu at this time and then we are going to go into recess. So for those waiting to testify, you will be coming forward after the morning break, after we return from morning break. So we'll take the Chief at this time. Good morning, Chief.

MR. FAAUMU: Good morning, Mr. Chair. Good morning, Councilmembers. Tivoli Faaumu, I'm the Chief of Police for the Maui Police Department. Mr. Chair, I will echo what the Managing Director has said, you know, our island is the most beautiful island and a lot of people chose the island as a resident and some chose to visit and keep coming back. As my role as Police Chief is to make sure that these folks feel safe as they visit. I thank you for reviewing our budget and looking at it, and I know you make couple recommendation. And in these recommendation there are four areas of, that you had identified that we need to review as Department head. We apply the same principle as I mentioned to you, we look at everything that we have, and out of those four revisions recommended by your office we chose two areas of concern. And I'm here to testify asking you if you please revisit that and reconsider it. And I list these two items in priority. The first priority is the replacement of our fleet vehicle for the Uniform Patrol Service Program. You had recommended reducing our proposal by 42 percent. As I review the fleet vehicles that we recommended to replace, there are vehicles there that are assigned to the rural district, Molokai, Lanai, Hana, and Lahaina. It is a concern of me, these vehicle. We do have our policy and our policy is four years, if the vehicle is in service for four years, 90,000 miles or if the cost of the repair exceeds the value of the vehicle. So these vehicles are assigned to these districts, we have issues in these districts. The availability of service to repair these vehicle is not readily available like our district here. Sometimes if a vehicle goes down for a brake job it will sit there for a while until we provide the service to do the repair. If we have major repair for these vehicle, the vehicles will be shipped back to Maui to do the repair and then ship it back to the rural district. The unfortunate thing is, Mr. Chair, I can't send a vehicle out there, I can't ship a vehicle to use while I'm doing the repair. It's not practical and we haven't been doing that in the past. And I'm asking you if you can reconsider allowing this vehicle, allowing us to purchase this vehicle, it is for our rural district. The second item is the premium.

MR. MOLINA: Two-and-a-half minutes.

MR. FAAUMU: For our Investigative Services you recommended a 25 percent cut and our Uniform Patrol Service is a recommendation of 12 percent. Our uniform services is the backbone of the Department. These are the folks that are out there day in, day

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out. As I made my proposal to you, Mr. Chair, the recommendation was based on Collective Bargaining by SHOPO so as the Department head we prepare for the worst and hope for the best.

MR. MOLINA: Three minutes.

MR. FAAUMU: And I thank you for the opportunity.

CHAIR HOKAMA: Okay. Thank you, Chief. Any questions for the Chief? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Chief, for being here. Do you have that in writing? I know you haven't passed it out but it looks like you're reading off or is that your own handwritten notes?

MR. FAAUMU: That's my note but I will prepare a written report, submit.

COUNCILMEMBER COUCH: If you wouldn't mind, please. Thank you.

MR. FAAUMU: Yes.

CHAIR HOKAMA: Yes, Chief, we appreciate your ability to express your concern. We heard about the fleet replacement and we'll be happy to hear your more detailed response regarding Premium Pay and those other issues you've brought up with us this morning.

MR. FAAUMU: Yes, Mr. Chair.

CHAIR HOKAMA: Yeah. Other questions for the Chief, Members? If not, Chief, we thank you for coming this morning and sharing your concerns with us.

MR. FAAUMU: Thank you.

CHAIR HOKAMA: Okay. Members, we're going to take a break until 10:45 this morning.
...*(gavel)*...

RECESS: 10:31 a.m.
RECONVENE: 10:49 a.m.

VICE-CHAIR WHITE: ...*(gavel)*... This meeting of the Budget and Finance Committee will come back to order. And we'll proceed with public testimony. And our first testifier is Pam Pogue, and she'll be followed by Jen Fordyle.

MS. POGUE: Good morning, Chair White --

VICE-CHAIR WHITE: Good morning.

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MS. POGUE: --and Councilmembers of the Budget Committee. My name is Pam Pogue and I am the Planning Program Administrator of the Long Range Division of the Maui County Planning Department. I'm testifying this morning in support of this Sea Grant Extension position, Line 1000, budgeted for \$88,975. I'm testifying before you today on this because I was a Sea Grant agent in Rhode Island for 14 years. Sea Grant was founded in '68. It basically, there are 33 Sea Grant programs around the country, and essentially what it is, it sort of provides expertise from academia as well as folks who are local practitioners addressing research extension, education, and communication to the better understanding and stewardship of our marine and coastal resources. As a Rhode Island Sea Grant agent, I served all of Rhode Island's 39 cities and towns in working with their planning staffs, building officials, zoning officers, town managers, department of public works' staff, and their boards and commissions on a variety of projects to address the issues they faced with specific regard to the impacts on land use and future development. I was involved in working with the folks in developing a 12-week course with all of the boards and commissions of three communities that shared an aquifer where they had declining drinking water quality, they had nonpoint source pollution, runoff into their bays and coastal areas, and loss of open space. There is no county government in New England and in Rhode Island so there is essentially is no regional strategic planning. We worked with the boards and commissions, the chairs, the town managers to try to develop that integrated better coastal watershed land use making, and after 12 weeks I can tell you that not a single council member or board member missed a session. And from that point on, an MOU was developed to have better watershed planning and management decision making. As a Sea Grant specialist, I worked with all of the Rhode Island communities and several State agencies to develop the first ever statewide public access plan identifying thousands of public access areas which had previously been hidden, blocked, and were subjects in contested case hearings. As a Sea Grant specialist, I worked with the state department of transportation on Rhode Island coastal communities' fire and police departments to develop the first ever digital geospatial living hurricane evacuation plan and notification system. Road signs were installed, Red Cross shelters were established, and DOT highway notification boards were delivered in a statewide coordinated evacuation notification system. I have lots of detailed examples but I what I want to say to you is that what this position provides is an expertise that is not currently available, and I am quite frankly blessed and lucky to have Tara's expertise and the expertise of coastal geology which is so present in Maui in our permitting, our planning, our community planning. This week Tara's coming to Molokai to produce a four-hour workshop on coastal hazards and those impacts on Molokai and Kaunakakai in those areas. I could go on and on and on. My time is up --

MR. MOLINA: Three minutes.

MS. POGUE: --but I've got detailed examples of the value of this position. Thank you.

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

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COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Ms. Pogue, for being here. If this position is not funded and we don't have her, is the work that she does something that we'll need anyway and that we may have to contract with folks to do?

MS. POGUE: That's a great question. Basically through Federal laws and State mandates, just in community comprehensive plans alone, we need to address certain areas in terms of climate change, the impact of sea level rise, coastal erosion and so forth, and quite frankly what's done now by other states, I know this 'cause I just returned from the APA Conference is they hire out consultants for tens and hundreds of thousands of dollars. Tara, the position's critical and Tara in particular has that knowledge that we have every day accessible to us on staff. Not only do we have that knowledge and expertise which we're now able to include in our community plans and our everyday permitting, but I can tell you as a fact as being a, you know, oceanographer and so forth, we have access to NOAA and a lot of resources simply because we have Tara working on our staff.

COUNCILMEMBER BAISA: Thank you very much. It appears then that we might we spend more money than having the position.

MS. POGUE: A huge amount.

COUNCILMEMBER BAISA: Okay.

MS. POGUE: A huge amount.

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

VICE-CHAIR WHITE: Thank you. Other questions, Members? Seeing none, thank you for being here, Ms. Pogue.

MS. POGUE: Thank you, Chair.

VICE-CHAIR WHITE: And Jen Fordyle will be followed by Craig Mojonnier. I'll let you pronounce your name properly. Jen Fordyle. Okay. Craig will be followed by Jennifer Livingston.

MR. MOJONNIER: Good morning, County Councilmembers. My name is Craig Mojonnier. I'm here in support of the open land trust for...let me see what it was here, the support of Don Guzman's proposal for the use of a proportion of the Open Space Trust. I've been a resident of Haiku for over 20 years and I'm an active surfer, diver, and fisherman. That I dive these areas all the time and I'd really like to see these lands kept preserved for the local people. And also I'd like to support the allocation of funds to the PYCC Boys and Girls Club of the North Shore because they really do a lot

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to help our youth. And that's just, I'm just here to voice my opinion in support of that. So please consider that and allocate some funds for us Haiku residents.

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

MR. MOJONNIER: Thank you.

VICE-CHAIR WHITE: --thank you for being here today. And Jennifer Livingston will be followed by Jeff Murray.

MS. LIVINGSTON: Good morning, Vice Chair, members of the Council. Thanks for having us this morning and thanks for all your hard work. I'm sure you guys are just loving plowing through all this stuff. I have some excitement to share with you from the people of Haiku and all over the island. These are 58 signatures that we collected in a few short hours at the Hoolaulea last Saturday in support of using the Open Space Funds to acquire land out on the North Shore. So I just want to say a huge thanks for getting that in the budget, and I want to make sure that you guys keep that as a priority in your minds and a priority in the budget. This really is sort of a once-in-a-lifetime opportunity to use those funds to get land from the Hamakua that, you know, we haven't ever gotten any yet from the Open Space Funds over here. And it's a really wonderful way to spend that money. That's about all I have to say frankly, you know. We're out there, we're pushing for it. There's stuff happening on Facebook. I hope to see a lot more people coming down and testifying. You'll be getting things by e-mail, you'll be getting phone calls. People really care and people are really excited. This is the first time those lands have become publicly available on the market, and to pass up this opportunity would really be a travesty. And I've also been in touch with Versa and the folks that have partnered with A&B. They are cognizant of the importance of this land to Maui and to the people here. And again, I urge you to keep this money as a placeholder so that we can work with them to really find the best ways to use the money to preserve access, to preserve the actual land and move forward with a really comprehensive project, I'm hoping for that North Shore heritage corridor. There could also be State funding available if we wanted to expand as well as Federal funding. So this is just the beginning of a beautiful thing. Thank you.

VICE-CHAIR WHITE: Thank you, Ms. Livingston. Mr. Couch.

COUNCILMEMBER COUCH: I was just going to say can we get her to identify herself, please.

MS. LIVINGSTON: Jennifer Livingston.

COUNCILMEMBER COUCH: Thank you.

MS. LIVINGSTON: Yeah. I'm a Haiku resident. I'm also the president of the Haiku Communication Association but because our bylaws don't allow us to without an in-person vote let me speak on behalf of them, I'm speaking on behalf of my friends and relatives out there.

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VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Now I do have a question. You mentioned that the, there's some money in the budget. I wasn't sure, there isn't one in the Chair's proposal. Are you talking about a new addition or...

MS. LIVINGSTON: My understanding is that there's 10.8 total in the Open Space and that there was a 3.8 number put in specifically for acquisition of lands in this Hamakua corridor.

COUNCILMEMBER COUCH: Yeah. Unfortunately there wasn't, but we'll talk about seeing if we can get it in.

MS. LIVINGSTON: But you'll put it in.

COUNCILMEMBER GUZMAN: Chair? Chair? Chair, I --

VICE-CHAIR WHITE: Yes, Mr. Guzman.

COUNCILMEMBER GUZMAN: --think just to clarify. I placed that into my individual budget that was submitted to Chair Hokama. So I believe that was what the testifier is referring to.

VICE-CHAIR WHITE: Right.

COUNCILMEMBER GUZMAN: Thank you.

MS. LIVINGSTON: And we could make it more --

VICE-CHAIR WHITE: Okay. Any...

MS. LIVINGSTON: --because my understanding is that that 10.8 is in total and there may be actually some leeway from, for revenues that are above and beyond the open space proposals that are all together that Lucienne de Naie referred to earlier. So, you know, again as a placeholder in order to look at how we can really go best about using these funds for preservation in the Hamakua corridor.

VICE-CHAIR WHITE: Okay. Thank you, Ms. Livingston. Any further questions for the testifier? Seeing none, thank you for being here today.

MS. LIVINGSTON: Mahalo. Thank you.

VICE-CHAIR WHITE: Jeff Murray will be followed by Tamara Paltin.

MS. MURRAY: Aloha and good morning, Chair --

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VICE-CHAIR WHITE: Good morning.

MR. MURRAY: --Councilmembers. Thank you for the opportunity to come here and provide public testimony on behalf of the Fire Department's proposed budget. It's a long list as you know, so I won't be prioritizing any of that at this point, because looking all of the programs within my Department, there's substantial deletions that we need to talk about. And I was very happy to hear that Budget Chair was going to open some dialogue for us to come back and talk about specific items, so I really appreciate that opportunity. Back in 2005, I hope you folks remember the Kahului Shopping Center fire, also known as the Ah Fook's fire. You know there's a lot of lessons learned there from our Department, and what we set forth in 2008 when I took over was upping our training and our ability to give you, all of our citizens, the opportunity for us to provide you with the best service possible. And we took that and we ran with it. And because of that incident we now provide a much better service for our community not only in fire suppression but in all of the responsibilities that we have. And there's so many to list. So I also want to bring up a situation that happened in 2007 in Charleston, South Carolina where they lost nine firefighters, and one of the reports during the investigation from the National Institute of Science and Technologies was that some of the training that they had or didn't exist 'caused that possibility of all those deaths. That could have happened to us in 2005. So my administration took the responsibility and did the research on how we were able to solve some of that issues. Number one, protecting our firefighters, and with that we also protect our citizens. So I want you to know that we've spent a lot of time and effort in the last seven years to put together the budgets that we present to you at, with extreme deep thought from all of our bureaus and all of our personnel that work on that. And we also go to the communities, our districts and find out what their needs are and all of the things that we can give them the tools and training for them to do their job safely. So with that I want to conclude on the Fire Department's request, and I look forward to the dialogue that we'll have in the new few days. I appreciate that. I'd also like to comment about the KIVA system. Our Department is part of that KIVA system and I think you need to fund that as whole because IT Services needs that support to move forward. It is very critical for our outreach with the public. And also I'd like to say please support Boys and Girls Club of Maui. They do great service for all of our kids that, you know, come. So thank you for the opportunity, Chair.

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

MR. MURRAY: Thank you.

VICE-CHAIR WHITE: And Tamara Paltin will be followed by Tony Krieg.

MS. PALTIN: Aloha mai kakou. My name is Tamara Paltin and I have several items to testify, only three minutes. So I wanted to express support for Councilmember's, Don Guzman's proposal for land above Peahi. I think that's a very worthwhile investment

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of our open space funds. I do not support \$50,000 of County funds being given to the State for a non-scientific study on GMOs. I support Councilmember Elle Cochran's proviso to pay jet ski operators sooner rather than later. Not saying that anything disrespectful to Fire, but for 13 years we respond to every 911 call that's ocean related between 8:00 and 4:30, taking away from the designated County beach parks, and it's a valuable service to the community that we don't get paid for. We often go out in hazardous conditions without hazard pay. High surf, high wind, at great expense to our own bodies, and we do this because we care about public safety. And after 13 years of kokua it goes beyond use to abuse. And I notice that the Council Budget Chair has delayed the transfer of Ocean Safety from Parks and Rec to the Fire Department. And I can understand and accept it, it is what it is even though the public voted on it. And from what I see, that has saved the County money by not doing it this time, at this time. So I would just respectfully ask that that savings be applied to immediately pay jet ski operators in line with what the rest of the County pays their...or sorry, what the rest of the State pays their jet ski operators. It's not in the position description that we need to operate these specialized equipment that requires specialized training. It's not a mandatory training, and I'd just like to ask you to recognize that, you know. A lot of times we go out trying to save a life but nobody seems to have our back, so I'm just asking that you guys support Councilmember Cochran's proviso and put the funding that's saved by not transferring us at this time to pay jet ski operators for the work that they do or we may not volunteer much longer. Thank you.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Ms. Paltin, for your testimony. So when, you're saying when you're going out on the jet skis you're not getting paid at all or? 'Cause...

MS. PALTIN: If there are three, two or three lifeguards at the tower, the person that goes on the jet ski is getting paid the same as the person that's in the tower. If you read the goals in the budget, it's to provide high quality lifeguard service at the designated beaches. So we're being paid to provide high-quality lifeguard service at the designated beaches. When there's a 911 ocean call, it's not, generally not for our beach. Napili Bay is not a County beach, the middle of the channel is not a County beach, the rocks off Kahakuloa Village is not a County beach, so we're not being, that's not our position description. An OSO III position description includes operating specialized equipment which is what a jet ski is because you need to go through two weeks of specialized training. You don't get hired as a lifeguard and go run a jet ski. So we're being paid to do one job and we're doing something that we're not being paid to do.

COUNCILMEMBER COUCH: Okay. Okay. So it's while you're on duty you're going out to these other spots, but you're just not getting paid the extra for the specialized or was --

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MS. PALTIN: Equipment.

COUNCILMEMBER COUCH: --it, is it hazardous duty or special equipment?

MS. PALTIN: It's specialized equipment.

COUNCILMEMBER COUCH: Okay.

MS. PALTIN: It can be hazardous depending on the conditions, if there's high surf or high wind. It's like, you know, kind of saying like we'll give the Fire Department this fire engine and we'll give them training to drive it, but we're not going to pay an engine driver kind of thing, you know.

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

VICE-CHAIR WHITE: Thank you. Members, any other questions? Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Tamara, for coming to testify. You said, you had a statement saying that you feel like, well, you said we probably may not want to volunteer these services any longer, much longer. So what exactly does that mean?

MS. PALTIN: Well, you know, another thing that I noticed in the budget was that there's annual recertification maintenance training for jet ski operators for 42 positions, that was in the Mayor's original proposal. We've never had annual training. It's been to the point where you go through the class and you're a jet ski operator kind of for life, you know. If it comes to the point where we need to recertify this, I can't think very many people would volunteer to go recertify it knowing that we're not getting paid. And at the point in my history where I've been an operator and it is, I've been through some like perilous or hazardous moments where I've since learned that if you feel like your life is in danger by going out, nobody can force you to do that. And if I'm facing like 20-foot surf, I'm going to reconsider if I'm going to call in the ski that day. I have two young children, I have a family, and it's getting to the point where they think that we are superhuman. The jet skis are getting bigger and bigger. It's gone from like a 500-pound piece of equipment to a 1,000-pound piece of equipment, and, you know, when you have victims on the back of the ski on a 1,000-pound piece of equipment, it gets more difficult to handle. And then you add in high wind and high surf onto it, it's to the point where you're almost creating a hazardous situation. And if, I'm not sure if you guys monitor the Fire channel, but a lot of times resources are being held back to let the jet skis investigate the situation first which is practically cost-saving measure, but it doesn't feel to me that we're working as a team when the one link that's not getting paid for this service is all the time being dispatched to investigate every ocean call whether they're not sure it's a distress call or not between 8:00 and 4:30. If we were getting paid to do that...

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VICE-CHAIR WHITE: Ms. Paltin, I think you're giving a very good answer but you need to answer the specific question without...we've got a lot of testifiers to get through this morning. So I would...

MS. PALTIN: Is there...

COUNCILMEMBER COCHRAN: Thank you. Yeah, no --

MS. PALTIN: Does that answer your question?

COUNCILMEMBER COCHRAN: --and I heard your...no, you answered it. And so to bring it all back, these concerns have been given up to your unit, your union representatives and peoples?

MS. PALTIN: Yes.

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

VICE-CHAIR WHITE: Okay. Thank you.

COUNCILMEMBER COCHRAN: Thank you, Ms. Paltin.

VICE-CHAIR WHITE: Any other questions for Ms. Paltin? Seeing none, thank you very much for being here today.

MS. PALTIN: Thank you.

VICE-CHAIR WHITE: And Mr. Krieg will be followed by Teya Penniman.

MR. KRIEG: Good morning, Council Chair --

VICE-CHAIR WHITE: Good morning.

MR. KRIEG: --and Members of the Budget and Finance Committee. My name is Tony Krieg, I am the CEO of Hale Makua Health Services, and I'm here to respectfully ask you to restore Hale Makua Health Services' request at Line 451 for \$250,000 in the Maui County Budget to provide some relief for the cost of providing physician services to many of Hale Makua residents at its two nursing homes, and will assure that we can continue to admit people from the community and from Maui Memorial. Some of you know, some of you don't that a number of years ago the physicians except for Kaiser and a handful of others stopped admitting people to the hospital and to Hale Makua. So we were forced to basically to bring locum physicians, temporary physicians at first from around the community, but then the other community physicians wouldn't do that so we actually had to bring them in from the mainland. And as you know we have a history of being self-sufficient, but we've been experiencing year-to-year losses for the past five years due to the reductions of Medicare and Medicaid rates. In order

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to be able to keep admitting and caring for Maui citizens for Maui Memorial and the community, we're going to, we have to fly these physicians in every four to six months. Nursing homes on other islands are not having to pay for this physician support, and we haven't asked the State for funds because this is a unique problem to Maui. But I want you to know that this is a one-time ask. We've gotta solve this problem some other way. You also know that there's quite a bit of change going on with the hospital and with some of the providers and the payers. So we recognize that the Council has a difficult job in balancing the various human service needs in the community and will be grateful for any support you may be able to provide as we continue to work with other stakeholders to solve the problem. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Krieg. Members, questions for the testifier? Seeing none, I've got a question for you. Your testimony notes that nursing homes on the other islands are not having the challenges. What's different between our situation and that of Kauai and the Big Island?

MR. KRIEG: Right, right. Well Kauai I can speak to. Hawaii Pacific Health interestingly enough sort of controls Kauai Medical Group, and so the nursing homes there, they're basically compensating them to make sure that go and attend, admit and attend people there. On Oahu, the University of Hawaii has a program that trains geriatric fellows, these are physicians who are already in practice but now they're learning to be geriatricians, and they basically as part of their practicum, they admit and attend people in a number of nursing homes. And then there, the hospitals on Oahu basically support physicians because it gets people out of the hospital sooner so they see that in their interest to provide support for physicians. I'm not as familiar with the Big Island but of course a lot of the, there's a lot of HHSC-type facilities there which are subsidized and they basically employee physicians in their nursing homes.

VICE-CHAIR WHITE: When you say HHSC, that's the...

MR. KRIEG: That's the Hawaii Health Systems Corporation. So for example --

VICE-CHAIR WHITE: Right. So...

MR. KRIEG: --Kula Hospital is actually a 4-bed hospital and a 110-bed nursing home. So they have physicians basically around the clock that are part of their emergency room but also see people in the nursing home. So they admit and attend people in the nursing home and that's part of the HHSC State-subsidized system.

VICE-CHAIR WHITE: Right. But I'm thinking of like in Hilo, you've got Hilo Hospital which is part of the --

MR. KRIEG: Right.

VICE-CHAIR WHITE: --health system, are there nursing homes in Hilo that are serviced by the State hospital doctors or the doctors that work with the State hospital system?

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MR. KRIEG: Well, Hilo Hospital itself has a 100-bed nursing home inside of it, but there are two other nursing homes in Hilo that are private, and I believe that they are part of a large mainland corporation called...and they are providing physician support services in Hilo through that corporation.

VICE-CHAIR WHITE: Okay. And then is there any way that you could link up with the folks from the medical school...

MR. KRIEG: We've attempted that but they won't send people over here, they have to keep them I guess in their program on Oahu. We've looked into that.

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

MR. KRIEG: Thank you.

VICE-CHAIR WHITE: Members, any other questions? Okay. Seeing none, Teya Penniman will be followed by Emily White.

MS. PENNIMAN: Good morning, Council Chair, members of the Budget Committee. I'm Teya Penniman, manager of the Maui Invasive Species Committee. And I'm here this morning to thank you for your vision and leadership in supporting expanded funding for control of coqui frogs in Maliko Gulch. Really appreciate your leadership on that issue. And to assure you that we will work very hard to use those funds as effectively and efficiently as possible if they make it through the entire budget process. I also want to assure you that I'd like to continue the conversation with you after the budget process is over, about how to stop the continued introduction of coqui frogs and little fire ants to Maui County. We'd also like to urge you to restore the proposed cuts to other Department of Water Supply watershed projects, specifically the Honokowai/Wahikuli \$75,000 project by The Nature Conservancy and the \$32,500 cut that's proposed to the Leeward Haleakala Watershed project. I want to note that the Department of Water Supply, it really has increased its rigor in going through these proposed watershed projects, it's not just a rubberstamp amount. And so any of the, those dollars that are put in now will certainly help to reduce future costs. I also would like to, speaking as a personal perspective want to support retention of the Sea Grant Extension project. I have the opportunity to occasionally write for *Maui No Ka Oi Magazine* and I've had the opportunity to work with Tara Owens. She's just an incredible font of knowledge and strong advocate for protecting our coastal resources. Thank you very much.

VICE-CHAIR WHITE: Thank you, Ms. Penniman. Members, any questions for the testifier? Seeing none, thank you very much for being here. And Emily White will be followed by Jacob Verkerke. I guess Mr. Verkerke is up next. Last call, Emily White? Okay. Mr. Verkerke, you will be followed by Pualani Enos.

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MR. VERKERKE: Good morning, Chair White and members of the Budget and Finance Committee.

VICE-CHAIR WHITE: Good morning.

MR. VERKERKE: Thank you for the opportunity to testify before you. I have hopefully distributed my written testimony to you. What I'll provide to you is the highlights. I have enjoyed spending time with you over the last year and appearing before a number of conferences. I'd hope that I would have been able to achieve a little better understanding of the IT operations of the County of Maui, I guess I'll need to come back some more next year and try to keep working on that. The highlights I have for you are four main items. First of all, the reduction in Repair and Maintenance of \$834,000 means that we will not replace any PCs next year. As Member Cochran recognized earlier this month, the definition of insanity applies to our situation. So we had to change our approach to try and meet the constraints that we've been faced with. No comprehensive services money means no PCs next year. That means no improvements to our ability to defend the PCs against cyberattacks since we'll not be able to replace these aging PCs we've talked about for a while. Second, the elimination of existing Information System Analyst V position by not converting it from a grant funded to a regular position--and it's really not an expansion, it's just a conversion--means that we will negatively impact our efforts to integrate and secure our criminal justice information sharing efforts. And this sharing happens between the Prosecuting Attorney's Office to the Maui Police Department and many criminal justice agencies in the State. No resources to manage critical upgrades to harden those systems. Third, the elimination of 65,000 and \$100,000 items from the Equipment request means that we will not be able to move IFAS off of the Oracle database to the Microsoft SQL Database to save on the escalating costs of Oracle. IFAS is one of the last information systems still running on Oracle. We're trying very hard to move off of that so that we can reduce the maintenance cost on that. It will also mean that we'll not be able to move IFAS to its next generation, next version of the software. Finance asked for \$195,000 for that and I think that was eliminated from the Chair's proposed budget, continuing, forcing us to continue with an aging application that's not meeting the expectations of functionality and security. We will also be forced to continue with GroupWise, the 100,000 is for that, as our e-mail platform. You've already abandoned that, we'd like to be able to do the same thing. Finally, MAPS must happen. KIVA is 20 years old and seriously obsolete. We have to pay the bills for the replacement project and we must manage this complicated project involving almost all County departments, the GIS systems that will be the foundation, and integration with a number of existing County --

MR. MOLINA: Three minutes.

MR. VERKERKE: --information systems. May I finish?

VICE-CHAIR WHITE: No, but we'll...I'm sure there'll be some questions for you.

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MR. VERKERKE: Okay.

VICE-CHAIR WHITE: And we have your written testimony.

MR. VERKERKE: Okay.

VICE-CHAIR WHITE: We've all gotten that. Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Verkerke, for being here. First, Chair, let me ask, I believe IT is going to come up here.

VICE-CHAIR WHITE: Any department that is interested in coming back we'll bring back...

COUNCILMEMBER COUCH: And I think we have them on the schedule to come up, so I'll reserve my questions for then.

VICE-CHAIR WHITE: Okay. 'Cause, you know...

COUNCILMEMBER COUCH: And if he's not on the schedule I'd like to get him on.

VICE-CHAIR WHITE: No, whether he wants to, if he wants to, he'll come back, if somebody...if he doesn't want to but somebody else wants...I'm not just referring to Mr. Verkerke but, and if --

MR. VERKERKE: Can I have a few minutes to think about that?

VICE-CHAIR WHITE: --there's a department that --

MR. VERKERKE: Just kidding.

VICE-CHAIR WHITE: --wants to come in or if there's a department that you want to come in, we'll make sure that happens. Thought I saw some questions over there.

COUNCILMEMBER COCHRAN: Yeah.

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Mr. Verkerke. And yeah, this is just one person's proposal, so looking forward to further discussion in coming back. But I believe our initial outreach through, via my Committee has assisted all of us in knowing a lot more about his Department and his needs. So --

VICE-CHAIR WHITE: Right.

MR. VERKERKE: And thank you for that.

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COUNCILMEMBER COCHRAN: --thank you for...looking forward for further question.

MR. VERKERKE: I'll be around, so.

COUNCILMEMBER COCHRAN: Good.

VICE-CHAIR WHITE: Where are we with the bidding for the MAPS project?

MR. VERKERKE: At the end of March, we selected one of the three finalist vendors. We're in contract negotiations, and under the rules of purchasing, I'm really not able to divulge too much detail because it all ties into an official notice of award that hasn't happened yet. The one-time cost of all three vendors are very much in the same ballpark and there is very little variation. The methodology and the functionality of the software is something that caused one to rise to the top, and we'll need to look at the ongoing five-year cost that we asked for to make sure that all of that is in line with our expectations. But I can share that all three of 'em are leading solutions in the marketplace, that will really help the County move forward in a really, a number of really big steps, and the one we've selected was overwhelmingly the favorite of the people that had a chance to get their hands on the system. So I think we're in very good shape to really accomplish the goals of modernizing our permitting system.

VICE-CHAIR WHITE: Okay. Great. Any other questions for Mr. Verkerke? Seeing none, thank you very much. And we'll --

MR. VERKERKE: Thank you.

VICE-CHAIR WHITE: --see you again soon.

MR. VERKERKE: I'll be here. Thank you.

VICE-CHAIR WHITE: Okay. And Pualani will be followed by Oriana Kalama.

MS. ENOS: Good morning, Council Chair and --

VICE-CHAIR WHITE: Good morning.

MS. ENOS: --Councilmembers. Thank you for your time today. I would like to first start off to appreciate the funding that you've provided us for last year. We were able to implement a new employer mentor program. And I wanted to tell you a little bit about what we did with that money. With eight full-time staff and two part-time hourly tutors, we were able to help 185 families and provide advice and referrals to 145 to ensure that we weren't duplicating services. So we have a filter where we bring students through to make sure that there's nowhere else in the community that they can be served. Out of those 145, we served 80 in a fulltime 7:00 to 3:00 p.m. afterschool weekend placements, and what we do with them then is we have excursions and take them offsite during our school day, and then we place them with

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either community services like Habitat, Humane Society, Feed My Sheep, or in different recreational programs, Boys and Girl Club at the point that they're ready to go into a larger group environment. And 50 percent of the students that we serve actually go back to part two, the Department of Education and finish public school successfully. Students who have come to us who could not read past the third grade level are able to reintegrate into the high school system and pass outside of special ed and outside of having special behavioral services. Over the past year, we've developed relationships with 22 local businesses, long-time successful business and employer mentors in the areas of agriculture, renewable energy, hospitality, tourism, construction, health services, and public services. We've done our homework and we have designed a program that no one else is offering by partnering with other community resources. So when we work with Police, CPS, probation, it's not just a referral out where we're asking someone else to take our kids, we work with them to figure out what we can each do best. So for example, working with the police, having Juvenile come. You know some schools might think it's embarrassing to have the police out in your parking lot more than once a month, but by us joining together, our students never get to the point where they're arrested. We've seen amazing results from working with social services and other folks to get the parents what they need, and we're the hub because we actually work with the parents and make sure they make the appointments and get to where they need to be. As well as we listen to them, you know, we're not perfect, we make mistakes, and when they have suggestions for us, we take them. We are really grateful to places like MEDB who help our teachers and help bring us all the resources that would be at the Department of Ed. And what we're hearing is that national reports show that 42 percent of employers say that high school graduates are lacking in preparedness.

MR. MOLINA: Three minutes.

MS. ENOS: Okay.

VICE-CHAIR WHITE: Okay. Members, any questions for the testifier? Seeing none...

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Oh, yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: Written, is there....hi, aloha. Ms. Enos, you have written?

MS. ENOS: Yeah, I can submit the written.

COUNCILMEMBER COCHRAN: Okay.

MS. ENOS: Okay. Thank you very much for your time.

VICE-CHAIR WHITE: Thank you very much.

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MS. ENOS: Thanks.

VICE-CHAIR WHITE: Any questions, Ms. Cochran, before Ms. Enos leaves?

COUNCILMEMBER COCHRAN: No, just if she can just submit written and then --

MS. ENOS: Okay.

COUNCILMEMBER COCHRAN: --we have it.

MS. ENOS: Okay.

VICE-CHAIR WHITE: Thank you very much. Thank you, Ms. Enos. And Oriana will be followed by Marilia Ledezma.

MS. KALAMA: Aloha, Maui County Councilmembers. Mahalo for the opportunity to speak in front of you today. My name is Oriana Kalama. I'm speaking on behalf of myself to support the heritage corridor proposed by Councilmember Guzman. Thank you. I've been honored to be a Maui resident since 1989. I have two children of Hawaiian descent and I call Maui my home. I have seen the development of this island with my own eyes from the times when Paia didn't even have a stop sign to the present day when we have to wait for 40 minutes in traffic to get from Haleakala Highway to Paia. I understand that development is a part of the growth of our island, this is the nature of cities, to grow and consume nature at times in their paths, but how much development can our small island handle? I believe this proposed corridor is a great opportunity to preserve and honor not only our land but the people in our community. The youth of Haiku have nowhere to gather for safe and healthy recreation at the moment. We have not been able to provide that for them. There's a skate park in Paia, tennis courts up in Kula, swimming pools in Pukalani, but it seems that our little Haiku community has got not much yet. This will be a great chance to help our youth to make a park where we can perhaps grow food, gardens, where we can ride our bikes and walk safely, a place where we can share our culture and enjoy nature safely with our families, residents, and visitors. We know that the land itself needs remediation due to the hundred years of chemical inflicted by the pineapple crops. This will be a place where we can actually start trying new ways to help nourish our land back to health and give back to our community that way as well. Three hundred and fifty acres of park land would be a dream come true for most Haiku and North Shore residents. Three hundred and fifty acres of new homes and subdivisions will create havoc in our rural Haiku, not to mention the possible negative effects in our reefs and oceans. Peahi, the wave itself has become an international attraction and we should honor it. Surf is a sport of our ancestors, you know, so it is an attraction to our island. People from all over the world come to watch the giant waves and the daredevils who ride them. Thousands of tourists and residents drive down to this area when the waves are big, it's true, and the traffic is horrendous. Wives, moms, sisters, daughters, brothers, cousins all gather, you know, to watch their loved ones ride the waves and do what they love to do. So what's going to happen if there's a subdivision

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there? Are we all going to be barred from watching our ohana do what they love to do? How is this construction of these homes going to help our community problems? I believe that building a subdivision will not benefit our community but detriment it. This large area from Kuiaha Bay to Peahi is used by our community currently for fishing, biking, hiking, and has significant cultural history. I ask the Councilmembers to please support this beautiful initiative and take --

MR. MOLINA: Three minutes.

MS. KALAMA: --this chance to make our community a better place for all of us. Mahalo.

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

MS. KALAMA: Thank you.

VICE-CHAIR WHITE: Members, any questions for the testifier? Seeing none, thank you for coming this morning. And following Marilia --

MS. LEDEZMA: Marilia. Thank you.

VICE-CHAIR WHITE: --will be Michael Ratte.

MS. LEDEZMA: Hi there, Council, County Councilmembers. Good morning. Thank you for taking the time to hear my concerns today. My name is Marilia Ledezma. I've been a Maui resident for 20 years and lived in Haiku for 10 of those years. I'm here on behalf of me and my family to support the proposal by Councilmember Guzman to establish a heritage corridor from Kuiaha Bay to Peahi. I currently live in Kula but I love coming down to Haiku and Paia with my seven-year-old boy to enjoy the jungle and the ocean. We live, we love going to Hookipa and Baldwin and also Twin Falls on a regular basis, and although we love all these great spots, I do think there is a need for a park on the North Shore where we can take our kids to play and enjoy nature in a safe way. I was fortunate enough to be able to live in the area when I first visited Hawaii as a child and I have so many great memories of K Bay and exploring that area. There are so many cool spots down there that I would love to show my son but it's not currently safe to do so. I believe if we allow this area to be developed it would not be a good thing for the community. This will bring more traffic to the area and more pollution to the land. It will make a two-hour drive to Hana a three-hour drive to Hana, and I'm sure it will bring many more unforeseen implications. If you allow the budget to be used for this corridor, it will not only be beneficial for our residents but also for tourists. I don't know exactly what the plans are for this corridor, forgive me for not informing myself, but I envision this place kind of like a Keopuolani Park here in Wailuku, a place where we can have paths to walk through, bikes, and maybe community gardens or a cultural garden kind of like what we have in Iao, you know, where tourists and residents, we can take our kids down there and teach everybody about how Hawaiians used to live in that land particularly back in the day. This land has already been abused with all the plastic from the pineapple, and I think it's a

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great opportunity to show this area some love in the form of restoration. So thank you so much for letting me speak today. And mahalo, Councilmember Guzman, for proposing this beautiful use of money.

VICE-CHAIR WHITE: Thank you --

MS. LEDEZMA: Mahalo.

VICE-CHAIR WHITE: --Ms. Ledezma. Members, any questions for the testifier? Seeing none, thank you for being here this morning. And following Mr. Ratte will be Joseph Kohn.

MR. RATTE: Thank you, Chair. Thank you, Councilmembers. Appreciate being able to speak today. We also appreciate Council's consideration to the Solid Waste Division's budget thus far. I would be, as Division Chief, I would be remiss if I didn't express some concerns regarding the 9 percent that was reduced from our budget however. I do ask Council to refer to EM 4, question No. 19 that explains the benefits of proactive management versus a reactive management mode. It was a great question that was asked and we appreciate Council's review of the answer there, as well as looking at the chart that we provided. It looks like this and I think you may have had it with you today as well, but the difference of reactionary versus proactive and the benefits to the community and the environment as well as the Division moving forward. We did ask for a \$34.8 million budget, 3.2 roughly was cut which results in that 9 percent rough reduction there. In the Administration Program there was a CE 3 Engineer cut. Doing so will require continued farming out to consultants. Just keep in mind that that cost is higher than it is for in-house engineer. Again, please refer to EM 4 for justification and the actual overall cost savings of adding that engineer position. Cutting both the position as well as Premium Pay in Administration actually forces some cuts and some increased risk there because there isn't much alternative there. There were also some computers that were cut in the Administration Program. The computers were mainly for operation and safety training of our staff and to try to build some of their skills to move up, so we certainly can do without but that was something that we saw as trying to build sustainability for our own staff. In the Operations Program we thank you very much for the Hana and Lanai operators. We appreciate Council's consideration for those two positions, much needed, and thank you very much. We do assume we're getting those two mechanic positions transferred. We want to thank you for that as well. We do have about \$50 million in rolling equipment and mechanical infrastructure with no current formal maintenance program and no mechanic, so we feel that's justified for sure for those two positions to start that program. We do have some C&D revised revenue in budget numbers that we ask Council take a look at. Initially in the budget we asked for a year, so that's down to four months. So please refer to EM 4 for that detail. Overall, reducing the Contract Services, R&M, and Premium Pay along with cutting some positions leaves few management options except some reductions in increasing some compliance risk. And we share the community's and Council's frustrations with that mode of operation. And we submitted our FY '16 Budget to try and address that. We do appreciate and recognize the --

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MR. MOLINA: Three minutes.

MR. RATTE: --support by Council and we want to thank you very much.

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

COUNCILMEMBER COUCH: Just I guess a question here. He's going to be one of the ones coming back I assume? If not, I will put him on the list. Thanks.

VICE-CHAIR WHITE: Just a question for you. We had asked for and we may have received, and I know there was some question of whether some things got through this weekend, through the Budget Office. But we had asked for your analysis of the, what the monthly cost of all your contractual services and other such contracts were. Have you provided that?

MR. RATTE: Yes, thank you, Chair. We didn't have a monthly comparison cost between the reactionary versus proactive mode. Again, we threw this together for Council and I think it's before you today. That's an overall broad-brush picture of the impacts and some general costs for the next six years; however, we didn't have a monthly cost available. We can work on that but it's not something we had readily available.

VICE-CHAIR WHITE: Well, what I was hoping to get was that you provided us that long list of contracts that are in effect, and what I was hoping to get was for you to point out because, you know, I think we all want to make sure that we're in compliance. But it would help us if you could share with us what the, which of those contracts are currently in place and need to be continued, and what the monthly cost is that you estimate. Because as we discussed earlier, you've, we've essentially moved \$1.3 million of cash out of this year's operations into future years by encumbering contracts. So it's important for us to know...I mean essentially what we're looking at this year is you've already got 1.3 or more million of your budget funded for next year. So it's very difficult for us to identify what you actually need next year since you've already pushed a significant amount of money out of this year's reach into next year.

MR. RATTE: Yeah. That brings up a good...

VICE-CHAIR WHITE: And your graph isn't going cut it.

MR. RATTE: Yeah. I think that the question I thought that was asked was more about the reactionary versus proactive, so I apologize for that.

VICE-CHAIR WHITE: No, we're asking you what you need, you know, what you're spending now which I'm assuming is what you need because you, you know --

MR. RATTE: Right.

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VICE-CHAIR WHITE: --significantly overspent. So what I'm asking you to do is just give us a monthly cost so that we can identify what we need to do for this upcoming budget.

MR. RATTE: Okay. Do appreciate that. We did make a couple of disencumberments and one of those we don't have funding for next year, so respectfully I would, I'll include that with that required monies for FY '16 to get through that year.

VICE-CHAIR WHITE: Yeah. If we could get that in the next...well, as soon as possible.

MR. RATTE: Okay.

VICE-CHAIR WHITE: Or actually if you could just have it when you come back to see us.

MR. RATTE: Okay.

VICE-CHAIR WHITE: Okay. Members, any questions for Mr. Ratte? Seeing none, thank you very much.

MR. RATTE: Okay. Thank you very much, Chair. Thank you, Council.

VICE-CHAIR WHITE: And Dr. Kohn is the last person to sign up to testify this afternoon, so if you would like to provide testimony, please sign up in the lobby.

MR. KOHN: Aloha, Council. Aloha, Chair, Council, and Committee members. My name is Dr. Joseph Kohn, I'm an internist practicing in Wailuku, and I'm here as a GMO moratorium supporter to testify about the \$50,000 line item to get an Environmental Impact Statement. Which on the face of it sounds like a good idea but I understand the details are a little confusing and maybe I'm missing something. Fifty thousand dollars seems to me like it should be enough money to hire a person to coordinate the event of arranging for an Environmental Impact Statement that suits all the parties involved as opposed to allowing the agrochemical companies to give information that they choose without oversight and without independent review. And with the agrochemical deep pockets it seems to me that there is more than enough money for them to pay for the studies that are necessary for them to continue to make the kind of money that they are making. So I encourage the Council to use these companies who are exploiting Hawaii for their own benefit and to provide the resources necessary to make sure that what they're doing is safe for the people and the aina. And I thank you for your very kind attention.

VICE-CHAIR WHITE: Thank you, Dr. Kohn. Members, questions for the testifier? Seeing none, thank you for being here this morning. And we'll go to the District Offices. Next to Hana, Dawn, do you have any testifiers this morning?

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

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VICE-CHAIR WHITE: Thank you very much. And to the office on Lanai, Denise, any testifiers there?

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

VICE-CHAIR WHITE: Thank you. And to Molokai, Ella, do we have any testifiers on Molokai? Well we, I guess we don't have a testifier or an Ella. So is there anyone else in the Chambers who would like to provide testimony this morning? Seeing none, Members, without objection, we will close public testimony.

COUNCILMEMBERS: No objections.

. . .END OF PUBLIC TESTIMONY. . .

VICE-CHAIR WHITE: Okay. And we'll take our lunch break now and come back at 1:15. We're in recess. . . .(gavel). . .

RECESS: 11:45 a.m.
RECONVENE: 1:26 p.m.

VICE-CHAIR WHITE: . . .(gavel).will come back to order.

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

EXHIBIT "1" MATRIX

VICE-CHAIR WHITE: And, Members, we will be proceeding with the review of the Management section, and the Management section that we'll be dealing with is the IT Division. And, Members, I know all of us have varying responsibilities through the week, but please understand that if you need time away from the Chambers, an e-mail to the Staff requesting to be excused will not be accepted. It has to be a conversation with either me or Mr. Hokama when he returns. And I'll just leave it at that. Okay. Mr. Verkerke --

MR. VERKERKE: Good afternoon, Chair.

VICE-CHAIR WHITE: --give you the floor.

COUNCILMEMBER VICTORINO: Mr. Chair? I apologize, I just arrived on the scene. You were saying something I think was very profound, because I seen how my Members' eyes opened up. So would you repeat that just for the sake of myself since I was late?

VICE-CHAIR WHITE: I would be more than happy to.

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COUNCILMEMBER VICTORINO: Thank you, sir. I appreciate that.

VICE-CHAIR WHITE: As you all know this is the time, this is crunch time for the budget and it's critical for all of us to be here listening so that when we are in the midst of decision making that we know as much of what was discussed as possible. So I was just suggesting that we have been accepting e-mail requests for people, you know, we all have things we have to do during the week, I'm just suggesting that from now on, we will not be accepting e-mail notifications of not being around, that it needs to be a discussion with the Chair, whether it's me or whether it's Mr. Hokama. 'Cause we need to make sure that as many of us as possibly can be here are here.

COUNCILMEMBER VICTORINO: That's clear enough, sir. Thank you very much.

VICE-CHAIR WHITE: Okay. Thank you.

COUNCILMEMBER CRIVELLO: So...

VICE-CHAIR WHITE: I'm...

COUNCILMEMBER CRIVELLO: Excuse me, Chair.

VICE-CHAIR WHITE: Yeah.

COUNCILMEMBER CRIVELLO: So going forward all prior e-mails that was sent was, it's right now is to have the conversation with you or Mr. White or Mr. Hokama?

VICE-CHAIR WHITE: Correct.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: And, Staff, if you can let me know if there are any e-mails requesting time off, and not now. Sorry about that, Mr. Verkerke. Please proceed.

DEPARTMENT OF MANAGEMENT
(Information Technology Services (ITS) Program)

MR. VERKERKE: No problem at all. Thank you, Chair. I'm here mostly to answer questions but I believe you're giving me an opportunity to finish my oral testimony this morning. And one point that I had not had enough time to explain my perspective was on the MAPS project where we're replacing KIVA. As you know, KIVA is 20 years old. KIVA and its replacement are systems that are used by just about every department. The project that we are engaging in will not only replace the KIVA system but will also modernize and integrate and correlate all the geographic information that is being produced and maintained in various places in the County so that we have a cohesive

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and comprehensive foundation of geospatial information that will benefit not only the permitting and land use process but also the real property tax assessment process, the iasWorld which is one of the key systems that we are looking to integrate with. And the integration with a number of existing systems with the GIS upgrade that we're planning makes for a very complex project that is going to last about two years. So besides the money to fund this, we really do need help to manage this, to make sure that everybody comes to the table at the right times with the right information ready to make the right decisions to ensure that at the end of the day, we have the system that we all envision and we all believe we should be able to have. Especially the integration with iasWorld is a key element of that, and so that's why there is that request for the one expansion position that we're asking for, and perhaps I'm belaboring the point but I really want to point out that the ISA V is not truly an expansion, we have the position, we just need to change the funding model. The project manager is going to be charged with making sure that over the next two years this project is successful and achieve all the goals. In the process though, he or she will also help the County realize a strategic project management capability that is necessary for a number of other projects coming up not only in IT but general purpose, non-brick and mortar projects that impact and hopefully improve the delivery of service to the community. We're looking at an IFAS upgrade, we're looking at a number of key systems. You know down the road we'll deal with payroll and, you know, there's a long list, the water billing system, all of that. So that was the crux of my fourth and final point and I can sum it up in the statement that I understand and I support your efforts to do as much as possible with the available resources, but the one area where we should think twice before we cut is in Information Technology because that is the opportunity, that's the vehicle that will allow a lot of departments to achieve these efficiencies that you're looking for. Without technology it's going to be a huge challenge for a lot of departments to really achieve their mission, and so I submit that for your consideration. Thank you.

VICE-CHAIR WHITE: Thank you, Mr. Verkerke. Members, questions? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you, Mr. Verkerke, for your comments. Several things, the, about 840,000 that what appears to be cut, 800 and...I don't remember exactly right now, it was just a big number, was for the equipment replacement and cybersecurity issues you mentioned.

MR. VERKERKE: Mr. Chair? I looked at the Details and I saw that the total request for Repair and Maintenance was cut back from \$2.8 million to an even \$2 million. So it, to me it looks like it was just a number rather than a project, but it happens to be the, very close to the amount of money we need to replace PCs. In the past I've talked to you about three different agreements that I'm working on for this comprehensive services. One is for the mobile data terminals in the Police vehicles, one is for hardening and securing our network infrastructure, and the third one for desktops. And in the order of priority, the Police Department is not something that we can even talk about, that's going on and they have to have it for so many reasons. The upgrade to the network and hardening of the network is essential in our approach to improve

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cybersecurity. So if I'm going to look at what does the 800-something thousand dollars represent, I cannot help but focus on the effort to replace PCs. And it has an impact on cyber security, if we continue to work with PCs that are out of date in own operating system, it has an impact on productivity. And the approach to the comprehensive security was meant to create a stable funding picture so that we recognize the cost of doing business and perhaps you can start looking forward on things so.

COUNCILMEMBER COUCH: I guess my concern is that in your notes here you talk about, you know, cybersecurity attacks, and I know you only had three minutes so you did, weren't able to go into detail on some of this. But I know from experience that old XP systems are no longer supported and easy to break into. So do you, do we still have XP systems out there?

MR. VERKERKE: We have a number of them still in place. It's kind of a chicken and the egg thing to some degree, because the KIVA system is not capable of running on desktops that run Windows 7/Windows 8. It only supports older versions of IE or other browsers, and so XP is kind of going to stick around until we replace the KIVA system. So we're looking at ways to alleviate that, but, you know, and we have found some solutions and we're working on a virtual desktop approach. So but that's why we still have these machines. Hopefully in the next few months we can replace that. We will be able to get rid of them before the KIVA project is completed. But finding these solutions that are really, you know, dealing with 20-year-old system, it's not something the industry is all over, we kind of have to find our own way around that and look for the best solutions. So yes, we have 'em, and we have suffered the consequences in the past, over the last two years, we've dealt with a number of infections of ransomware where, you know, data gets encrypted and we have to restore it and loss of productivity and what have you. It's just really a very tenuous situation, so we're very anxious to move forward with this new approach to desktop support.

COUNCILMEMBER COUCH: Okay. And lastly, Mr. Chair, can you tell us a little bit, remind I guess, I still have pieces from the Gartner study that talked about our spending and our size of our department versus the industry peers which is basically people, a county our size or a city our size, right?

MR. VERKERKE: Yeah. We have compared to ourselves and we did that thoroughly during the IT assessment that was done about two years ago. We have compared ourselves to our industry peers and the industry peers are defined as public sector entities, state and local government about our size in staff and about our size in budget. The average spending on IT in that peer group is about 3.6 percent of the total operations budget. The current numbers suggest and we have struggled to get above that, suggest that we're maybe at 1½ percent, so we're less than half than what is the average in the industry. Similarly for staffing levels, although we need to acknowledge that we don't develop software, we help implement and manage and support software. But the industry norm is about the same, 3.5 percent of staffing in our peer group is dedicated to IT, and we're about, also about half that. So there's room for growth so

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that...and we're really anxious to find a way and the managed services approach is a way to alleviate, you know, staffing shortage a little bit so that we really can provide the services that the organization expects and that the community expects from the County. And it's a struggle right now. Thank you for the question.

COUNCILMEMBER COUCH: Okay. Thank you. And I just wanted to bring that up because we went through this a couple of years ago and I just want to remind the Members. I know we go through all these numbers all over the place and it's hard to kind of keep everything in place, but this one's kind of my...

MR. VERKERKE: Baby steps is as much as we've accomplished so far.

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

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. And, you know, we're here now, okay, and I know what you've asked for, I know what the Chair has proposed. And my standard question, I've said it this is probably the third year in a row, Mr. Verkerke, what can you live with and what can you live without? I mean basically tell us what the most important aspect of your budget is. You know if you're not going to get everything what can you use now that can keep us going 'til next year when we can put in more or whatever? Tell us.

MR. VERKERKE: Mr. Victorino...

COUNCILMEMBER VICTORINO: And I'm not asking you to divide the baby either, I'm not asking you to cut the baby in half, but really, what can you live with and what can you live without? Thank you.

MR. VERKERKE: Mr. Victorino, I guess I'm a slow learner because I should have anticipated this question, because the mistake I make every year is to ask exactly for the minimum that I need.

COUNCILMEMBER VICTORINO: Okay.

MR. VERKERKE: If I was in a horse trading mode, you know, I would have asked for the moon and, you know, see where I landed. I don't think that's respectful to you, it's not fair to the community, so I work with my staff and with Management to be responsible and ask for what's really needed. So if you ask me what can you live without then the question turns into what can the organization or community live without?

COUNCILMEMBER VICTORINO: Okay.

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MR. VERKERKE: And at this point, there is really not a whole lot that we can put off any longer because the environment is changing. Five years ago, yeah, we delay it a year, another year to replace this outdated equipment, no problem. Right now, the bad guys out there will jump all over us and make us pay for it. So it's not the answer you're looking for but it's the answer I'm comfortable with.

COUNCILMEMBER VICTORINO: No, and I want you to be truthful. I want you to just tell it like it is, because if you don't then the public doesn't have a good understanding on what's occurring. You know if you feel that what you've asked for is the minimum that you need to continue to protect this County from cyberattacks and other aspects of computers and what is occurring out there, then I have no problem. You know then I can say all right, if that's what he really, really, really needs then I, my job is to see how, somehow, some way to make that come to fruition. Okay.

MR. VERKERKE: Thank you, sir.

COUNCILMEMBER VICTORINO: So with that being said, if that's what you're telling me that's fine, because a lot of times I've asked this question and all of a sudden got an answer like oh, I can use this, I can use that, I can wait 'til next year for that. But you're saying you cannot wait 'til next year. Enough next years, it's gotta be this year or we're going to be in a world of hurt in the very near future, is what you're saying, Mr. Verkerke?

MR. VERKERKE: Yes, I am. Thank you.

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

VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Mr. Verkerke, for your, let's see, you're being very frank and I appreciate that. I want to ask a little different question. You know what we've been seeing and hearing over and over in this Chamber as we look at the budget, is people saying well we need this money and then I hear the Chair saying we've looked in the records and the money isn't being spent. Now if we give you your request are you going to be able to spend this money in this fiscal year that we're planning?

MR. VERKERKE: Member Baisa, yeah, if you look at this year's report you're going to go okay, what's, you know, what's the story here? In the past, the question was asked of me and if we look at the final bottom line on previous fiscal years, you'll see that I am within 1 or 2 percent of the total expenditures or of the budget. So I have not had any problems spending the money because there is more than enough things to do with it. This year the report looks strange and in conversations earlier and in reply to a question from Mr. White, I'm hanging on to the money because I'm in the final stages of negotiating four different contracts, three of these comprehensive contracts and then the KIVA replacement, the MAPS contract. All of that will take somewhere

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between 3 and 4 million dollars just to seed the first year, so I wanted to make sure that I have, you know, the money and pushing off other things. And we always have to prepare for something could go wrong in the last month, that will cost a lot of money and that we can't really wait for the next budget cycle, you know, two years later. So I want to reassure you that in the current year, there's not going to be a problem spending the money. Next year I have a list that is twice as long. I think we have about 90 different projects queued up, and we're only looking for funding for maybe 5 or 6. So again, there is way more money that we can spend in IT than I will ever have access to so there is not an issue there.

COUNCILMEMBER BAISA: Okay. Again, thank you very much for that. I think it's important because we run into it so frequently in other areas. Thank you very much. And thank you for nursing our computers through their old age. Thank you.

MR. VERKERKE: Thank you.

VICE-CHAIR WHITE: Other questions, Members? Ms. Crivello, followed by Ms. Cochran.

COUNCILMEMBER CRIVELLO: Just I'm not sure if I heard you right, but you also need your equipment to meet the demands of when we convert to the Water Department billing? Is that come under your, would those funding be part of yours or is that separate for Department of Water Supply?

MR. VERKERKE: Yeah. The Department of Water Supply has requested funding within their budget just because, you know, they're --

COUNCILMEMBER CRIVELLO: Right.

MR. VERKERKE: --funded completely different than we are. It's a project that we're aware of and that we're working with the Department with, but the funding is not included in my request.

COUNCILMEMBER CRIVELLO: Okay. I thought I heard you saying in preparation for that too. So when we talk about KIVA what is it, 1 million-plus, with the proposed reduction what does that leave you with with what you have from previous years?

MR. VERKERKE: In the current budget we were allocated \$1.3 million, we used about, a little over \$200,000 for project management and other costs with issuing the RFP, evaluating it, doing site visits, and what have you. And we needed assistance with making sure that we evaluate this the best way possible. So there's a little over a million dollars in the current budget. Right now, the projected one-time costs for this replacement, like I said earlier today, we're still in negotiations, it will be a little over \$4 million so we'll need \$3¼ million or so finish the project. I've asked for \$3½ million, so back in November I was lucky and I guessed pretty accurately on what it's going to cost. So taking a million dollars out now will mean that that million dollars will need to be put back in next year; otherwise, we can't finish the job.

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COUNCILMEMBER CRIVELLO: So how does this affect your negotiations?

MR. VERKERKE: Vendors in this market deal exclusively with the public sector so they're used to the budgeting cycle and what have you. It means that we will have to pay close attention to how we structure the payments to make sure that we're not obligated to make a payment that the money is not available for, so we'll need to really analyze that closely. But the project like I said will take about two years so the payments to the vendor will be spread out over the two years.

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

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Mr. Verkerke, for being here. I'm trying to cross reference your written testimony from this morning into the subtractions in Chair's, Budget Chair's proposal and then correlating it to our Budget Narrative book to sort of get a reference and the numbers and what seems to be taken out and what you're sharing and it's getting very confusing right now to say the least. So and I'm getting the gist, I understand cybersecurity, you need to make sure that equipment is up to snuff. You know I mean we've been sort of putting it on the backburner, put it on the backburner, I think it's at that point, and what I was hope to portray through my IEM Committee meetings, you know, that particular message. So and I understand your answer to Mr. Victorino's question too. So the one expansion isn't truly an expansion, it's that one being brought over from Prosecuting Attorney's Office, and that person is to be the, I guess manage this new or integrating the new software or project or the KIVA system or what?

MR. VERKERKE: Member Cochran, the position that is now grant funded through the Prosecuting Attorney's Office and that we are looking to just put wholly within the ITSD Division is already dedicated to criminal-justice-related applications for the Police Department, for the Prosecuting Attorney's Department. So funding that from General Fund will avoid the situation where we don't have the resources to continue the support there and the integration with Statewide information, criminal justice information sharing. To help with the implementation of the MAPS project and the coordination with all the departments and vendors and everything else is the Program Manager expansion position, that is the second position that is identified in the budget request. So those are two separate things. One is just kind of changing the funding picture for a position that already exists, the other one is a new capability that we desperately need, and that's why the earlier question about, you know, the water billing system, yeah, the funding is not our position but the Water Department will look to ITSD for support and for project management. So that's an example of the kind of projects that are already queued up for the next several years that this expansion position can help manage and prioritize and make sure it lines up with

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strategic initiatives and goals for the Administration. And make sure like I said that the right project get started, you know, at the right time to help move things forward.

COUNCILMEMBER COCHRAN: Okay. So that would be the 100,000? The 101...

MR. VERKERKE: Yeah, I think the 100,000 is for both positions, assuming that, you know, there's some time needed for recruitment, so that's partial funding for the two positions.

COUNCILMEMBER COCHRAN: Okay. And so the 1.2 million, I'm looking, I'm just referencing the numbers being deducted in Chair, Budget Chair's proposal on Page 25. And so the negative 1.2 mil for equipment is basically computer and software and things of that nature?

MR. VERKERKE: Yeah. So the way the budgeting process works is these kind of information system projects get put into equipment under the, you know, software header, the large software projects.

COUNCILMEMBER COCHRAN: So it can be services and contracts, is that...

MR. VERKERKE: No.

COUNCILMEMBER COCHRAN: No.

MR. VERKERKE: This is Sub-object Code 7032 but I don't think it shows up in the Chair's project. But the \$1.2 million is made up of a million dollars that was taken out of the MAPS, \$100,000 to allow us to continue moving from GroupWise to Exchange, \$65,000 to help move IFAS to Microsoft SQL so we can start cutting back on the bills that we pay for Oracle, and then a number of individual expansion position equipment requests, and cashiering software upgrades. You know the Department of Finance has I think very appropriately so issued a standard that not every department, you know, really should be using their own cashiering solution, it should all be the same Countywide so it's easier to track, and there was \$50,000 in the budget for that and \$10,000 for expansion of the Corporation Counsel's new system. So all of that added up to \$1.2 million, it wasn't a single line item for \$1.2 million.

COUNCILMEMBER COCHRAN: Okay. Thank you, Mr. Verkerke. And yeah, thanks for being here once again. That's all, Chair.

MR. VERKERKE: Thank you.

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

COUNCILMEMBER COUCH: Thank you. Ms. Cochran brought up some questions or actually that Mr. Verkerke answered which brought up more questions. You mentioned that the Project Manager position, I guess General Management Project

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Manager. If we don't have, if we don't get that position which, you know, we always balance do we take it outside and let them handle it or actually hire a body. What are the costs to us if we have somebody on the outside manage these projects?

MR. VERKERKE: I think the going rate for somebody with those skills in the private sector as a consultant is upwards of \$250 an hour, and typically an agreement we have would be limited to a specific project. Having this person onboard will cost us considerably less than \$250 an hour 'cause otherwise I'd apply for the job.

COUNCILMEMBER COUCH: I was just going to say that but ...*(inaudible)*...

MR. VERKERKE: And it also gives us somebody in-house that can develop an understanding of the whole organization, that can be pulled into a lot of different projects that may be going on at the same time. 'Cause we have project managers in the County that deal with brick and mortar projects, but IT projects and similar service delivery projects are not brick and mortar because you have to deal with the culture of the organization, you have to deal with organizational change, management, not just change tickets on a construction project. And that's a skill that is out there but we don't have it. And it's also a capability that really needs to have somebody within the organization who understand the culture, to work with the Administration on the strategic priorities to make sure that we do things at the right time, in the right order, and not just because somebody, you know, speaks more eloquently but it's really out of sequence on things. So that's a long-term capability as a project management office perhaps that will really help to the County to do forward-looking things in a way that build on each other rather than compete with each other.

COUNCILMEMBER COUCH: So to put it in a little bit different terms, it's essentially a CIP coordinator for software instead of buildings? Not that we're doing CIP but it's that type of deal where they're taking care of the project, overseeing the project.

MR. VERKERKE: Yeah. There's definitely that aspect of strategic prioritization and, you know, working with the funding picture, but there is that softer aspect, softer skills aspect of taking an organization through the changes to be, you know, responsive and not be a 20th Century organization in the 21st Century _____.

COUNCILMEMBER COUCH: Okay. And then the last question, Mr. Chair, is you, Mr. Verkerke, you mentioned Oracle versus SQL, so for the Members that's different database handling software. Oracle is extremely expensive and you're saying SQL is less expensive?

MR. VERKERKE: That's one aspect and that's definitely the case, and the other aspect is that the skills necessary to manage these databases in an Oracle database environment are much harder to find and much more expensive to engage. There is a larger pool of talent that has been trained and is capable in the Microsoft SQL server environment. So the County of Maui has a better chance attracting that type of

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workforce than we do Oracle. We have not been successful at getting anybody even interested in coming to work for us.

COUNCILMEMBER COUCH: So I would think that some people from Lanai might. But is there a difference in performance or I mean are we getting what we pay for if we go the cheaper route or are they comparable?

MR. VERKERKE: Yeah. I'm not really sure that I would classify it as the cheaper route but less expensive perhaps is a better way to put it. It all costs money. Yes, SQL server if you'd asked me ten years ago, I would have hedged my answer a little bit but there is no doubt that it is capable of doing anything that the County of Maui may need it to do. Oracle is really evolved into the database for the very large installations and we're not that.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: I have a couple questions. On that one, what is the cost of maintaining the Oracle database for the next year versus moving to SQL? I mean I guess the question is, is this is a project 'cause we've got lots on your plate at this point, is this a project that can be delayed for one more year? And what is the cost of delaying?

MR. VERKERKE: I do not know exactly for this specific application, you know, we're talking about the IFAS project --

VICE-CHAIR WHITE: Right.

MR. VERKERKE: --what the cost difference between Oracle and SQL is. It's part of our strategy to move away from Oracle altogether. I think the cost of delaying it is much greater in the area of lost opportunity as far as functionality and improvements to security. You know IFAS in its current version compared to the new more modern version is struggling to meet the needs and expectations of this organization, so I'm not in a position to really put a hard dollar amount on that, but I don't know what the cost of frustration is but it's probably considerable.

VICE-CHAIR WHITE: Not around here, we do frustration pretty easily. And the other question I had for you, regarding the XPs, my recollection is we gave you money to replace at least a good portion of the XPs last year. Do you remember what we gave you and what you've been able to replace?

MR. VERKERKE: Yeah. I believe you gave me funding for about 350 PCs and in dealing with the challenge we've had at the end of last fiscal year and the current fiscal year and we had inventory because of the challenges with the cybersecurity things, with the I mentioned this to you before, we found defective drives in a large portion of the inventory we had of new PCs. We've focused on getting those deployed and they have been deployed, but we felt for the long term, the more effective approach is this

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comprehensive maintenance program so that somebody else gets to deal with these problems. So the funding that you provided for the PCs will be used for the first year of this comprehensive, and that will get us about 350 to 400 PCs from the funding in this year, and then next year and the year after, year after at the steady level, we will be able to replace the appropriate number so that we really do achieve a five-year lifecycle benchmark.

VICE-CHAIR WHITE: So do you have a sense of, is that the majority of the \$800,000 you've got left?

MR. VERKERKE: Yes, it is.

VICE-CHAIR WHITE: Okay. If you could just so that we can have a visual, if you could identify for us what the first year cost is and then the subsequent year costs, if it's different from the 800.

MR. VERKERKE: I have worked with the vendors to be able to be flexible depending on what the funding picture for next year looks like. On a steady state, it would be right about \$1 million a year for 400 PCs plus all the support services and the replacement and maintenance and configuring for us. If it turns out that the funding picture for next year is such that we need to adjust that, they're open for it, but I'm trying to achieve something that is predictable and steady every year, so to just really break it down in five equal pieces.

VICE-CHAIR WHITE: Okay. If you would give us that breakdown for everything on that line item, the 6138.

MR. VERKERKE: You bet.

VICE-CHAIR WHITE: And give us what the first year is and then the subsequent --

MR. VERKERKE: You bet.

VICE-CHAIR WHITE: --years. And then on the KIVA, you mentioned the install timeframe is about two years?

MR. VERKERKE: That's correct.

VICE-CHAIR WHITE: Okay. And then to Mr. Couch's question about the project manager, I know KIVA is a much bigger project than, you know, I've had to deal with at the, at our hotel, but when we do an installation, the coordination and the way to handle it is basically managed by the company. To what degree does the company that's possibly going to do the KIVA replacement, to what degree do they provide that kind of coordination and expertise? Because clearly we're not going to hire, be able to hire anybody who's as talented with their system as their own people.

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MR. VERKERKE: Mr. Chair, there's a number of aspects to managing a project of that size and complexity. You're absolutely right, the vendor will bring a project manager to the table, and that project manager is responsible for managing their own resources, their own timeline, their own expenses, and is responsible for coordinating with us, the customer. On our end, we need to have somebody in a similar role that can coordinate with upwards of a dozen different departments that all have an interest in how this system is going to play out. We also have the need to make sure that all the resources on our end are committed at the right times in the right quantities so that we can hold up our end of the bargain. The vendor will not be able to clean up our data, because although they know data in this marketplace they don't know our specific data. We have to provide our own expertise to make sure that the data gets cleaned up, that bad information gets filtered out, that it gets formatted so that it can be moved into the next system. We have the coordination with the GIS component that is built into this project. We need to make sure that also somebody keeps the vendor on their toes. We need to have a balance in the structure of the project to make sure that when the vendor says, you know, you have to go down this road and we thought we were going down a different road, we have somebody that can help us figure out indeed, if something happened that needs to have us adjust our expectations or if they're just trying to cut costs and deliver an inferior project to improve their profits and what have you. So successful projects have a very well designed governance which provides balance between all the different parties involved. And it's like herding cats, you know, it's just really a handful for somebody on both sides of the equation.

VICE-CHAIR WHITE: Okay. And of the 1.4 million that you have left on that Computer Equipment line, how much of that is for the KIVA system versus other systems where you're, or other equipment that you're purchasing?

MR. VERKERKE: Somewhere between a million and a million one.

VICE-CHAIR WHITE: Okay. And the other 300,000 is already committed or will...

MR. VERKERKE: Yeah, one of the things and it ties in to the request next year, I've asked for \$100,000 to move from GroupWise to Exchange. The Police Department has Exchange already, and when we absorbed the responsibility for that, we found ourselves in a situation with two different e-mail systems to support. So we need, that's another reason why we really need to get off of GroupWise. But the Police system Exchange installation is old, it needs to be upgraded, so we have money in the budget, you know, the remaining \$300,000 includes money to upgrade their system so that it's at the current version and we can start building that out into the rest of the County. That's one of the projects in there. And there's a couple, we have hardware and servers we need to install and replace before the end of this fiscal year so.

VICE-CHAIR WHITE: Okay. Then the other question I had was as far as the payment schedule is concerned, if, it sounds like you're very close to issuing a notice of who

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you're selecting. When would that, when would the first payment generally be due? Is it a two-month lag time, three-month lag time, or is it...

MR. VERKERKE: Typically in these kind of software installations, the vendor will expect to be paid for the licenses of the new product when the contract is executed, and then we get into progress payments based on ____ milestones. But they need to have that investment in the software licenses right up front and that's kind of their seed money, because they'll have to encumber money for people to come out and mobilize their teams and what have you. So we expect to execute the contract before the end of this fiscal year so we can encumber the million dollars plus that we have, and I would expect then that first payment invoice to be sent right away.

VICE-CHAIR WHITE: Could you provide us with a breakdown of what the anticipated schedule of payments could be negotiated to be with the up-front licensing payment and then the progress payments? Then I'm assuming we have a fairly considerable...well not fairly considerable, maybe 10 percent holdover until we make sure that everything is...

MR. VERKERKE: Correct. Yeah. We will have a retainer. And that payment schedule is what we're working on right now with the vendor, and we hope to complete that by the end of this, the month of May. So we have a number of negotiating sessions scheduled over the next three weeks and that will come out. So --

VICE-CHAIR WHITE: Okay.

MR. VERKERKE: --I'm not sure if I'll be able to provide you that payment schedule in time.

VICE-CHAIR WHITE: Well, I don't think we need anything that's the final product, we just would like your --

MR. VERKERKE: Okay.

VICE-CHAIR WHITE: --sense of what the norm is up front and then the progress payments.

MR. VERKERKE: I'll give it a shot.

VICE-CHAIR WHITE: 'Cause it, if we sign it soon, that means that there's still going to be one year of the installation in the following fiscal year, right? Not the bulk of the payments but...

MR. VERKERKE: We will need to pay more than what's available from the current fiscal year during next fiscal year.

VICE-CHAIR WHITE: Oh no, I realize that.

MR. VERKERKE: Yeah.

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VICE-CHAIR WHITE: Yeah.

MR. VERKERKE: Okay.

VICE-CHAIR WHITE: So just, we just need an estimate of when those progress payments are --

MR. VERKERKE: Okay.

VICE-CHAIR WHITE: --likely to fall.

MR. VERKERKE: I'll give it an educated guess.

VICE-CHAIR WHITE: Okay. And then, you know, then we'll be able to figure out where we put the money. We certainly don't want you to end up short 'cause everyone understands how important this program is.

MR. VERKERKE: Thank you.

VICE-CHAIR WHITE: I think that's the questions I had for you. Yep. Members, other questions for Mr. Verkerke? None? Okay. Thank you very much.

MR. VERKERKE: Thank you, Chair, for the opportunity.

VICE-CHAIR WHITE: Appreciate it.

MR. VERKERKE: Thank you.

VICE-CHAIR WHITE: Okay. We'll take up, I see Mr. Ching here, does that mean that Management wants to...okay.

MR. BAZ: Mr. Chair?

VICE-CHAIR WHITE: Maybe next we'll move into our Parks Department.

MR. BAZ: Yeah, thank you, Mr. Chair. Yeah, Mr. Ching was just here for ITS --

VICE-CHAIR WHITE: Okay.

MR. BAZ: --as well. So yeah, we have Kaala...

VICE-CHAIR WHITE: Well we're always to hear from Mr. Ching.

MR. BAZ: Kaala...

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VICE-CHAIR WHITE: I'm sure there's one reason why he doesn't want to be up here but we'll let him off the hook for now.

MR. BAZ: Kaala Buenconsejo, Director of Parks and Recreation is here for requests for Parks and Recreation.

VICE-CHAIR WHITE: Okay. Mr. Buenconsejo, you, the floor is yours.

DEPARTMENT OF PARKS AND RECREATION

MR. BUENCONSEJO: Thank you, Chair. Good afternoon, Councilmembers. So just we appreciate the budget that was proposed. We have a couple small things that possibly we could take a look into for a possible add-on or reduction of loss.

VICE-CHAIR WHITE: As long as they're very small.

MR. BUENCONSEJO: Yeah, very small. You know the biggest one that we saw that came off of it was of course the million dollars for the restroom renovations that was deducted from there. You know we're not definitely, you know, as it shows, you know, we can move forward and not do everything at one time, but just having, even a 20 percent of that proposal just to keep that in there. As you guys are aware, the parks restrooms rather, it would be the beach or the parks itself, with the conditions that it stands in and the elements of the weather, you know, there is a lot of unforeseen sometimes with abuse sometimes with the restrooms that we don't know some of those repairs. Of course the major renovations, what they're there for, but having that as well as we go along the lines of that. You know so that was the thing, we can survive, we could just maybe take a peek at that for a possible reduction in that and not a total deletion. The other, you know, not even a big thing, again, small, small thing was going to our recreation, our West Side department. There was a deletion of a replacement vehicle for \$30,000. That vehicle actually was a replacement to begin with from the State surplus, and with over 272 miles, it is currently in a sense dead in the baseyard right now.

COUNCILMEMBER VICTORINO: You mean thousand miles, right?

MR. BUENCONSEJO: Two hundred seventy-two thousand.

COUNCILMEMBER VICTORINO: Yeah, you said 272 miles.

MR. BUENCONSEJO: Oh, sorry.

COUNCILMEMBER VICTORINO: No, just wondering. . . *(inaudible)* . . .

MR. BUENCONSEJO: Yeah, yeah, no, a lot of miles, put it that way. But that was deleted from the West's budget, and we're currently, we had a loaner out there from there from

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Central, that has actually gone down as well. And, you know, that particular maintenance supervisor is in the process of, you know, we're actually going to rent a vehicle, so we could reconsider a possible reduction of so-called or putting that back on the line for the recreation West vehicle, the 4x2 compact pickup truck. And again, based on Parks and Rec, you know, we definitely are happy with what the Council has given to the Parks Department. Our other big concern just from looking at it is the kind of reallocation of the Ocean Safety coming back into Parks, and there was testimony today from lifeguards and a couple comments made almost to the extent, you know, we've been running a streamline right now from the Parks aspect of holding over the Ocean Safety in Parks Department. We've been running a very, very streamlined operation, and with them coming back and us not having the budget or the operations being put into Parks that was deleted, you know, it's going to be a pretty hard time for Ocean Safety if they don't get the funds they need, if they're going to continue with Parks. I know it was mentioned that it's going cost money to take them to Fire; however, that money that is being cost is because we haven't been requesting it due to the transfer, so we need to take a look at that as far as from Ocean Safety. If we're going to bring it back into Parks in the interim, we are going to need some operational funding. We're currently using our park ranger ATVs for the downed ATVs with Ocean Safety. So I'd just like to, the Council to take a look at that as well with the transfer being brought back into the Parks Department until we can maybe ratify the Unit 14, if that was some of the reasoning behind that as well. But we're going to need some funding to get them up, at least up to a par where everyone's safe, the community as well as our workforce. Thanks, Chair.

VICE-CHAIR WHITE: Okay. Thank you.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. So if I hear you correctly and also part of the testimony this morning was that they're also looking at being compensated as Ocean Safety versus just being, especially those who have the special training with the jet skis, right. And so I think that's another issue that you guys will have to look upon. So you're saying that your primary budget, by excluding them, bringing 'em back in now the way the Chair has proposed, the additional revenue that you weren't seeking you're now going to turn around and seek?

MR. BUENCONSEJO: Yes.

COUNCILMEMBER VICTORINO: Okay, okay. And let me ask you about the restrooms. I think we mentioned it but and, you know, that's like a week ago or two weeks ago, I forget when it was. How, what is the percentage of restrooms that have been completely renovated or completed with this renovation program? What was the percentage?

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MR. BUENCONSEJO: From my understanding, the original allocated money that was given --

COUNCILMEMBER VICTORINO: Right.

MR. BUENCONSEJO: --in 2015, from my understanding it was all completed. Monies were used and the bathrooms that were on the list were completed. As far as percentagewise I can get back to you on that.

COUNCILMEMBER VICTORINO: Yeah, I would, I'd be very curious on that and if you can as soon as possible, because there were others that weren't as dire need but in need of, and I think that's what you're referring to. By cutting this now, those that may now become in dire need, you may have challenges as far as funding for those.

MR. BUENCONSEJO: Yes.

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

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

COUNCILMEMBER VICTORINO: Sorry. Sorry, I'm sorry.

VICE-CHAIR WHITE: You know when I'm not in the chair you have to keep talking.

COUNCILMEMBER VICTORINO: Oh, I'm sorry, excuse me.

UNIDENTIFIED SPEAKER: That's hard for him to do.

COUNCILMEMBER VICTORINO: I wasn't even paying attention, I didn't even...

VICE-CHAIR WHITE: No, it's easy for him to do, to keep talking.

COUNCILMEMBER VICTORINO: Oh, excuse me.

VICE-CHAIR WHITE: Oh, excuse...

COUNCILMEMBER VICTORINO: I'm sorry. Okay. Sorry about that, Mr. Chair. Sorry.

VICE-CHAIR WHITE: Other questions, Members? Ms. Crivello, followed by Ms. Cochran.

COUNCILMEMBER CRIVELLO: Thank you for being here. And in regards to the proposed deduction, I guess you were referring to the \$1 million for repairs and maintenance. Is that, it was mentioned one of the rationales behind that was it's a system-wide district area that may have duplications.

MR. BUENCONSEJO: Chair?

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VICE-CHAIR WHITE: Yes. Please proceed.

MR. BUENCONSEJO: Yes, Councilmember Crivello, I think that was a concern. You know based on our conversations we had during budget as we went through the renovations, you know, Wahikuli Restrooms were a big renovation as well. You know with the ever-changing as well, and we do have ADA money as well, but with the ever-changing rules/regulations and as we go through our parks renovations, as we look, I mean we got over 1,600 acres of Parks' land and bathroom parks basically everywhere in every district. So we did allocate those funds there for those particular restrooms, but I think along the lines there were a few that didn't get to. In realistic terms, they didn't get to those restroom renovations or they were done to an extent of 75-80 percent complete, maybe exterior, but interior still needed to be changed out as well. So having funds, at least a small portion, a very reduced portion, having those for those that really need to be fixed immediately, we have those available.

COUNCILMEMBER CRIVELLO: So actually what your percentage of completion is those that are on the list, but is it my understanding that you have restrooms that have not made that list that needs to be addressed also?

MR. BUENCONSEJO: Chair? Yes, 100 percent for sure. And again, I can get that as well, what has been completed. I think you do have that already, that was sent up. But I'll confirm what has been completed, and yes, we do have a handful, probably more than a handful that needs to still get to that point as well.

COUNCILMEMBER CRIVELLO: Okay. Chair, I have another question. In regards to the intent of moving back the office, Ocean Safety personnel. So if I'm looking at the equipment...oh gosh, okay. I'm trying to find it. Anyway, we need to increase, are we saying we need to increase the budget for equipment because it will come back to you? It says here reduce equipment 97,200. That's on our list from Chair Hokama, it's Line 918. Restoration of that 97,000, will that be sufficient to meet your needs?

MR. BUENCONSEJO: Chair?

VICE-CHAIR WHITE: Go ahead.

MR. BUENCONSEJO: Councilmember, are you adding up the, all the...

COUNCILMEMBER CRIVELLO: No, I'm just looking at where the reduction of Equipment budget is. It says the Aquatics, it's under the Aquatics Program.

MR. MOLINA: Mr. Chair?

VICE-CHAIR WHITE: Yes.

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MR. MOLINA: That reduction of 97,000, that was a reduction to the remaining portion of the Aquatics Program that is still in Parks, so that reduction is not related to the Ocean Safety equipment that was proposed in the Fire Department's budget.

COUNCILMEMBER CRIVELLO: Okay. This is strict...but Ocean Safety does go back to Aquatics, does it not?

MR. MOLINA: Correct. But none of the equipment that or none of the expansions proposed in the Fire Department's budget have been included in the restoration of the Ocean Safety Program in Parks. So the amounts reflected are, adhere to the FY '15 amounts.

COUNCILMEMBER CRIVELLO: Okay. So are we to say then that the Ocean Safety is, remains flat as it is? Okay. So there's no reduction, it's to operate as is? Is that how this is proposed?

MR. MOLINA: Mr. Chair? Yeah, that's correct.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: Okay. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Director, for being here. So I was hearing...so the one piece of equipment that you did highlight and it's the pickup for West Maui. Is that kind of like the one you just can't live without kind of question? Because there's a ton of other mowers and I mean you name it, there's utility carts, and are these things that yeah, you would like but you can live without?

MR. BUENCONSEJO: Chair?

VICE-CHAIR WHITE: Yes.

MR. BUENCONSEJO: Thank you, Ms. Cochran. I was kind of going on yeah, what we can't live without. Instead of saying everything we want back. But that vehicle definitely, again, we're in the process stage of actually renting a vehicle. So we don't have a vehicle at all. That has been down. Again, it's lived past its lifespan. So it's been already down for about three months and we had a loaner out there from our own Central side, which again, that has met its lifespan as well. So yeah, that's one. Again, we can go to the utility carts and everything as well, I just didn't want to throw everything back at what was been deleted, but that's one of those things where we definitely need back on the list if possible.

COUNCILMEMBER COCHRAN: Okay. But that's good. I mean if you had to pick one out of the laundry list, I mean that's a good way to put it. Thank you. And then in regards to that million dollars for repairs and maintenance, can any Park assessment fees be utilized for any of these types of things, or is that not what they're, how you can expend your park fees? Is everyone's staring at Mr. Ueoka, I think.

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MR. BAZ: There's certain restrictions. He's looking it up right now. But there's certain restrictions --

COUNCILMEMBER COCHRAN: Oh, okay.

MR. BAZ: --for park assessment funds, and generally they're related to expansion, right. Because the park assessment funds, you know, the intent of them is paid by developers to, you know, alleviate the impact of those developments on the community in lieu of actually providing new parks, right. So if the developer provided a new park that'd be wonderful, but in lieu of that, you know, they're providing money in this park assessment. So the intent there is that we would utilize those funds to build a new park or to expand our parks so that the developer, because the developer is not doing it. So maybe Mr. Ueoka has more information.

MR. UEOKA: Thank you, Chair. Yeah, typically it's expanding a park or improving a park but not necessarily maintenance type. It's, you know, it's this body's decision also how they want to utilize it and, you know, but it's typically been treated as expansion or improvement of parks. Thank you.

COUNCILMEMBER COCHRAN: But as Mr. Couch is kind of hinting around, improving could also be the maintaining or repairing of something that broke in a park and now you need to improve it because...so but as I understand the improvement means, I mean yeah, expansion. Supposed to be used to purchase land, you know, to create more parks, but anything new, is that safe to say? Like you have a facility and it doesn't have AC and you want to install a new air conditioning unit, park assessment fees can be paid, used for that? It's not existing, you're not trying to fix the existing air conditioning unit but you want to install new.

VICE-CHAIR WHITE: The Chair would call that a bit of a stretch.

COUNCILMEMBER COCHRAN: Okay. So, no? Okay.

VICE-CHAIR WHITE: Yeah. I think, you know, when you think, when you use the word improvements, in public terms it's generally when you are building something new, and it's...so I think, you know, we should try to stick to, you know, the terminology that is inferred by the fund, that's it for expansion for park facilities more than it is for maintenance. We're the ones that have to take care of appropriating money for maintenance, so and I wouldn't want you to access your park assessment funds and have them get whittled down to where the rest of ours are.

COUNCILMEMBER COCHRAN: No, I wouldn't like that either. But I'm just, 'cause we were utilizing it for ball field lights. It's an existing park and we're going to put lights on it so there can be extended play at night.

VICE-CHAIR WHITE: Right, that's an improvement.

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COUNCILMEMBER COCHRAN: So but...okay. Anyway, I guess we'll just get to each individual item if we, if it's an assessment fee or not. I just hate to forgo needed things within our districts, and if, especially in West Maui if I can utilize some park assessments then great, you know, but...

VICE-CHAIR WHITE: And, well, I believe we used 800,000 in this current fiscal year budget and there's a portion of the park assessment fees being used for this year as well, if I'm not mistaken.

MR. BUENCONSEJO: Yeah. Chair? So we did use some, but again, that's a great point as far as we do have the maintenance monies for something like an AC, but for the bigger improvements for sure, you know, the lighting and stuff would be allocated from the Council for the assessment. One thing that we could, that we talked about, Ms. Cochran, was, you know, a batting cage, that would be something that could possibly be part of the assessment, community batting cage for West Maui. And then again some of the playground. We don't have the money allocated for it on our operation, maintenance/operation for West Maui, but again, adding bigger playgrounds, redoing some of our playgrounds could be something that could possibly be from the assessment for West Maui.

COUNCILMEMBER COCHRAN: Okay. Well very good. Thank you. That's all, Chair. Thank you.

VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. Thank you, Mr. Buenconsejo, for being here. I have a question. The reduction that is proposed in workline, how serious an impact is that going to have?

MR. BUENCONSEJO: Chair?

VICE-CHAIR WHITE: Go ahead.

MR. BUENCONSEJO: So that was one as well that I kind of maybe glanced over. You know as we had our, go back to referencing our meeting again through budget, you know, we wanted to increase the workline force, and, you know, and that was through, I throughout all the Councilmembers and Chair that agree that we can add maybe more responsibilities or expanding their scope to different areas through the workline. And then yeah, we did get a reduction. So if the intent was to hopefully get an increase in workline, this definitely went the opposite direction. So getting that funding back would be great. Especially with some of the line, parks that are coming online. Something like Kehalani Makai which is just about to get turned over but realistically it's a basement, I mean it's a basin, catch basin for water that something like the workline would be perfect to expand to that scope as well so.

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COUNCILMEMBER BAISA: Well, thank you very much 'cause that's where I was at so this was kind of a surprise for me. I don't know if anybody knows why the reduction was proposed, Chair. And being that Mr. Hokama is not here, I can't ask him.

VICE-CHAIR WHITE: Staff may be able to help you.

MS. YOSHIMURA: Mr. Chair, the reduction is not to the workline itself but it's to the clerical position that was requested by MCCC, and Chair Hokama felt that he didn't want to pay for a position that was working for the State.

COUNCILMEMBER BAISA: So they have a person at the facility that is...what does she do? She keeps track of them or?

MR. MOLINA: Mr. Chair?

VICE-CHAIR WHITE: Go ahead.

MR. MOLINA: I recall the Deputy Director had said that the position would be to support better reporting for that grant on the MCCC side of things so that they can more accurately reflect how the money is being spent from their program.

VICE-CHAIR WHITE: Yeah. So it wasn't a reduction in the actual workline, it's just the, us not paying for a State position at MCCC.

COUNCILMEMBER BAISA: I totally understand and I know the Chair's sentiments about paying for anything that the State should be paying for and I support that, but, you know, as it appears on one line and we have no explanation, it appears to reduce the workline and that's not where we wanted to go. We wanted to see more.

VICE-CHAIR WHITE: Right.

COUNCILMEMBER BAISA: Because the payback is so good.

MR. BAZ: Mr. Chair --

VICE-CHAIR WHITE: Yes.

MR. BAZ: --if I might. The, part of the reasoning behind that was yes, to have, you know, we want accountability on the money we give them so we want better reports. But the other part of it was this actual scheduling of the worklines. It's very difficult sometimes for the staff in the Parks Department to handle scheduling the different worklines to other departments, right. You know if they're prioritizing the scheduling for the workline, they're going to, I mean they're going to be focusing on what their needs are and maybe not necessarily what some of the other County departments or nonprofits that utilize the workline need necessarily, right. So that was kind of the idea behind why a full-time clerk would needed to be, you know, required as well. So

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that somebody...’cause right now I know from when I had to schedule the workline at MEO, it, you could either, you know, go through the Parks Department and wait a significant amount, period of time before something got scheduled. Sometimes if we knew the manager of the workline, you know, the ACO that was managing the workline, we might be able to get something squeezed in if we fed them the right amount of food...

COUNCILMEMBER BAISA: Some laulaus.

MR. BAZ: But it was a huge challenge doing the scheduling of that, and I think Parks staff could be better utilized, you know, doing their own stuff versus scheduling MCCC for other things. And I think that was part of the request.

VICE-CHAIR WHITE: Well, I guess I would have the question of why would Parks be responsible for scheduling every, other, every other departments’ use of the workline?

MR. BAZ: Because they’re managing the grant, right. So they’re the ones that are coordinating the efforts of the MCCC worklines. Yeah. ‘Cause other than that, you know, the departments wouldn’t know who to call at MCCC. There’s no single person to call, right. So we had, like I said, we had some ACO’s cell phones that we could, you know, get a hold of. But there needs to be some kind of coordination. Whether it’s at the County level or at the, at MCCC level, that coordination effort needs to be done. So I think what I heard from when I was, ‘cause I asked the same questions when I was reviewing and before we proposed the budget, right, and what I heard was that, you know, their staff is burdened with a lot of other things that they’re doing, and this is just something additional that could be better managed if it was not within the Parks Department.

COUNCILMEMBER BAISA: Well, I would generously suggest that somebody spend some time trying to figure out how to make better use of the workline, because this is a huge, we wanna talk about saving money, this is a big way to save money. Thank you.

VICE-CHAIR WHITE: Absolutely. And I, you know, we had, a couple of years ago, we had a problem getting them to spend all the money in the Workline budget, and I agree with you and I’m sure the Chair and all the rest of the Members agree that we get a huge bang for the buck --

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: --by utilizing them. Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah. And I can attest that what you’re discussing we had the similar situation, we used to have to always go through the Parks so that the fair could get them to come do what we needed done at the facility. And even though we paid separately and we still, we had to coordinate that, Mr. Chair, and it was

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sometime somewhat of a challenge to get it all together. So I'd be all too happy to see some way or somehow or some ability to have a coordinator for this purpose, 'cause the service they provide for us invaluable. And not only for the parks but for a lot of other nonprofit organizations as well as Public Works. So the more they can help us the better it is for...plus for them this is a self-esteem building, you know, these guys get out there, they build self-esteem, they feel like they're worth something. You ought to see them when they help all these disabled, when we have the special fair, when they're helping all these people off and on, on and off the transit or even sometimes helping them get into the fair area, 'cause we have volunteers, high school kids that come out and help us also. But you can see that in their face, their eyes, the smile they have, helping someone they know is even more disadvantaged than they are, has more of a challenge, and it wasn't because they chose to be that way, that's the way it happened. So I really wholeheartedly support this program, and whatever we can do funding-wise I would like to continue. Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you, Mr. Victorino. Any other questions on the...Ms. Baisa, did you have another question?

COUNCILMEMBER BAISA: No. I have a question but I think it's more appropriate put in writing. Thank you.

VICE-CHAIR WHITE: Okay. On the \$1 million request, the Chair's recollection is that the \$1 million or thereabouts was put into the 2014 Budget for the bathroom project, and we moved it to CIP in order to give you more time to spend the money. And so I was looking back, if you look on the line that it's shown in the budget in 2013 there was no expenditure there. So can you point us to the line where that money is being replaced?

MR. BAZ: Mr. Chair, from my recollection, the Fiscal Year 2013 appropriations were ones that were appropriated in Recreation and Support Services Program per district. There was certain provisos that were allocated per district, and so it wasn't in the Park Maintenance Program, it was in the Recreation and Support Services Program.

VICE-CHAIR WHITE: Can you show us where it was in the...

MR. BAZ: Yeah, hold on. Oh, you're looking at the Fiscal Year 2016 proposed Details?

VICE-CHAIR WHITE: I'm looking at the Details that we're working off. The Parks Maintenance, without the million dollars, the Parks Maintenance is a little bit higher than it was in 2013. So if we're putting it back it's not going back into where it came from. Mr. Baz, did you say that it came out of Recreation and Support Services?

MR. BAZ: Yes. Yeah. So each district had a proviso in there, that's why I was going to go look up the ordinance because the proviso is actually in the ordinance there. I can actually get it by index code. Except for my computer doesn't want to work. There we go. Apologize, Mr. Chair, my computer is running very slow right now. Okay.

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Department of Parks and Recreation. Yeah, Mr. Chair, give me a couple minutes and then if you want to ask other questions I'll get that to you.

VICE-CHAIR WHITE: Yeah. The, my point is that was a million dollar add that we made a couple of years ago, but all of the money has now been pretty much moved into CIP to give the Department six months longer to spend it. Anyway, we'll take a look at that and I also have Staff adding up what the increase is in CIP.

MR. BAZ: Okay. So, Mr. Chair, I found out where they're at in the Details. Throughout the Recreation and Support Services Program, there are index codes that provide, like the example I was, Page 12-76, 915092 West Parks Building Repair Paint, and you'll see some FY 2014 actuals. That one's on the next page has...

VICE-CHAIR WHITE: What was the page again?

MR. BAZ: Twelve dash seventy six at the bottom and continuing on 12-77. It's Index Code 915092. And then on Page 12-78, there's one for Makawao, 915110, Makawao Parks Building Repair/Paint has 100...

VICE-CHAIR WHITE: Okay. But again it's, it was there in '14 but it wasn't in '15 because we moved it --

MR. BAZ: Yes.

VICE-CHAIR WHITE: --into CIP.

MR. BAZ: And that's what I think the Department's requesting that they move it back from CIP to Operations. I know that they had challenges. I got involved with some of the challenges they had with the Finance Department on expenditures for basic repair and maintenance items coming out of the Capital Program budget and Finance Department had a problem with that.

VICE-CHAIR WHITE: Are you suggesting that the lists of items that we have in CIP currently, none of them have that kind of repair and maintenance aspects to them?

MR. BAZ: I'd have to go back and through, look through. We did look through a bunch of the requests and the individual details that departments...so basically it'd be stuff like they needed to fix a water faucet or a sink, right, and replacing the sink, you know, is more of a repair and maintenance item than replacing a roof necessarily or something like that. And so the, you know, that's where they're having problems when they're ordering new faucets out of the Capital Program, that's where Finance was saying no, they're, that's not, that should be a regular repair and maintenance item not a capital item.

VICE-CHAIR WHITE: Okay. Well I'd like the Department to take a look at what we're spending between CIP and maintenance now in fiscal, in the proposed budget versus

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what we were spending in 2014. 'Cause my guess is that we're still well ahead of where we were then, so I think that's everyone's intention. But I think the Chair would agree that we're happy to work with you moving monies back and forth to make sure that we're putting R&M money where it belongs and the CIP money where it belongs. Okay. Members, any other questions for Parks? Mr. Buenconsejo, you have any other things that you'd like to add? Oh, Mr. Victorino first.

COUNCILMEMBER VICTORINO: Cannot end without asking this question. Kaala, what can you live with, what can you live without? You know this is important 'cause I know everybody laughs when I ask that question but really, what truly can you live without? I mean, you know, we're going to try to base our decisions on what is so urgent, and you've said a number of things that you feel are important. But what is urgent in your mind? What needs to be done now?

MR. BUENCONSEJO: Chair?

VICE-CHAIR WHITE: Yeah, if you could, if you can help just going down the --

COUNCILMEMBER VICTORINO: Down the list, yeah.

VICE-CHAIR WHITE: --list.

MR. BUENCONSEJO: No. If we're going back to what is the number one urgency and again I'll take it back to Ocean Safety. If we don't have the equipment operations monies to get what they need, Ocean Safety will suffer, and I think they definitely have been in the back shadows for all these years and they deserve more and better. And without having that monies allocated, I believe it was 300 and some change. You know what was proposed from Fire, that was part of the equipment expansion was about \$389,450. Again, rather it comes to us or Fire, if it was, the transfer was to go through those monies would have been allocated whether it was to Fire or the Parks. When the transfer does take place, all of that will go with them as well. But again, right now they've been running on very streamlined, very, you know, some hardship, they've been having some hardship with their vehicles. So that's number one priority. I think on a Parks and Recreation Department standpoint if they are coming back to us and the transfer will be on a little more delay and as we go forward, they need to get what they need to survive out there and for our community and for our employees. So that's the number one I would say priority for Ocean Safety.

COUNCILMEMBER VICTORINO: Okay.

MR. BUENCONSEJO: When it comes to Parks, again, we were satisfied with what have but there are some needs, and in fact, well for the number one need again would be that West vehicle just for that . . . *(inaudible)* . . . That's one I do know that's down. You guys did give us some equipment that we can get by with for the next fiscal year, so I don't want to touch bases on too much of the equipment when it comes to mowers and everything else. I think we were fair on both sides that what we got. So looking at

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that, and again, if we are looking to increase our workline is gonna be increasing that funding so we can increase some of their expansions for workline to get out there more in the community and get some of that stuff done that has been neglected in certain areas that we can't get to. So basically, you know, with that being said, without going down the whole list as important, those are definitely the key factors that we're trying to push through today.

COUNCILMEMBER VICTORINO: Well I thank you for your frankness. Thank you, Mr. Chair, for allowing me to ask that question.

VICE-CHAIR WHITE: Mr. Buenconsejo, could you tell us what, which item that was again? Which piece of equipment.

MR. BUENCONSEJO: Okay. Oh, sorry. For the West Maui it would be the, that 4x2 compact pickup truck. Right now it's allocated at 30, I mean just 30,000. It was a replacement from a 1994 State surplus vehicle with 272,100...sorry, 548 miles, so it definitely lived its life. That's the vehicle there. And then again with the workline I would say, you know, possibly increasing funding for that. And Ocean Safety being the priority with getting what they need for the equipment expansion that was deleted, getting that equipment expansion at least back on track so we can get them what they need for the rescues.

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: And in regards to the jet ski operations, are you in favor of that support of the salary compensation that other counties are already doing for the jet ski operators?

MR. BUENCONSEJO: Chair? Ms. Cochran, 100 percent. I think all these years they definitely have been going over and beyond what their scope of work is, and, you know, I think as was mentioned today during testimony, I mean they did it with love and they still do love it but again, they need to be compensated for. And again, that ties in to the fact why we're pushing so hard for the transfer. I think, you know, being in the Parks and Rec Department, you know, we're not a rescue team, we're not a thing where...where the Fire, they compensated for every call they go out, they can only fight a fire for so long and they take a break. Our operators are going from, sometimes from Flemings to Kahakuloa. I mean just the ride alone is taking them half an hour, 45 minutes, they gotta do a rescue or search. They're on the ski for eight hours. There's nobody shifting them out, no compensation for it. So there's no question that something needs to be done. Our number one goal on the Parks Department though was getting the transfer through Bargaining Unit 14 which will be the Ocean Safety guys, that is in their negotiation. So we were relying on that for the

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supplemental pay that they do deserve. So there's no question that they deserve the pay and it's long overdue. But I feel that Fire would actually even have their tiers of those hours, you know, as far as putting in X amount of hours on the ski and you gotta take a break or have somebody relieve you. And they go on one person on the ski sometimes and it's dangerous, they don't do it two man, and what Fire had proposed was having them a two-man team out there at all times. So again, they're not getting what they need from the Parks Department standpoint.

COUNCILMEMBER COCHRAN: Okay.

MR. BUENCONSEJO: Thank you.

COUNCILMEMBER COCHRAN: Thank you for that. And a second question, Chair. And it's again, trying to revert back to the park assessment funds and its proper utilization. The Lahaina Aquatics Pool has a need for a boiler and it's been and it needs to be retrofitted type thing, and there's a part from another area that they're willing to move over and this and that but it needs to be funded for some things. Something like that can be utilized?

MR. UEOKA: Chair, if I may?

VICE-CHAIR WHITE: Go ahead.

MR. UEOKA: It's really the body's decision. If you guys want to use that as a funding source, it's going to be your prerogative to see if you guys feel it fits within the Code. We can advise you guys and show you what the Code says and what the State law says, but it's going to ultimately be up to the Council whether or not the Council feels that's an appropriate funding source. Thank you.

COUNCILMEMBER COCHRAN: Okay.

MR. BUENCONSEJO: Chair? Chair?

COUNCILMEMBER COCHRAN: Yeah, just...

MR. BUENCONSEJO: To add to that, so that's the Lahaina pool?

COUNCILMEMBER COCHRAN: Yes.

MR. BUENCONSEJO: Yes.

COUNCILMEMBER COCHRAN: Yes.

MR. BUENCONSEJO: So for...we've already started that process, so operationally West Maui operations, our Aquatics' budget, we've already started that conversation and we've gotten our bids, so I've definitely got that going already. But again, as mentioned for

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future scope of work out there, that's something that we can discuss. But that particular subject is already being worked on.

COUNCILMEMBER COCHRAN: Right. But I just want to make sure there's funding to carry it through and I'm trying to figure out where to get that.

MR. BUENCONSEJO: Yeah. I think we do for that one. That one we're fine.

COUNCILMEMBER COCHRAN: Okay.

MR. BUENCONSEJO: Yeah.

COUNCILMEMBER COCHRAN: Okay, very good.

MR. BUENCONSEJO: Thanks.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Okay. Thank you. And Staff pointed out that the compact pickup truck for West Maui that you're describing is the one that we approved.

COUNCILMEMBER COCHRAN: Oh yeah? It says delete in here. Okay. Chair?

VICE-CHAIR WHITE: Wait, let Mr. Buenconsejo...

COUNCILMEMBER COCHRAN: I see delete West Maui here.

VICE-CHAIR WHITE: Pardon?

MR. BUENCONSEJO: Chair? Hold on, I'm looking at it . . .*(inaudible)* . . .

VICE-CHAIR WHITE: On Page 12-89.

COUNCILMEMBER VICTORINO: Twelve-eighty-nine. What about the one that you were...

MR. BUENCONSEJO: Chair?

COUNCILMEMBER VICTORINO: Yeah, I'm sorry.

MR. BUENCONSEJO: Sorry. Yeah, so it looks like maybe it was duplicate, one was for the maintenance sup and one was for the crew I guess. Originally I had wrote the delete on the maintenance sup's truck and so it was flip flopped on, so yeah, so I guess we're fine if that's the...if it's the maintenance truck we're good. I thought it was the crew's truck that was being approved and flip flop of the deletion of the maintenance sup. So...

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VICE-CHAIR WHITE: Okay. So you're okay with one?

MR. BUENCONSEJO: We should be. I guess we could use...yeah, the same truck.

VICE-CHAIR WHITE: Okay. Any other questions for the Department? Seeing none, Mr. Buenconsejo, thank you for coming up this afternoon, and appreciate your sharing your information with us. And, Members, let's take a, take our afternoon break, then we'll move into Public Works in ten minutes. So be back at three o'clock. . . .(gavel). . .

RECESS: 2:51 p.m.

RECONVENE: 3:12 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will come back to order and we'll proceed with the review of Public Works. I want to welcome Mr. Goode back. The floor is yours.

DEPARTMENT OF PUBLIC WORKS

MR. GOODE: Good afternoon, Chair. Chair, just clarification, am I supposed to lead off with what I...

VICE-CHAIR WHITE: When I say the floor is yours, you can pick whichever direction --

MR. GOODE: Okay.

VICE-CHAIR WHITE: --direction you want to start in.

MR. GOODE: Okay. Well fortunately was given the opportunity to have testimony this morning and I provided my three minutes and I gave you a handout so I can speak from that. And I guess the first thing I'd like to talk about is the construction equipment mechanics that was proposed to transfer two positions to DEM. As I mentioned in my testimony earlier this morning, I think there's some opportunities here but it really is premature and we need a plan to do this, and there's actually a lot of services that we do for DEM. And of course we service other vehicles for other departments, but we do landfill equipment in Hana, Molokai, and Lanai. We don't do landfill equipment at Central. We do all the refuse equipment in every district. And we also pick up refuse in Hana and Molokai. So our Highways Division is anxious to certainly stop doing refuse collection, because it takes away from our activities on the road for the entire day. And also we would, if there's an opportunity to not do the refuse equipment and have a, if DEM had a dedicated location, a garage and mechanics to do the refuse equipment especially here in Central Maui, that would be I think something to work towards for sure. Do you want me to go through this all or do you want to do it one by one?

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VICE-CHAIR WHITE: I think everyone's familiar with the testimony from this morning. Unless there's something that...did you get to all of it? Yeah, I think you did.

MR. GOODE: Yeah, I think I managed. I practiced a couple times trying to get under three minutes so. I usually don't like to speak that quickly but we made it. So I stand on the testimony. I don't have anything to add since then, and be happy to answer any questions --

VICE-CHAIR WHITE: Okay.

MR. GOODE: --you have on this or anything else.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Couch, followed by Mr. Victorino.

COUNCILMEMBER COUCH: Thank you. And thank you, Mr. Goode. And thank you for the written and concise testimony. The question I have with the construction equipment mechanics and I, it's very understandable to move them over. But what does it cost you to do that, to say fix the truck that they bring in for you to fix? Essentially what does it cost versus...and I'm going to have to ask them on the other side is versus taking it to an outside service and having that outside mechanic do it.

MR. GOODE: Mr. Chair and Mr. Couch, we don't have...on our side we have some data. The Solid Waste Fund does reimburse the Highway Fund expenditures. That as part of a, you know, future reorg we need to really evaluate well how many man hours are we spending per year --

COUNCILMEMBER COUCH: Right.

MR. GOODE: --on this equipment. And does that equate to one position, one-and-a-half, two, two-and-a-half.

COUNCILMEMBER COUCH: Versus farming, I mean bringing a mechanic in and...

MR. GOODE: Right. As far as the differences in a particular activity, you know, when the trucks come back, there might be a leaking hydraulic hose, okay, well how much...I mean we spend some time, we have the hose, we put it in. You know so a particular...just like getting your car fixed, you take it two different mechanics and you get two different prices, but it's by job and we're doing jobs daily. So I imagine we're pretty competitive with the outside. How you add up all those costs is another matter. Overhead --

COUNCILMEMBER COUCH: Okay.

MR. GOODE: --and everything else.

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COUNCILMEMBER COUCH: I guess that's going to be our, one of the determining factors at least for me is well, do we go as is, you know, they have to right now call people in for Central Maui, they'll call mechanics in for the Central Landfill versus hire one or two people so. It would help if we had that data both on your side and their side, so if you get a chance.

MR. GOODE: We don't have any data on the landfill 'cause we haven't been doing landfill equipment for a number of years in Central.

COUNCILMEMBER COUCH: But you do landfill equipment on --

MR. GOODE: In Hana, Molokai, and Lanai.

COUNCILMEMBER COUCH: --Hana, Molokai, and Lanai.

MR. GOODE: And...yeah, that and just as I recall the number of tons per day is significantly less in the outlying landfills. Equipment might be of different age. So there's some comparisons could be drawn but it's going to require...to us it's the kind of...it's a good thing to do in the long run and how do we, you know, but we need good data and that's gonna take a while to develop and sort through.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Well, Mr. Couch basically asked the same question. But the question I have for you, Mr. Goode, is you said something about Environmental Management reimburses you for some of this, how do you determine how much they reimburse you, you know, for the repairs? You guys have a set fee, you bring one truck and one hour, you get \$25 an hour or how do you guys determine? Or it just like, thank you, here, here's \$100, I'm happy? No, I don't know. I'm sorry, I'm just, I'm asking.

MR. GOODE: I think for...Mr. Chair and Mr. Victorino, we do all the parts are invoiced --

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: --so those get directly reimbursed. I'd have to double check on the labor if we do that. And of course, what they fuel up at our baseyard, all the fuel costs go back to the Solid Waste Fund.

COUNCILMEMBER VICTORINO: Okay. And that I think you can keep track of that. But I'm just curious, Mr. Chair, you know, they're doing it and it's their mechanics, so if we are unable to transfer then shouldn't the methodology be there that the labor, if you spend 5 hours doing it then at \$25 an hour, whatever it might be, they're charged for

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that. You know you do that if you went to an outside vendor 'cause they'll charge you for parts and labor, and it's usually not \$25 by the way. But, you know, so I'm just curious in how you've been doing it all these years. And, you know, separation, I think maybe more discussion needs to be given on that instead of just doing it. Because again, when we did Environmental Management separating from Public Works 'til today they're still having challenges. You know equipment was never transferred or was transferred and, you know, I think you guys have worked it out by now but for years there was a lot of back and forth. Oh, we didn't get this truck or we're supposed to have gotten that truck or...it was a mess for a long time. So some thought really needs to be done before we just go ahead and transfer. I believe that's...but I'd like to know if there's some methodology or if we need to add some methodology of making sure they're at least reimbursed for their time and effort, you know, in repairing these vehicles. 'Cause the County and the Department is saving money by having them do it instead of going outside.

VICE-CHAIR WHITE: No, you're talking about the services they're providing in Hana, Molokai, and Lanai.

COUNCILMEMBER VICTORINO: Well even that, but I mean talking whatever they do here and, you know, 'cause he did mention that some of the work is still being done by their mechanics.

UNIDENTIFIED SPEAKER: The trash trucks.

VICE-CHAIR WHITE: Yeah. But the...

COUNCILMEMBER VICTORINO: The trash trucks and all that. Yeah. I mean whatever.

VICE-CHAIR WHITE: This is for Central Maui Landfill --

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR WHITE: --and there currently I don't believe is any service being done on those pieces of equipment. Is that correct, Mr. Goode?

MR. GOODE: That's my understanding.

COUNCILMEMBER VICTORINO: But you still do the refuse trucks?

MR. GOODE: Correct, we do refuse trucks.

VICE-CHAIR WHITE: Right. So the request from EM was for two mechanics specifically for the landfill equipment, and it's roughly \$50 million worth of equipment that they've got running out there. So the challenge is that when the Department was split, no mechanics were assigned to landfill equipment. So all the mechanics other than in

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the outlying areas remain in Public Works, but Public Works didn't continue to do the maintenance as they had previously.

COUNCILMEMBER VICTORINO: In the past, yeah.

VICE-CHAIR WHITE: So...yeah. So that's the challenge.

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR WHITE: So, Mr. Couch.

COUNCILMEMBER COUCH: But then that brings up a question, Mr. Chair, if they aren't, if those two mechanics aren't doing any work for the landfill and we move them over there then what does that take away from him, the work that their doing on their own for their own Department?

VICE-CHAIR WHITE: Yeah, your point is still a valid one, what does that cost versus --

COUNCILMEMBER COUCH: What's it cost to him, yeah.

VICE-CHAIR WHITE: --what the...well and what would it, what is it costing us to basically hire somebody else to come and do it?

COUNCILMEMBER COUCH: Right.

VICE-CHAIR WHITE: But the, I think the real question and I'm not sure that Mr. Goode can answer this is why didn't they go when the Department was split? Because the equipment went with no mechanics, so you can make an argument either way on what, you know, what we heard from, you know, our little sources was they don't like working on landfill equipment because it stinks whereas construction equipment that goes up Iao Stream, hey that's a piece of cake, it's nice and clean. So yeah, I can understand that, but we've got equipment that we've got to take care of.

COUNCILMEMBER COUCH: Right. We've got equipment we gotta take care of, my question is if we move the two mechanics from his Department to the landfill guys, that's work that they haven't been doing before. So whatever work they were doing...

VICE-CHAIR WHITE: Well they used to do it.

COUNCILMEMBER VICTORINO: Yeah, they used to.

COUNCILMEMBER COUCH: Well yeah, but that was years ago.

VICE-CHAIR WHITE: So they've adjusted to a lower level of productivity.

COUNCILMEMBER COUCH: Is that the case?

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VICE-CHAIR WHITE: I don't know.

COUNCILMEMBER COUCH: No, but that's what I'm asking him.

VICE-CHAIR WHITE: Mr. Goode.

MR. GOODE: Yeah, what was happening, well years ago was when we did landfill equipment and everything else, was that basically landfill and refuse was always the priority because that had to get done on a daily basis for regulatory reasons, not, and to get people's trash picked up. And as the amount of equipment grew or the amount of services grew and some of the, equipment aged, those priorities, all of a sudden we had a lot of Highways equipment not getting fixed because this. And so finally it got to the point of okay, you know, we can't grow the garage, we can't...we're going to have to stop something, so it's probably around the time the Department split in two. And they took over the landfill and that was a great opportunity to say, okay, get your own gear here. And so what that did is it allowed us to change the work flow, so refuse is still a priority but now we're getting to our Highways gear more timely. So it was before, that thing had a backseat and that of course was bad for morale, it was bad for getting the roads fixed, et cetera, et cetera. Now of course we have road equipment, road paving gear, you know, we've gotten into that, we need to make sure that gear is ready to go. So I wouldn't say it's less productivity, I'd say it's reprioritization, and so...so that the Highways a little more better shake.

VICE-CHAIR WHITE: Well I wouldn't have, if I were you I wouldn't have agreed with what I said either.

COUNCILMEMBER COUCH: Yeah. But I guess the question is, we take those two guys away, the rest of the mechanics you have are going to obviously have to fill in for those two guys. Is there...

MR. GOODE: Well we wouldn't do refuse equipment anymore, put it that way. If you're going to take them then we're...

COUNCILMEMBER COUCH: I don't think, I don't, the refuse equipment doesn't go with the landfill, right?

MR. GOODE: Well you're taking away two equipment, you're taking away two mechanics.

VICE-CHAIR WHITE: That's a question for DEM.

COUNCILMEMBER COUCH: Right. If you take away the refuse equipment, but it doesn't sound like the refuse equipment...they're the Solid Waste management side, they're not the landfill side. So what I fear is that they're going to take the two mechanics, put 'em over in the landfill, they're going to do all their equipment but the refuse equipment is still being fixed by Mr. Goode's Department. That's my concern.

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VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Well, I'm kind of at a loss because I have no visual of what they're doing. They, where are these mechanics going to repair these vehicles? Do they have a garage or a facility or?

UNIDENTIFIED SPEAKER: No.

COUNCILMEMBER BAISA: They have one now with you.

MR. GOODE: For the Central Maui Landfill equipment?

COUNCILMEMBER BAISA: Yeah, these two mechanics that are working --

MR. GOODE: Yes.

COUNCILMEMBER BAISA: --they're going to be moved, where are they going? Physically, to do --

MR. GOODE: I'm not sure, that would be...

COUNCILMEMBER BAISA: --their work.

MR. GOODE: To me, I'm not sure, but that would be part of the plan is to understand where are they going, who are they working under, they should have a garage supervisor --

COUNCILMEMBER BAISA: Right.

MR. GOODE: --who understands what they do and supervise those activities.

COUNCILMEMBER BAISA: DEM doesn't have a garage?

MR. GOODE: No, I...are they asking for one or looking? I know they've been planning for one for a long time.

MR. BAZ: So, Mr. Chair, if I might? Yes, the Department of Environmental Management has requested planning and design for a maintenance facility at the Central Maui Landfill for I think three out of the four years that I've been here. The Mayor continues to tell them no. The Mayor's initiative in having a consolidated baseyard in the 100 acres, he wants to have all of these mechanics combined under an entity that's not...I don't know exactly how it's going to work out but an entity that's not Highways, an entity that's not Environmental Management so we don't have priority levels but they service everybody. I mean, you know, that's what his intent is, yeah.

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COUNCILMEMBER BAISA: So if we take these two mechanics from Mr. Goode and we give them to Environmental Management and they're supposed to do landfill equipment, they're going to do it at the landfill? I'm just trying to figure out how we're going to make this work. I mean I see mechanics, they work in a garage somewhere. We had a group of folks for MEO and we had to have a facility for them.

MR. BAZ: So yeah, Member Baisa, that's a very good point and I kind of had that discussion when this, Chair's proposal came out yesterday. The thought process of like how is this going to work. They can go up to the Central Maui Landfill and do basic maintenance which is something that the Department definitely needs, right. They need somebody to come up there and repair hoses, make sure the hydraulic fluids are appropriate, do basic kind of maintenance items. But as far as if something breaks down, yes, they'll have to trailer it to some facility. And so these two mechanics, it may end up being that they just do regular maintenance on the equipment and we still have to farm out large repairs and...

COUNCILMEMBER BAISA: We're going to have homeless mechanics. My father was a mechanic, I'm very familiar with what happens when you pull something apart, believe me, our yard was a mess.

MR. BAZ: It would be more similar to how you see sometimes the road construction crews have a truck with all of the stuff that they need on the truck and they're over there --

COUNCILMEMBER BAISA: MEO has one.

MR. BAZ: --maintaining the vehicles while they're out in the field kind of a situation is what I'm kind of trying to imagine. But they will definitely need something up at the Central Maui Landfill at least to store supplies, equipment.

COUNCILMEMBER BAISA: You know until they get something major.

MR. BAZ: Even if it's not a...yeah, even if it's not an actual garage, they're going to need something up there for sure.

COUNCILMEMBER BAISA: Okay. Just taking it a little further beyond just moving them.

MR. BAZ: Yeah.

COUNCILMEMBER BAISA: Yeah.

MR. BAZ: And, Mr. Chair, I think Director Goode has a good point about like who's going to manage them and who's going to be overseeing, you know, their responsibilities and their, you know, activities as well is something that's, it's a good point.

COUNCILMEMBER BAISA: Thank you, Mr. Chair.

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VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Director, for being here. Yeah, that was my initial thought like taking away two from you and I'm trying to give you two didn't quite add up, it subtracted in my mind. And your comment in your written statement, written and...statement this morning, premature leads to all the discussion we, we're having right now. But getting to the refuse collection, do you get reimbursed from DEM on the costs of that service? The refuse collection, Hana and Molokai looks like you do. Is that a reimbursable service?

MR. GOODE: Yes. Mr. Chair and Ms. Cochran, I believe we do get reimbursed for that.

COUNCILMEMBER COCHRAN: Okay. And because in the proposed budget looking to add I guess just landfill attendants I think it is. Is that what they're called that he's adding? Landfill...oh, no, equipment operators for Hana and Lanai. So that will help alleviate Lanai, I guess it doesn't show you do Lanai here but the Hana one I guess would alleviate your Department from doing the services then hopefully? Is that what that maybe will help out?

MR. BAZ: Member Cochran, the equipment operators are the ones that are on the equipment actually, you know, running them on a daily basis. The mechanics are, they're still going to need somebody to do the maintenance on them, right.

COUNCILMEMBER COCHRAN: Right.

MR. BAZ: So that's what the garage services people on Lanai and Molokai are providing, and they do get, I know for sure they get reimbursed the parts, I'm not quite sure about the labor. We have, I have a spreadsheet with labor costs in there for Molokai and Lanai but I don't know if it's actually reimbursed or not.

COUNCILMEMBER COCHRAN: So okay. Well, I'm trying to...okay, so the two equipment mechanics from Public Works will be proviso'd as equipment operators, at Hana Landfill and Lanai Landfill? Is that what...

MR. BAZ: I think the Chair's proposal...

COUNCILMEMBER COCHRAN: Page 9, 225...9.

MR. BAZ: Right. The Chair's proposal was to proviso so them so they're required to be landfill operators at those two locations. You're correct. Yeah.

COUNCILMEMBER COCHRAN: On the machines and also service them?

MR. BAZ: Not to service them, no. Yeah, the equipment operators don't service the vehicles, they only run the vehicles. Yeah.

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COUNCILMEMBER COCHRAN: So they're not really mechanics then?

VICE-CHAIR WHITE: They're the operators --

MR. BAZ: No.

VICE-CHAIR WHITE: --not the mechanics.

MR. BAZ: Yeah, so they're the ones that, you know, when you go to a landfill and you go dump your stuff they're the ones --

COUNCILMEMBER COCHRAN: No, no.

MR. BAZ: --in the machine operating it and...

COUNCILMEMBER COCHRAN: Right, right, right. No, I understand that. I'm just trying to figure out the description of these E/Ps.

VICE-CHAIR WHITE: On the...

COUNCILMEMBER COCHRAN: Transferring two equipment mechanics from you to DEM and then proviso'ing, expansion shall be for landfill equipment operators --

MR. BAZ: Right. So that's --

COUNCILMEMBER COCHRAN: --at Hana and Lanai.

MR. BAZ: --two different things happening. Yeah, one is two people are being moved from Public Works to DEM, and the other thing that's happening is two, there's going to be two expansions --

COUNCILMEMBER COCHRAN: So four total.

MR. BAZ: --so a total of four. Yes. Yeah.

COUNCILMEMBER COCHRAN: Okay, got it.

MR. BAZ: Okay.

COUNCILMEMBER COCHRAN: Okay, that was a long way around to get...okay. That's, yeah, should have asked that question to begin with. And okay, well thank you. I'm...okay. Is he going to go to item number two?

VICE-CHAIR WHITE: Well, let me just say that so far just in this calendar year, it looks as though we've spent about \$77,000 hiring Hawthorne Pacific to come in and service the equipment at the landfill. So I don't know how much we've spent prior. There's one in

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2013 for 14, roughly \$14,000 but it looks like we just started hiring Hawthorne. But if that's something we have to continue to do, it's, looks like it will cost us about 150,000 a year.

COUNCILMEMBER COCHRAN: Okay. I hate to take away from --

VICE-CHAIR WHITE: Cost to EM.

COUNCILMEMBER COCHRAN: --Public Works though and just add to them, DEM, instead of taking --

VICE-CHAIR WHITE: No, I understand.

COUNCILMEMBER COCHRAN: --somebody. But that's just my comments.

VICE-CHAIR WHITE: It's good discussion.

COUNCILMEMBER COCHRAN: Thank you.

VICE-CHAIR WHITE: Okay. Questions on number two? I think if I could ask the Staff, my recollection is the Chair's intent was to replace the one in Wailuku with a new one and move the...because the problem with the Wailuku one is the size is it's undersized for the job that they're doing so they were going to move that one to Lahaina. Is that correct? Okay. That was the Chair's thought behind that. Director.

MR. GOODE: I believe that's what he was thinking, I hadn't heard exactly. But we have two items here under number two, one is the dozer as you mentioned, and so the dozer that we requested I think was an upgrade from a D6 to a D7 for Lahaina. It sounds like the Chair's thinking was take the D7 we're getting out of Iao and give it to Lahaina which I had testified previously when I was here that, well, it's a hand-me-down so we're not going to get a whole lot out of it. The second part of number two was the EO IV position for Lahaina, and that as I mentioned in my testimony this morning, I hate to say it again but we, you know, Lahaina has taken on a lot of work. They have, this last year they spent 60 percent of their man hours doing seal coating throughout Lahaina but also helping the other districts. As, 'cause as we moved into pavement preservation, we've had everybody jump in and do the work, and so they've put a lot of focus on the roads which needs to be done. They have Front Street to deal with which is a whole 'nother set of issues and time. And finally we have these sediment basins and now the portions of the Lahaina watershed is being turned over to us that have a lot of stringent controls. Kahoma has stringent controls, and we need to ideally be in more places at once in Lahaina. So the EO IV we thought was the best opportunity given the types of equipment we have that needs the EO IV license, that we can get more work done in more locations. So that's it, Chair.

VICE-CHAIR WHITE: Okay. Questions? Ms. Cochran.

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COUNCILMEMBER COCHRAN: And thank you, Director, for that. And in my proposal which isn't here, I did submit for, I'll do an EO IV, it was an EO III but I think you folks would rather would rather have the IV so that's great. And also Laborer II, I think it's called for West, for Lahaina in particular. And when my office had spoke to your Department, it was asked if it could be used and as you're stating today, yes. And also where would the money come from? And it was stated that from the Countywide Traffic Calming Program which would be a total of \$56,792. So I don't see a huge issue and it seems your Department...so my question is, if that's the case, are you still supportive of perhaps getting funding via this route in order to get these positions to happen?

MR. GOODE: Mr. Chair and Ms. Cochran, yeah, the two additional positions will allow us to do a lot more work than what we provide in our budget. So we're thankful of the consideration for sure. Using the funds out of the...what was it, what do we call it?

COUNCILMEMBER COCHRAN: Traffic calming.

MR. GOODE: Countywide traffic calming which before was speed humps. We did reduce that amount I think from 500 to 200 in our proposal because we're just getting a lot less applications for speed humps, but we are getting a little bit more for speed tables and there's other techniques out there. So we thought that for, you know, for 57,000, you know, we're roughly going from 200 to 150 was something we could handle. So we would be, if that's the will of the body that would be something we support.

COUNCILMEMBER COCHRAN: Okay. Well thank you. Thank you for those comments. And also in regards to more responsibility put on the West Side Baseyard and people traveling to other districts to help out with the roadwork, is it also your Department's intent to help get others onboard in learning how to do this type of work and implement it using their bodies in their districts to, you know, address the roadwork? But initially because West Maui stepped up to the plate first and pretty has, and has a good handle on how to do it, you've brought them out to other districts to sort of teach others so to speak?

MR. GOODE: Yeah, that's correct. That's correct. Yeah, they have, they got a good handle on it, they've learned, and they're training --

COUNCILMEMBER COCHRAN: Okay.

MR. GOODE: --the other districts.

COUNCILMEMBER COCHRAN: Okay, very good. Okay. Well great. Chair, I don't really have any more questions but I'm, like the answers I'm receiving from Department. Thank you.

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VICE-CHAIR WHITE: Okay. Other questions on item number two, Members? Okay. Questions on item three? What is your projected timeframe within which the Veterans Cemetery expansion will be turned over to us?

MR. GOODE: Unfortunately, Chair, that timeframe just got cloudier. We were served with a lawsuit, that we've been named as a party in addition to a number of State agencies by the Makawao Cemetery Association relating to a whole lot of issues that I'm sure one of the things the court will be considering is whether or not to have a stay on some parts of the project or all of the project. So that's a new uncertainty. But say that does, that suit goes nowhere, we've been told that they're looking to start construction or issue a Notice to Proceed in July. I would think it's going to take at least six to eight months to get to a point where they could turn it over to us. And we understand the grow-in period where the contractor will be responsible for growing in the grass, et cetera, and getting it to a condition that meets their contract is something like 90 days. So we could be looking at March, you know, if things go swimmingly. So it's just hard to say. But we do know we're getting more facility to maintain, more structures, certainly more requirements. We are supplementing the existing one-person staff with our Makawao Baseyard, they come in and, you know, help out when they can, especially in advance of Memorial Day activities or Veterans Day activities. So we're going to need the person. We also understand that they're looking to have what they call shrine status which is very important to the vets. It may require a little bit more of a white glove and we may be subject to more inspections. It's something I've asked the DOD to better understand. I've also asked that they consider potentially we might need an intergovernmental agreement. I think it's a little odd that they could increase the requirements without us being a party to it. So these are all things that we're gonna work through but at a minimum we have more facilities, I just don't know exactly when. So hence my idea of keeping the E/P and I didn't run this by Sandy in advance, but keep the E/P but ideally keep what we have in the Mayor's proposed budget or placing some kind of marker that we either come to Council when it's ready or use some other funding that we may have.

VICE-CHAIR WHITE: Okay. Questions, on the cemetery? Okay, seeing none, any questions on the item number four? Seeing none...

MR. GOODE: Chair, if I could just mention? We understand what the Budget Chair's intent is there and to the degree we can make those numbers we will. We'll strive to have, you know, get as good of bids as we can, but we may need to either use some Countywide funds if they're available or get additional funds so we would be coming back to the Committee, you know, with the hope of getting those. 'Cause we, at that point would have bids and we want to get the contract soon.

VICE-CHAIR WHITE: Okay. And I know you had concerns about number five, the reduction to Countywide drainage. Questions on that, Members?

COUNCILMEMBER COCHRAN: Chair?

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VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: And is this in direct reference to the Lahaina Flood Control project or just overall Countywide drainage issues?

MR. GOODE: Mr. Chair and Ms. Cochran, this is in regards to overall. These aren't generally project specifics, they can be small projects. For instance, we had a small...a big culvert on a small cul-de-sac in Haiku blow, blew out Waha Place I think it was, of all names. And we had to, you know, come up with...fortunately we were able to make a little passageway so the remaining houses in the cul-de-sac could have access, but we had to go out, you know, put some plans together real quick and go out and bid it out and we used Countywide drainage. So but the types of storms that we're seeing, I think we're all seeing, these facilities can just get wiped out and they can be expensive at times. We also occasionally need additional funds for projects that come in over bid, and if there's a fair amount of drainage work in that project, we're justified to use those funds. So we've been using them. If, I think if you look through our history over the last few years, we've been using every penny of it and it's been typically more than a million. So hence the concern, and hopefully you're able to make some adjustments.

COUNCILMEMBER COCHRAN: Okay. Thank you very much. Yeah, I know the importance. Okay.

VICE-CHAIR WHITE: Okay. Any other questions on Countywide Drainage? Seeing none, Maui Lani Parkway at Kamehameha intersection improvements. My recollection was that the Chair's concern with this project was the, that we weren't quite ready to move on it, so if you could, I know your testimony suggests that it is likely to come in this week. So if you could elaborate on that a bit.

MR. GOODE: Sure. We have been working with Maui Lani Partners 'cause they're anxious also to get this to us. They've been doing a lot of work on their side, repainting, restriping, fixing a number of things along the roads. In the meantime the deeds which are fairly complicated, include a number of easements, have gone back and forth with us and Corp. Counsel and the developer. So my recollection was we were pretty close. So I checked this morning and in fact our staff was actually in the process of writing up the letter that I would sign and send to you. So hence I was, I felt confident we could make the commitment that we'd be sending it up this week. So based on the Chair's comments that I heard, you know, we want to make sure obviously that we own the road, and in order to spend the funds. But I'm ready to commit to having it up to you this week. Of course it's going through full Council to Committee, and we should be able to get this done easily in time before the funds are even available.

VICE-CHAIR WHITE: Okay. So we currently don't own the road?

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MR. GOODE: We own one leg. The Maui Lani Parkway coming from Kuikahi and you make the turn and you go towards the four-way stop, we own that. The two legs of Kamehameha, you know, one heading up towards the new park, the other heading down towards Papa. At some point near Papa we own it, so we don't own either of those legs and we don't own the remaining leg of Maui Lani Parkway heading out to Kuihelani. So that would all be part of this package, those three legs.

VICE-CHAIR WHITE: And is Maui Lani participating in the project?

MR. GOODE: Yes. So the, I think the total project cost was about 2.4 and based on the plans and the estimates we've received so far and divvying up the responsibilities, they're in for about a million and a we're in for about a million four. And that would be, you know, figured out once we go to bid.

VICE-CHAIR WHITE: Okay. Members, questions on that project?

COUNCILMEMBER COCHRAN: No. But just...Chair?

VICE-CHAIR WHITE: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. And as I stated and with Director that it will, I'll expedite this once it comes through as, you know, time permits. So in favor.

VICE-CHAIR WHITE: Staff, do you need any other --

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: --information --

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: --on this?

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, real quickly. This will, will there be the dedicated lanes, turn lanes that they had talked about, especially coming off of Kuihelani? I, and if you don't have the answer, you can get it later, but I just, because I just thought about it. 'Cause there was supposed to be a dedicated turn lane coming off of Kuihelani, that part of the road. Because they have room to expand there, but the others were kind of already, because of the way the sidewalks were, there wasn't much to expand. So I just was curious if, you know, and you can get that to us later.

MR. GOODE: Okay.

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COUNCILMEMBER VICTORINO: Thank you. Thank you, Chair.

VICE-CHAIR WHITE: And are there any Federal funds involved in this project?

MR. GOODE: Unfortunately not. We did inquire. Because neither roadway are not owned by the County and the section that we do own we just got, they're not on the Federal list at this time. Of course we would...they're types of roads that ultimately would be, so we will start that process. But in order to see, I mean try to get I guess an agreement between the State and the Feds and ourselves that if we were somehow to do this and get reimbursement later, all indications were that that type of agreement is like almost impossible to get and will require redoing all the plans, redoing all the specs, probably doing, the type of construction might even be different, and the costs would go up. So and given that uncertainty that we could even get that agreement, it just didn't seem possible. And the need is immediate, we need that intersection fixed.

VICE-CHAIR WHITE: Okay. Any other questions on this?

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Where is this in the list? What's the amount on this?

VICE-CHAIR WHITE: One point four four. A million four forty.

COUNCILMEMBER COCHRAN: Okay. That's what I was just trying to find it. That's all.

VICE-CHAIR WHITE: Okay. And pavement rehabilitation. Questions on that, Members? Director, you want to give us any additional information on that?

MR. GOODE: Sure. This is the project that would rehabilitate a number of east-west connectors that connect Piilani to South Kihei Road in Kihei. We do have it on the STIP for Fiscal Year '17 so this year we were going to do design, and we had allocated a half million dollars to design. I think it was three or four roads. Because the roads are fairly short we can put them all together as a package. And so the Chair's proposal had eliminated that funding. And in the comments I heard yesterday was that the, his proposal had put additional funds in Countywide Resurfacing. And so I took that to mean that maybe we take the design out of Countywide Resurfacing, so I'm not positive there. But if we do that which I believe we can, what it'll basically mean is that we're not going to be doing resurfacing in South Maui with the, because approximately that's about the pot, amount of money we probably would be using for resurfacing. So I just wanted to make that clear, that would be our intent if that's the way to go. If the funds are restored then we'd have monies to do resurfacing as well, regular Countywide resurfacing, not the, in addition to the Fed Aid.

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VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I understand that you get Federal funds for the, what, three or four, or four or five roads that are going down. Is it all of them or just, I know there's...now I gotta count. Is it only the ones going directly from Piilani down to South Kihei Road? None that go part the way?

MR. GOODE: I think they all go all the way. I mean I think it, was it Welakahao --

COUNCILMEMBER COUCH: Yeah.

MR. GOODE: --Kulanihakoi --

COUNCILMEMBER COUCH: Yep. Kaonoulu.

MR. GOODE: Lipoa. I'm not sure if Kaonoulu was in there. It was more in the Central Kihei area.

COUNCILMEMBER COUCH: Okay.

MR. GOODE: And so but they're on the Federal-Aid eligible list.

COUNCILMEMBER COUCH: Okay.

MR. GOODE: All right, so that's the key, you gotta be on the list. And we thought we could, because they're relatively short in length that we could package them and that was the concept, it's been approved. And we want to move towards design.

COUNCILMEMBER COUCH: So what...because they got Federal Aid, it's only at 20 percent so it's good bang for the buck kind of thing, right?

MR. GOODE: Oh, yeah. The construction will be 80/20.

COUNCILMEMBER COUCH: But at the expense of what roads were you planning on doing if you were able to do those with Federal funds and then the regular through the pavement preservation funds?

MR. GOODE: Let me get...I think we had handed out the list which, what roads we're going to do by district. I have a copy of it here somewhere. Okay, I got it. So 16, South Maui. Actually we're looking at a portion of South Kihei Road from Lipoa to Kauhaa.

COUNCILMEMBER COUCH: Oh, that needs to be done big time. And so that would be given up for the four much longer sections?

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MR. GOODE: Yeah. If we use the, instead of using the funds we have allocated for that and instead of using it for design for this Fed Aid project then that would just push that South Kihei Road out of here.

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

VICE-CHAIR WHITE: Mr. Goode, I, we were given a letter or I got a letter from you suggesting that you were just waiting for Ulalena in Haiku, Ulalena Loop, that you were just waiting for County to get ownership of that or the documentation to be finalized. Is your plan to provide resurfacing of that from the Countywide Resurfacing Fund?

MR. GOODE: Yeah, Mr. Chair, at this time, Ulalena Loop is one of those old government roads that we have not maintained. And so some of the owners have put together a petition using the Maui County Code 12.50 which allows us to maintain certain old government roads with, you know, owners' consent, they're supposed hold the County harmless, et cetera. We sent that to Corp. Counsel, they've had quite a few questions come back, and so internally we're trying to figure it out, how we can do it. But at this point that road is a dirt road, it's not improved to County standards, and we wouldn't recommend the County taking it at this time. That's truly one of those old government roads that fits in those category of roads in limbo with liabilities.

VICE-CHAIR WHITE: Yeah. Well we were just, Mr. Victorino just informed me during the last break that the Legislature in moving towards the bill regarding allowing the counties to initiate a half percent increase in GET that they are now, there may be some willingness to do that if we take over responsibilities for the emergency medical services and roads in limbo.

COUNCILMEMBER COUCH: Oh, allowing. Yeah.

VICE-CHAIR WHITE: So...

COUNCILMEMBER VICTORINO: Yeah, they give us the money but we gotta do that.

VICE-CHAIR WHITE: So the question is what if we don't sign up for the half percent GET, do they still give us the roads in limbo and the EMS? And he's also been hearing from individuals that our concerns that we've had for the years that the GET has been under discussion, that oh yeah, yeah we, we're comfortable taking the TAT away next year. So here we go again. As I've said before, the TAT everywhere else in the country is a municipal tax and it's there to provide support for all the services that we provide visitors, and as no one can present as well as the Big Island Mayor, unfortunately he's got a few little, a few challenges, but nevertheless he can provide a very colorful explanation of how the visitor interfaces with the County way more than with the State. So them just simply taking the TAT away I think would be a real travesty. I don't know if you'd want to add anything to that, Mr. Victorino.

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COUNCILMEMBER VICTORINO: No, you said it very eloquently. I think I'll just...let's move on 'cause I might get a little upset and that not be good for my demeanor. Excuse me. Thank you.

MR. BAZ: Mr. Chair?

VICE-CHAIR WHITE: Yes.

MR. BAZ: I will tell you the current legislation that's being discussed or the current version of that legislation is dependent on us enacting the ordinance for the transfer of those government roads. So if we happen to enact the ordinance then all of those government roads would be ours.

VICE-CHAIR WHITE: And does it list the EMS services yet?

MR. BAZ: I haven't found that one yet.

VICE-CHAIR WHITE: Okay. Thanks for that update.

COUNCILMEMBER VICTORINO: Mr. Chair --

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER VICTORINO: --the EMS one was a verbal statement by leadership from the House, and I will not mention names but from the leadership from House. And she believed that that would be the best way and she would support it wholeheartedly.

VICE-CHAIR WHITE: Does anybody know what the Emergency Medical Services amount is that's spent on, in Maui County? I know that the Big Island gets about 10 million...on the Big Island the Fire Department provides the service and they're funded to the tune of about \$10 million by the State for that service. Mr. Couch.

COUNCILMEMBER COUCH: And, Mr. Chair, keep in mind that that would include the helicopter which we only pay --

COUNCILMEMBER VICTORINO: Half.

COUNCILMEMBER COUCH: --670,000 now which is half.

VICE-CHAIR WHITE: Yeah, so that would go up as well.

COUNCILMEMBER COUCH: Yeah.

VICE-CHAIR WHITE: Such a deal.

COUNCILMEMBER COUCH: No.

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VICE-CHAIR WHITE: When you horse trade with the Legislature they have all the horses. Okay. Mr. Goode, what is the status of the pavement preservation crew? I know at one point you had not yet filled all those positions, and where are you with that at this point?

MR. GOODE: Good question, Chair. Actually I just met with Troy Kahalekai who is our supervisor we've selected. I think we may have one position left to fill, but they have started the entire Haliimaile Subdivision. And they're going pretty well actually. He's really happy with the product that they've laid down to date. They're working through some challenges related to the weather, and it's not just weather at, say in Haliimaile but the aggregate that we purchased all got soaked. And so when there's too much moisture in it, we can't use it in the product, so he's making arrangements to store dry aggregate and coming with a lot of ideas. So it's up and running is the good news. We're working through, you know, a lot of issues on how to be productive over the long run and provide a great product. But he's very confident and willing to try new things, and I just wholeheartedly encouraged him to keep going on that path.

VICE-CHAIR WHITE: Good.

MR. GOODE: So you'll start seeing some more, and if anybody's in the Haliimaile area, take a spin, you'll see some of our efforts with the new crew.

VICE-CHAIR WHITE: Good. Thank you. And I assume that to Ms. Cochran's point that the, as the crew is now getting filled out, that that'll relieve some of the pressure on some of the districts that have been putting people or making people available for the paving projects.

MR. GOODE: Yeah. So like Lahaina does the sealcoat, that's their specialty. So right now pavement preservation crew is just doing the slurry because we have a lot of that to do, and it's a little more tricky and can be labor intensive, at least trying to, you know, clean the equipment and everything. So and we have a lot of sealcoat still to do. So there's a lot of work to be done on the roads. All hands on deck.

COUNCILMEMBER COUCH: Mr. Chair?

VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you. Yeah, Mr. Goode, you know, I think you got what, \$5.-some million last year and now it's 6.2 if we make all these changes. I asked you this question before, could you...I mean say we gave you \$10 million, you could still use all of that in getting as many roads as you could with that prepared? Or are you having a hard time filling in that work?

MR. GOODE: Yeah, Mr. Chair and Mr. Couch, you know, we've had no problem spending the...we've had about 5 to 5½ million in the last three years. And we've had no

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problem spending it down and getting a lot of roads paved. That's repaving typically or what we call mill and fill, take out a couple inches and put down two inches. Almost all that work is contracted out. We've had no problem finding good bidders which, you know, tells me they can absorb more. And I'm confident enough to say if there was some way you could find 10 million, I don't believe there is but maybe there is, we would pave a lot of roads with that.

COUNCILMEMBER COUCH: So you would be able to spend that. So you're not, we're not running into the high end of your, you know, trying to find a way to spend that amount of money then?

MR. GOODE: No, I don't think so. Maybe at 20 million we might --

COUNCILMEMBER COUCH: Wow. Okay.

MR. GOODE: --but at that point, 'cause we do in-house design, you know, on this type of work, so some in-house survey and, you know, with basically our one-man survey crew right now, yeah, we might run up against some ability to get some stuff out. But yeah, that's, those are fairly easy projects for us to push out.

COUNCILMEMBER COUCH: And how many lane miles are we preserving or repairing in this, with this \$6 million?

MR. GOODE: I mean it'd be a rough guess but I think we're spending probably on average around \$300,000 a lane mile. Some districts in Central it could be around 200. When we go out to Hana it's 500 or 600. When we go to Molokai double that. So it probably averages around 300, 350 thousand. Not all the 5 or 6 million gets spent on it but say like 4 million does or some may have to be some design services or testing services. So you're looking at, what does that equate to be, 11 to 15 miles maybe, lane miles. And then with the slurry we hit a lot more, sealcoat we do more. And then of course all our Fed Aid jobs does a whole lot more. So in the last couple years it's added up to around 40 or 50 lane miles which represents what, 5 percent of our total lane miles. About a 1 in 20 year cycle.

COUNCILMEMBER COUCH: So it's about a 20-year cycle then. That's a lot better than the 40 to 50 year cycle that we were on, right?

MR. GOODE: That's correct.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Victorino.

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COUNCILMEMBER VICTORINO: Real quick question. You know you mentioned about in-house. What do we get from the in-house as far as versus when we contract out? Do we save a lot of money by having it done in-house? Or is it almost the same? What is the actual cost breakdown between an in-house project which we're doing like Kahekili Highway, right, the backend, versus having some contractor go out there and do it?

MR. GOODE: Mr. Chair and Mr. Victorino, we've done some preliminary numbers --

COUNCILMEMBER VICTORINO: Yes.

MR. GOODE: --I think when we first asked for the additional positions. We need to run some more numbers. We're, we typically buy the asphalt for a little less than what we pay a contractor to provide and lay it down. What we do save like in the case of Kahekili is the amount of engineering time and bid procurement and all that other stuff that goes into actually getting somebody to do it. Kahekili has had some engineering help but not a lot. It's pretty much, you know, the guys are pretty much doing it. They're also doing a lot of other activities too. They're fixing culverts and a lot of other stuff that's not exactly pavement related. So it gives us the flexibility to jump into areas that need it right away without having to do a big design and go out to bid and potentially a bid protest and everything else. And I think to some degree it also keeps the pavers, you know, conscious knowing that if for some reason there's consolidation in the industry and prices start going up, you know, we can compete. And we could say, you know what, we can do a lot of this ourselves. So having that check and balance I think is important, because it's the type of industry where we have seen consolidation to the point where there's one paver. So it could happen again.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: So that's why we're focusing less on repaving 'cause we have good competition in our bids.

COUNCILMEMBER VICTORINO: Right.

MR. GOODE: We're doing it where we can. Kahekili is a big project, we may not be doing one of those for a while, but we're concentrating on the slurry and the sealcoat in the neighborhoods.

COUNCILMEMBER VICTORINO: Okay. Thank you. I would be interested to see at a later point maybe through Ms. Cochran or one of those Committees what the real cost breakdowns are and to get a better feel. I mean and, you know, you need to add the other amenities that you're bringing in or the other parts of the projects like the culverts and all that which again would be a separate bid if you were doing paving versus a culvert and all that. I understand that. But it's interesting to note that because people ask that question all that time, and I thought well, you know, this is

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the time to ask since you brought it up. I'd like the public to understand that if it is saving us, even if it's saving us \$1,000, \$10,000, it's saving us money, well that's great. If it's costing us way more then I'd have to ask why, you know, besides the slurry seal and all that other issues. I mean 'cause like the slurry seal you did on Alu, you still haven't completed it yet, we've waited three months. Yeah, I grant you I know it's been raining but it hasn't been done yet, it hasn't been finished, and kind of frustrating 'cause neighbors ask me when are they going to get done and I didn't have an answer. And now I've got a partial answer so I can go back and answer the question for some of the neighbors. But I think that's the kind of stuff that oh, if the government is going to do it and this is what we get, why not let a private sector do it. So that's my whole take on this. Thank you.

VICE-CHAIR WHITE: I think Mr. Goode's point is well taken that the, probably the main benefit to having the paving crew is just letting others, paving and slurry seal and sealcoat, is that we're letting people know that we have other options. And that we, and I think just that keeps the bids as close as they can get. So thank you pushing forward with that.

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Any...Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And yeah, I wholeheartedly support the program that Department is doing as in going around and continuing the highways improvements and what have you. And I think every district on your survey that was sent out, highway was number one. And whether they can distinguish State from County I don't know but roads is very high on everyone's priority list. And I think that once even these other districts get trained, what I'm looking forward to in West Maui in particular, 'cause I can speak directly towards it, is that the Public Works Department can get back the public works duties. And because they've had to forgo and put things on the backburner in order to assist others and that is fine, I mean they really are about working together for the betterment of this community as a whole. And, you know, hats off to that. But I think just getting back to the true and, you know, the cemeteries I keep harping about can get done and things like the curb inlet baskets that came to our, you know, proposed to us and we could not find the time and resources to do it. Things of that nature can be implemented and rolled out. So, you know, the list goes on and on as Mr. Goode said as in their responsibilities, but they're doing what they can with what they got. And I think by giving them some more they're going to make, everything will just be that much better and run that much smoother. My question though and it does go back to the D6 dozer. If you do not get that, what will happen when that D6 goes down?

MR. GOODE: Mr. Chair and Ms. Cochran --

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

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MR. GOODE: --well we'll be in a load of hurt, we'll probably have to rent something. I did get an e-mail a couple hours ago, some of our Lahaina guys want to come and testify tomorrow, you know, and they can really speak better to it than I can. And so I said yeah, come on down. And it seems really important to them. So I think you'll be hearing from them in the morning.

COUNCILMEMBER COCHRAN: Okay.

MR. GOODE: And I told them watch out for the Council questions. So be easy on them.

COUNCILMEMBER COCHRAN: Okay.

MR. GOODE: But I can tell you better I think than I can --

COUNCILMEMBER COCHRAN: Okay.

MR. GOODE: --and it is, it's unique over there 'cause we have, you know, these dams now, we have to get the permits from the State, they're yearly inspected, they're very particular, which is probably a good thing. Of course we have the Kahoma Stream Flood Control project which is inspected by the Corps, and now as the Lahaina Watershed project moves forward we have new responsibilities there too. So it's different than the other districts and that piece of equipment is really important. I know was it a couple of years ago there was a big storm, a lot of material came down Kahoma. If you go to the very top of Kahoma you can see what's kind of like a debris basin in there, they were in there for months just moving the rocks and the debris and everything else. It just was a huge amount of stuff.

COUNCILMEMBER COCHRAN: Yeah. Okay. Well...

MR. GOODE: And we gotta take care of those things when they happen.

COUNCILMEMBER COCHRAN: That's right. Thank you, Director. And looking forward to the testimony to, you know, enlighten us further and bring clarity to the situations and what's needed. So thank you. Thank you, Chair.

VICE-CHAIR WHITE: Yeah. Hopefully they'll be testifying on whether they can manage with the, with Wailuku's D8 for a while before we buy them a brand new piece of equipment.

COUNCILMEMBER COCHRAN: That's a question, sure. We'll find out.

VICE-CHAIR WHITE: So...pardon?

COUNCILMEMBER COCHRAN: Yeah, that's a question, valid question to find out about. Thanks.

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VICE-CHAIR WHITE: Okay. Any questions about MS4 program reductions? And you had mentioned that you felt there might be some downside to that, do you want to elaborate?

MR. GOODE: Well I did talk to staff this morning and, you know, what it basically means is that we'll probably have to push some of the activities out into the future year. Maybe we can't do, be as aggressive in the mapping project and we have to cut that back a little. And so I think there's some advantages to this proposal so we can work with it.

VICE-CHAIR WHITE: Okay.

MR. GOODE: I may have to come back. We have to look at, I think there was a handout as to specifically which items were being cut, and so I would like to share that with staff, I haven't done that yet 'cause I may want to make some adjustments there.

VICE-CHAIR WHITE: Yeah. I...

MR. GOODE: If 400's the number, I might want to move some of it around.

VICE-CHAIR WHITE: Right. Okay.

MR. GOODE: If you're open to that.

VICE-CHAIR WHITE: Members, any questions on that item? Seeing none, the last one is the Building Permit Revolving Fund. Actually this is your top list but you may have other concerns, if you want to address them please feel free to do so. Any other changes that we made in the budget that you want to...

MR. GOODE: No. I think I covered most of them here.

VICE-CHAIR WHITE: Okay. One follow-up question on the mechanics. Is there a way that one or two mechanics at the Central Baseyard could be allocated to landfill equipment? Without moving them into EM could they be allocated to servicing EM equipment?

MR. GOODE: I suppose it's possible. We'd have to look at, you know, what, I guess what we won't be servicing as a result of that, since that's currently done by somebody else. It would be something I'd like to talk to our staff about to better understand. You know, I just, I don't, I wouldn't know off the top of my head, but obviously we would be displacing work that we do now. And so I would like to know what would likely be displaced.

VICE-CHAIR WHITE: Okay. Any other questions for the Director? Okay. Let's take a short recess. . . .(gavel). . .

RECESS: 4:15 p.m.

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RECONVENE: 4:43 p.m.

VICE-CHAIR WHITE: . . .(*gavel*). . . This meeting of the Budget and Finance Committee will come back to order. And we'll be proceeding with the review of the Finance Department. And joining us for the review is Director Agsalog. So welcome.

MR. AGSALOG: Thank you, sir.

VICE-CHAIR WHITE: And if you could provide some opening remarks. There's a lot of detail in this and I'm not sure we'll be able to get to all of it, but what I'd like to do is let you cover a couple of the highlights and then open it up for questions. And then we'll have the ability to look at this a little further since we just now received it. So go ahead.

DEPARTMENT OF FINANCE

MR. AGSALOG: Thank you, Mr. Chair. And I really appreciate this opportunity. As you probably have noticed this morning, our office and the Director of Finance, we weren't here testifying because we wanted to put it in writing, our request to you for reconsideration of the Chair's, Committee Chair's proposed. And as I laid out in the letter that I, supposed to have been transmitted to you but we just made copies now. Again, Mr. Chair, the proposed budget that we have requested is a very proactive one for us. It's just because we have been kind of successful in trying to address some of the community's concern, wait time and all of that in the DMV. But also we are also addressing some of our internal issues such as our findings in the CAFR as well as the last audit last time. So if you look, Mr. Chair, and go page by page and I will answer any questions that you might have, but in the, I'm asking you to reconsider the cut in my Director's Office because I support the whole Divisions, all the Divisions should they have some training that they need that they cannot fund in their own project or budget. And that's the reason that I'm very protective in the Director's Office the request. And we don't have to spend it if we don't need to. I think our training that I have spent last time, Mr. Chair, it really shows a good result on my staff handling their work. So again, Mr. Chair, I would go page by page with you but the most that I have is the Grant Manager for the Accounts Section and the, that's addressed in our single audit findings, and also the Capital and Fixed Asset Analyst also addressed in our findings. And these are just being proactive in trying to fine tune our rapport to the public, Mr. Chair. And you will go down also, you will see in Accounts that there's a premium that I'm asking there to be restored, because I came back to you, Mr. Chair, and asked for amendments. And I know that I'm, I won't be able to do without that premium pay, so I would ask for your reconsideration on that. And you can go down in the DMV area, Mr. Chair, also those requests that we have, again, it's being proactive to help our staff. They have done a good job so far with the training that we provided them with the better morale now. I would like to be able to, for them to see that there is a light at the end of the tunnel in providing them more help so that we can serve our community, Mr. Chair. And I will answer any questions that you might have, Mr. Chair.

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VICE-CHAIR WHITE: Okay. Thank you. Members, questions on the transmittal from the Department of Finance? Mr. Victorino?

COUNCILMEMBER VICTORINO: Well there's a lot to start, but I guess, Mr. Agsalog, you know, you come to us and you're asking us to reinstate these cuts, especially in your Department, right?

MR. AGSALOG: Yes, sir.

COUNCILMEMBER VICTORINO: My basic question is and I'm going to use it one more time, what do you really, really can...what can you really live with and what can you live without? What is really, really important? 'Cause I mean you went with a long list, and so are you telling me every one you put down is you cannot live without or can you live without some of these so that we can have a better idea what's your priority, what's your top three?

MR. AGSALOG: Okay. If we look into that, since I have new Internal Control Officer that we just hired, Mr. Chair, after a four years of trying to get that person onboard, I would really like to have her opportunity to get to some training, so that would be in the Professional Services under my Administration in the Director's Office. The cut over there would help me get to train the new people that we have. And I would ask you back the same thing, is findings a priority to you? We can deliver probably the same or a little bit better on the CAFR or single-audit finding but this is reoccurring. So those positions for me will give relief to my staff at Accounts. Because when I arrived here, Mr. Chair, we had the same number of people then at Accounts and they delivered to us the reports that we have been getting, but still we have some findings that are reoccurring. And also maybe the DMV people, but that's again, it's up to us, whatever can we do. Can we live with it? I need the overtime for the Accounts because they need help, okay. The, can we live with it with more complain at the DMV, I think we can, but again, sometimes it just, sometimes we become a victim of our own success, I guess, when we push them a little bit more. And then if we don't have a complaint then it becomes not a priority. So I mean how do we look at this? So I really need your help. I will work with you, whatever you guys can give me, but I can tell you that the budget that we have presented except for those DMV expansion that we have been asking you, it's just a proactive to maintain the level of services that we've been providing to the community. And maybe a better result on our CAFR so that, you know, the CAFR information by the way it's not only for us to get findings, they look at the bond rating presentation. So if we keep getting repeat of those findings, you know, we haven't suffered any of those yet but it could be, yeah. So again, it depends on what's our priority. And I appreciate where you are coming from because I'm here requesting for funding for the Department to serve the same level of services that we have been doing or better. Okay, that's me. I'm not going to say okay, I'm not going to give you this now, you know, I would want to at least the minimum is the same level of services that we are providing now.

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COUNCILMEMBER VICTORINO: Okay. Thank you for that response, Mr. Agsalog. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Mr. Agsalog, for being here. So we have here a proposal to delete the expansion position as far as a Grant Manager. It also has Capital and Fixed Assets Analyst. Is that a combination position that you're asking or is that includes Capital and Fixed Assets Analyst with the Grants Manager?

MR. AGSALOG: Mr. Chair?

VICE-CHAIR WHITE: Go ahead.

MR. AGSALOG: Yes, that's two separate positions.

COUNCILMEMBER COCHRAN: I see.

MR. AGSALOG: Yeah. The Capital Asset is one that is very, very important in the completion of our CAFR because this past one, that's the one that drug us in getting all the fund statements because our capital assets we couldn't get the actual work in progress or and the completed one together. So we really need someone to pay attention to that, work with our engineers in the departments so that those work in progress are documented accordingly. And the Grant Manager is the one that would be in charge as a coordinator with the Department to make sure that they are getting all the grants in order with the timely reporting as well as the compliance of the circulars of any Federal grants that we have. This going to be a Federal grant type of monitoring. Not the grant that we give as from the General Funds to nonprofit, this is the one that we're receiving from the Federal government or State.

COUNCILMEMBER CRIVELLO: So, Chair? So how are we managing today without a Grants Manager? And we have the departments who apply for these Federal grants. And however it's dispersed or what have you, it cannot be, you won't sign a check unless the department gives you the okay that the applicant have matched or met every requirement that's due for I guess for the downloading of their request. So how are we managing today with the process that is existing?

MR. AGSALOG: Mr. Chair? Right now we have our Accountant V working with the department and they, her staff at the Accounts Division work with the program manager and get their invoices sent to us, they check it, and then once they have all those documentation it's being paid that way. The, one part that's not being done right now though because I do not have staff to do is to go and audit the recipient of the funds for maybe random audit to make sure that whatever the compliance for the circular of the Federal grants need to be done. So I cannot guarantee that everything that comes in is within the circular requirements. That's what...

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COUNCILMEMBER CRIVELLO: I understand what you're saying. So normally though the department/the applicant would have to follow the circular, whatever it is for that particular grant or else you cannot even qualify to apply, right. So in order for us to request the monies to come down, every, most of the reports or the requirement, aren't those online for the departments or as well as the applicants to have some sort of cross reference where they can...in other words, if I applied for a grant and then it's, I put in to pay for salaries, I have to go according to what that circular requires as well as what the grant application says as well as what the department is requesting and according to the grant. So how would the Grant Manager have some sort of knowledge or as much knowledge as the department who manages the grant right now? I mean I've had experience prior to coming here that there are so much that has, we have to meet as a nonprofit to meet the requirements of any kind of Federal grant, whether you go through the County or separate. And they're pretty stringent about it. So are we missing something today? Because the Code, County Code also says that Council should have final reports and quarterly reports are required by the departments. Would just one individual for you be sufficient to, or suffice all those requirements?

MR. AGSALOG: Mr. Chair?

VICE-CHAIR WHITE: Go ahead.

MR. AGSALOG: Thank you very much. And thank you, you really understood the Federal grant and I really appreciate that. Our departments are expert in getting the grants. The challenges that comes is in the implementation of it, as far as what you have mentioned, the restrictions. Some of the grants only allow maybe 20 percent or 15 percent for administration and the rest will be for program. Right now I cannot tell you that that requirements for any of those grants is being met. I don't know if they're using 17 percent or 15 percent, I don't know that because I, like I said, I do not have the check back which is the random audit to them. Okay. But we paying according to the program managers, whatever they submit to us. What's missing here is that the interpretation of whatever the requirements in the circular for a particular grant, some of them do not, don't allow you a penny to do administration, it's all for program. So those are the type of things that we should protect with the grants that our departments are doing. So if we have one coordinator, some of them it's really quick to know but the compliance, how can we make the department comply with it. That's what I want to try to keep a tight lid on it, Mr. Chair.

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

VICE-CHAIR WHITE: Yeah. I think you've hit on the crux of the issue. We've got the expertise based on specific grants in the departments, and from our testimony and listening to the Department, it seems as though part of the challenge is that the, is the input into IFAS and making sure that the grants are managed in a way that is consistent with what Finance has to do from an accounting standpoint. So I think we've been grappling with this. I think Ms. Baisa has, you know, has been looking at this long before the rest of us, and it's a real challenge to decide whether we add

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somebody in the Finance Department or just ask for, you know, more training from Finance to the departments. Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I guess this is a question to the Committee is, you know, we've had single, the single audit has consistently said get a Grants Manager. And so if we're okay with that audit saying that as a, it's not a material but I forgot what the...

MR. AGSALOG: Significant finding.

COUNCILMEMBER COUCH: Significant, yeah. Significant finding, if we're okay with that coming up every year, as long as we don't keep asking the same questions every year, I'm okay with not having it. But I think the, you know, the OMB Circular A-133 suggested it. You know maybe that's a government agency saying get more government workers because we need 'em. So I understand where the Department is coming from, it's just up to us to decide whether or not we're okay with living, at least this body right here with living with that. But, you know, I feel sorry for the next, you know, once most of us go, the next Director of Finance is going to come up with the same single audit finding again saying what's going on.

VICE-CHAIR WHITE: And the Council will be just as perplexed as we are. But, you know...

COUNCILMEMBER COUCH: So I guess that's a decision we all have to make.

VICE-CHAIR WHITE: Yeah. Well it's similar to the issue that the Director has discussed over the years regarding internal controls.

COUNCILMEMBER COUCH: Right.

VICE-CHAIR WHITE: There's a point at which the level of exposure isn't great enough to necessitate the expense.

COUNCILMEMBER COUCH: Right.

VICE-CHAIR WHITE: That's the same question we're dealing with here. It's, you can go either way on it, and you can, you know, to some degree defend either position.

COUNCILMEMBER COUCH: Right. Because we're not getting dinged, it's not costing us interest rate points or, you know --

VICE-CHAIR WHITE: Right.

COUNCILMEMBER COUCH: --we're not losing money. I mean there's no, I don't think that there's a "puka" in where somebody can do some strange things, because each grant, you know, department that runs the grant, they're pretty good at watching so. And then the Department has or the Budget Department has to deal with it too.

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VICE-CHAIR WHITE: Yeah.

MR. BAZ: Mr. Chair?

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Oh, Mr. Baz had something.

VICE-CHAIR WHITE: Yeah, Mr. Baz.

COUNCILMEMBER COCHRAN: Go ahead.

MR. BAZ: Okay. Thank you. If I might, the only caution I have is that if the Federal government ever does come over here and find out that we did something wrong, that we've, you know, is un-allowed costs, that we violated some OMB Super Circular issue, the potential is that we become ineligible for all Federal monies. So the exposure on that is \$61 million or something that he, you know, references in the letter. That's the only thing I wanted to add to the conversation too. So thank you.

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

VICE-CHAIR WHITE: Yeah. But, you know, there again, we just approved a grants management or Grants Manager position for DOT. Should we have put that in Finance instead? You know as we've, as we talk about all the time, it's a matter of where we put the positions. So, you know, again, if you want one in Finance, fine, we got one in DOT, let's move her there. The position, not the individual.

COUNCILMEMBER VICTORINO: Mr. Chair?

VICE-CHAIR WHITE: Yeah, mister...

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR WHITE: Actually I was going down the line.

COUNCILMEMBER VICTORINO: Oh, yeah, yeah, go ahead. Okay, yeah.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER VICTORINO: Going down the line.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Director, for being here. Yeah, the Grants Manager thing has been ongoing and we continuously not give it and then we get back the audit and it says should have one. And anyways, around and around. And so I'm reading the first paragraph here in relation to this Grants

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Manager, and the very last sentence says Grant Manager as a way to further negotiate higher overhead rates allowable for reimbursement under grants. So is that saying that you can get more funding from these grants in order to pay for this position?

MR. BAZ: Yeah, thank you.

VICE-CHAIR WHITE: Mr. Baz.

MR. BAZ: I'll respond to that question if, Mr. Chair. So the Accounts System Administrator and I have been looking at that, and I don't know if some of you are aware that we don't receive enough administration costs as part of the grants that we've received from the Federal government on some of our grants to cover all of the administrative overhead costs, fringe benefit items. If, one of the things that the Accounts System Administrator thinks is that this Grant Manager can then assist the departments in negotiating with, because they would have better information then, right. They'd be able to negotiate with their Federal grant managers on making sure that, you know, that money is appropriate, that we can either get...if we can get more money for, to cover those costs, wonderful. If we reallocate those costs then that would be good too. I mean, you know, either way, but to make sure all the costs are covered. I know Chair Hokama had a concern about that that he brought up this year as well, yeah.

COUNCILMEMBER COCHRAN: So currently we, no one has the expertise to negotiate these type of things?

MR. BAZ: The, like the Director mentioned, you know, we have grant application, people in the departments that do excellent work in applying for the grants. And they do that with the information that they have, right. A lot of it, you know, a lot of grant applications are based on need, you know, you gotta identify what the need is, you have to, you know, show a work plan of how you're going to solve that problem and that kind of stuff. The budgeting piece of it is kind of the backend of it that all the grant managers may not quite understand. And, you know, they work with, you know, the one person in Department of Finance that they have now, but that one person also does a whole bunch of other things as well as supervise staff and different things like that. And if there is a dedicated person then the level of information that's going to be available to those departments like the Police Department that apply for and receive lots of different grants is going to be a much better opportunity for them.

COUNCILMEMBER COCHRAN: Okay. Okay, thank you. So just I think, Chair, from Budget Chair's proposal, his justification, is that stated anywhere in regards to the deduction on this? Because I would think himself of all people really following what auditors will be, you know, the independent audit's summary on this particular, you know, area, would be in favor.

VICE-CHAIR WHITE: I don't know --

COUNCILMEMBER COCHRAN: So anyways.

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VICE-CHAIR WHITE: --his exact feeling on this, but I'm sure he'll be more than willing to share it when he gets back.

COUNCILMEMBER COCHRAN: Okay, all right. Yeah, just some elaboration on that.

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER COCHRAN: But are we going to just go more rounds to get more questions in?

VICE-CHAIR WHITE: We can.

COUNCILMEMBER COCHRAN: Okay. No, I just had a question --

VICE-CHAIR WHITE: Do you have another question on the...

COUNCILMEMBER COCHRAN: --on the next section, the Capital and Fixed Assets Analyst. Because it has to do with accounting for construction work in progress, and that definitely has a lot to do with a lot of CIP projects which my Committee, you know, oversees a lot on. In regards to the water there's a list, laundry list of water. You know can be Public Works, DEM, and so on. And I guess the audit had revealed that it was just I guess not being tracked in a timely manner or is backlogging or something, it just wasn't up to par by the time we're trying to figure out our CAFR and things like that. So you're looking for a particular body, person, position to just oversee that? Is that what you're looking to do here with this person and to address the issue?

MR. AGSALOG: Mr. Chair?

VICE-CHAIR WHITE: Go ahead.

MR. AGSALOG: Thank you very much. And then that's a very good question because we looking for a skill in accounting to make sure that the work in progress are reported accordingly. As we were discussing the grant managers, the engineers are the expert in construction, but the recordation of how many percent is done and all that and being recorded and reported in our financials, it's, there's a gap at the moment. There's a breakdown there. If we track 'em only when we are reporting then it kind of push us behind in coming out with our financials to put in our CAFR. So again, this person would be skilled in accounting to know what's going to be depreciated, what going to put in service this year, that type of things. But again, it's not going to take or replace the capable managers, engineers in the department, this is purely reporting, Mr. Chair, and make sure that we handle it properly for our finances. Because that's where our, the, our bond raters look at is our financials, okay, so this is a very, very important position for me.

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COUNCILMEMBER COCHRAN: Thank you. And you mentioned to establish formal policy and procedures. And who will be creating that? Is that something this body would be assisting in or is that your Department?

MR. AGSALOG: It will be internal processes and procedures, working with the departments, the engineers that handle projects as their managers so that I was even telling them that we should have meetings regularly with those doing projects in a certain area so that the reporting is very timely in a way that we can catch up with those project that is being reported as our assets. Because once it's already completed and put in service, we need to start putting it in our capital assets for depreciation, that type of things.

COUNCILMEMBER COCHRAN: Thank you. And lastly with this. So our current CIP Coordinator, I guess Wendy Taomoto and her area, is she, would she not be able to assist with this? Is she not tracking the progress of certain large, you know, CIP projects?

MR. AGSALOG: Mr. Chair? Thank you very much. And I think that's going to be two separate responsibilities because I know Ms. Taomoto excel in building, in getting it done. The reporting part, again, it has to be an accountant, not an engineer that is purely making sure that the project is moving to completion. There's a difference between the completion of the project and reporting it in our assets as the other people that use our CAFR look at it. They don't visit the sites where this completed projects are, they look at our CAFR in how or when we put them in service. So those are the things, kind of two different things. They do well, like I said those in the departments that managing those projects, and the reporting part and putting it in an accounting principle or language, that's the one that we're missing at the moment.

COUNCILMEMBER COCHRAN: Okay. Very good. Thank you, Director. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. It's kind of, you know, after all of this, there's not a whole lot to say. But I do want to say that I am fully in support of getting a Grant Manager. I'm concerned that, I don't think that we have the capability to monitor all of the Federal grants that we have, and I think it's a detriment. One of the things of course that's pointed out by the auditors is that we're losing out in negotiating indirect cost rates, and that means money back to the County which we could save and it could help pay for this person if we got a better rate. Because once that rate is negotiated, it could be used in applying for all of the grants. And with the skills of somebody who dedicates their time to this, it's a skill you learn as to what can be included in computing that rate. And we'd have that in-house and I think it would be very helpful for the folks that are doing grants in the various departments that know how to write grants but don't know how to negotiate indirect cost rates, it's a very specialized thing. So I'd really like to see us do it. I'm tired of seeing this in audit reports. We're losing money, and, you know, when you're losing money, you better

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take a look at what you're losing as opposed to what you might have to spend and that helps you make the decision. I also think that the idea of this overseeing of construction work in progress, I'm concerned 'cause there's a lot of discussion in this piece about the Water Supply grants and capital projects. And it seems that there's a concern there and that we need to do a better job of tracking what construction is happening and what has been completed and what should be capitalized and what should just be left in the projects. And I don't know if this something that can be brought in-house to somebody else or, you know, it kind of sounds like everybody, somebody, and nobody. Until it's kind of somebody's really job, it's kind of an afterthought. You know I got the purchase orders out, I paid the bills, I made the report, so now you want me to do something else? So it kind of gets to be an afterthought and it obviously isn't being done. So of the two, I mean I dearly would, if we had to make a choice, I want that Grants Manager 'cause I think that's where the gold is. Thank you.

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

COUNCILMEMBER BAISA: I like both.

VICE-CHAIR WHITE: Okay. Thank you. Mr. Agsalog, you had mentioned that your top priority was the Overtime in the Accounts Division. What's your second priority of the items you're requesting?

MR. AGSALOG: Mr. Chair, with the technology that's going on now, I would really love to have the upgrade of our IFAS, and I know and you probably can discuss it with your Staff, I give them access to it, the navigation is not that easy. And I, it's my understanding that ONESolution, Mr. Chair, according to IT, I have not gone to their, to any conference but according to IT specialists that have gone and see these demonstration, would really help us in upgrading to the ONESolution. So I think that would probably one of the things that I would kind of ask you to look into it.

VICE-CHAIR WHITE: Okay. How solid are the numbers for the IFAS upgrade in your area and the IT area?

MR. AGSALOG: They had discussions, I'm sorry, Mr. Chair, but I wasn't in their last discussion, but I think the numbers that IT has and with what we were asking, they can work together to get it. I just, I wasn't there in the pricing of it, Mr. Chair.

VICE-CHAIR WHITE: Okay.

MR. AGSALOG: But I would really love to at least have something so I, we can have more dialogue with ONESolution to give us really a good deal. That would be really good. And this is a project that IT and Finance Department kind of working together, because of what it can bring to our staff in figuring out reports, it's easier to customize reports, it's my understanding. So --

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VICE-CHAIR WHITE: Okay.

MR. AGSALOG: --that's really good.

VICE-CHAIR WHITE: What I would appreciate, I understand the importance of this upgrade, what I would appreciate is if you could work with IT tomorrow and just get an outline of what the upgrades would allow for. You know what upgrades and...

MR. AGSALOG: Mr. Chair, I will do that.

VICE-CHAIR WHITE: Okay. Thank you.

MR. AGSALOG: I will not be here tomorrow but my deputy will be, I'll be in Honolulu, but I will make sure that Mr. Verkerke and my deputy will work on it.

VICE-CHAIR WHITE: Okay. And then what would your third priority be?

MR. AGSALOG: I have a discussion with your Staff yesterday, Mr. Chair, and I think instead of my request here, I think is the Section 7 of the proviso. And right now it will be very difficult for me with the current system that we have, to automate those restriction as it was, it's written. It is my understanding with my staff, they have asked SunGard for a, if it can be done in, as how it's proposed now. Apparently that right now the restriction is in the amount on every program. We cannot say oh, if this is salary you cannot charge it to that amount. So we cannot use the character as a restriction. So if this is implemented, Mr. Chair, and I'm just kind of saying this because this is really going to put a lot of work for my staff, it will be done manually, meaning we print a report and if we see something oh, that's charged in the salary, that's charged in the operation which is the B then they, we will have to redo the charges back, and that's after the fact. It's not a proactive restriction that we can put in the system at the moment, Mr. Chair. So I'm just kind saying that it's not a money item but it will be for me because it will be more work, it will be more overtime. Okay. So maybe you guys looked at it as a language change, but it will cost me money because of the work involved in monitoring it.

VICE-CHAIR WHITE: Okay. And then what's your next priority?

MR. AGSALOG: Yeah, we need the ADP money, Mr. Chair. Yeah, please have that one.

VICE-CHAIR WHITE: Which one?

MR. AGSALOG: The ADP money, the processing. This one is that we have a contract with them that, and but if we do any report, extra report we have to pay for it. It was the contract that was negotiated with them. So anytime that I request a report I will have to pay so much, so I really need that, Mr. Chair.

VICE-CHAIR WHITE: Okay. That's the 14,000?

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MR. AGSALOG: Yes, sir. Twenty thousand. Yeah.

VICE-CHAIR WHITE: That's on Page 4, correct?

MR. BAZ: Mr. Chair, the top of Page 6.

MR. AGSALOG: Page 6. ADP payroll processing.

VICE-CHAIR WHITE: Oh, okay. How does that relate to, you mentioned ADP on this.

MR. AGSALOG: Yeah, that's our payroll system, Mr. Chair.

VICE-CHAIR WHITE: No, I know it's the payroll system but you mention it in Professional Services.

MR. BAZ: Mr. Chair, it's the same. If you look at their letter, Professional Services is broken down into the ONESolution upgrade, the Paperless Form Initiative on Page 5 and the ADP Payroll Processing on Page 6. So that's --

VICE-CHAIR WHITE: Okay.

MR. BAZ: --where the connection is.

VICE-CHAIR WHITE: Okay. Okay, anything else, Mr. Agsalog?

MR. AGSALOG: If I can, Mr. Chair, under Treasury, since this was in our legislative audit is an extra person in Treasury. It's just because I'm really thin over there, that work is being done by one person, and it's, we are growing in budget and the same structure has been there since I don't know when, but when I was in Budget Office, they have the same number of people and that was 2003. So if you can look at that. But I have one in DMV, the kiosk, I wanted to try something to divert the face-to-face transaction which is I've been asking staff over there to do the diversion of kiosk inside the building, inside the service center as a pilot project, Mr. Chair.

VICE-CHAIR WHITE: It sounded like you had the money to do that now. It sounded like they were proceeding with that currently. Is this an additional one?

MR. BAZ: Mr. Chair, from my conversations with the DMV administrator, they received bids for this but have not implemented it knowing that they didn't have any funding yet.

VICE-CHAIR WHITE: Okay. So they don't have funding for that this year?

MR. BAZ: For 2015, no.

VICE-CHAIR WHITE: Okay.

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MR. AGSALOG: That's a 67,000 from Financial Services on Page 6, Mr. Chair --

VICE-CHAIR WHITE: Correct.

MR. AGSALOG: --DMV No. 3.

VICE-CHAIR WHITE: Yeah.

MR. AGSALOG: We just wanted to try if we can divert the face-to-face transactions. It work well for the Hawaiian Airlines, maybe we can try to do some too.

VICE-CHAIR WHITE: No, I think, you know, I give you guys a lot of credit for moving ahead with that kind of an idea and also the online services. And so whatever you can do to increase the use of online services and increase kiosks I think is going to lighten up the load on your staff. So, Members, other questions on any other part of this? Seeing none, I want to thank you very much, Mr. Agsalog, for coming down or coming up, I should say.

MR. AGSALOG: Yeah. Mr. Chair, again, I apologize that we didn't come to you this morning, but this is what we were working on this morning, from last night to this morning so that we can show you our needs. And I appreciate the opportunity that you have given me just right now. Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you. Okay, Members, we have the Police Chief here. If we're moving into Police or we had said we would break between 5:30 and 6:30, what's your pleasure?

COUNCILMEMBERS: Finish Police.

VICE-CHAIR WHITE: Okay. If he stands by his testimony this morning we should be done reasonably quickly. So, Chief, if you'd like to come and join us.

COUNCILMEMBER COUCH: Do we have a written?

COUNCILMEMBER COCHRAN: Do we have written from him?

COUNCILMEMBER COUCH: He said he was gonna.

COUNCILMEMBER BAISA: He said he was gonna send 'em.

VICE-CHAIR WHITE: Yeah. Do we have his testimony from this morning?

COUNCILMEMBER VICTORINO: Chief, did you send the stuff that you were gonna...oh, okay.

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UNIDENTIFIED SPEAKER: Cut, cut.

COUNCILMEMBER VICTORINO: Deep cuts now.

VICE-CHAIR WHITE: I'm sure he remembers his testimony, he can relate it to us. Thank you for coming on short notice, Chief. Please feel free to proceed.

DEPARTMENT OF POLICE

MR. FAAUMU: Thank you, Mr. Chair, for the opportunity to be back again and go over. And as I mentioned this morning in my testimony, the revision was recommended to our, for our Department. You know there were four areas that, of concern, I mean four areas that was recommended by the Chair's report. As we look at that, we decided that we'll focus on two areas only, the replacement of our fleet vehicles, that will be the top priority, and then the second will be the premium for the Investigative Support Services and the uniform support service...I mean Uniform Patrol Services. And as I mentioned to you, looking through my budget, the vehicles, what we are looking at is the vehicles for the outside district, for Molokai, Hana, and Lanai. And one of the biggest challenge that we have in this area is the service of this vehicle. And if we have any vehicle down for whatever repair we'd need, it will take some time for us to provide the service. And in the meantime, whatever vehicle's available will be used. So the wear and tear and the mileage on these vehicles are greater than here on the island of Maui. If we do need major repair we will need to ship the vehicle back to Maui and we do the repair, then ship it back. By doing that you're looking at at least three to four months turnaround to have the vehicle return back to the district. The other vehicles that you had approved for us are more for the Wailuku and Kihei District. The other area of, also of concern that we are looking at again is the number two on our priority is the premium. And we understand that you had identified four areas, our Administration, Investigative, Uniform, and Support Services, but what we asking if you can reinstate the Investigative and the Uniform Services Program. As you know these are the frontline of our services. The Uniform Services are the frontline, these are the folks that are out there. And I mentioned to you earlier on my budget proposal, the increase is due to the collective bargaining agreement with SHOPO. And we adjust our budget accordingly. Mr. Chair, we do take into consideration the overtime, we adjust their schedule if warranted. But our Uniform Services Program we have a minimum requirement of officers to be on the road at any given time, any shift, so at times we do have folks on leave for whatever reason, we have mandatory training so we must backfill the Uniform Services for that. The Investigative Bureau, our detectives, our specialized unit, yes, we do make adjustment to our schedule to minimize the overtime, but sometimes things happen beyond our control and they need to work longer than their required hours and we have to pay them the overtime. And with that, those are the two priorities that we're here asking if the Council can reinstate those two concern. Thank you, Mr. Chair.

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VICE-CHAIR WHITE: Okay. Let me just point out to you one of the things that may not be correct on here, in my notes we show that we provided, you requested one vehicle for Hana and that was provided. You requested two...or I'm sorry, you requested four for Molokai and we gave you two, and you requested three for Lahaina and we gave you two. So what you're asking us for is to have those two vehicles back for Molokai and the one vehicle back for --

COUNCILMEMBER VICTORINO: Lanai.

VICE-CHAIR WHITE: --for Lahaina.

COUNCILMEMBER VICTORINO: Lahaina.

VICE-CHAIR WHITE: Is that correct?

MR. FAAUMU: Yes, Mr. Chair. Looking at the vehicles, the two vehicles in Molokai, you know, according to our rotation policy is the vehicle is to be within over four years of service, the mileage 90,000, and the repair exceed the value of the vehicle. The vehicles that I mentioned to you they are from 2007 and the others are 2010, so these vehicles are beyond our, the life of our rotation policy. And...

VICE-CHAIR WHITE: Okay. But we're not really questioning your policy, even though I have a little bit of a concern with four years and the mileage we're talking about. Anyway, but your concern is getting back the two vehicles from Molokai and the one for Lahaina, right?

MR. FAAUMU: Yes, Mr. Chair.

VICE-CHAIR WHITE: Okay. And then the other is the premium pay, do you have an amount that you feel you would like the premium pay adjusted by? Do you have a recommendation or not?

MR. FAAUMU: Mr. Chair, the, my recommendation if you ask me to choose I will choose the Uniform Patrol Services Program, you know, the reduce by 12 percent there. These are the frontline, these are the folks that are mandated to have them on the field at any given time. And when they go out on training or on leave, I must backfill them. The other program that I have, the Investigative Services and others, we adjust their schedule accordingly. But the Uniform Services is the priority on as far as the premium concerned.

VICE-CHAIR WHITE: Okay. So you're suggesting that we need to restore the entire amount or do you, can you live with a lower amount? Mr. Baz.

MR. BAZ: Mr. Chair, if I might? If you look at the Uniform Patrol Services Program, the requested amount for premium pay was 3,596,598 for that program. The Fiscal Year 2014 actuals was 3,743,826. So, you know, the proposed budget, the

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Mayor's proposed budget is already a reduction from their actuals from, you know, the previous year. So I just wanted to note that, and I'm pretty sure Investigative Services is the same thing.

VICE-CHAIR WHITE: Yeah. But as we all know there's more than enough funds available in the overall budget because of the vacancies. So if they need to they don't even need to come back to us, they can cover the overtime using the funds in their vacancies.

MR. FAAUMU: Yes, Mr. Chair, in fact that's what we have been doing over the years, and right now what we are focusing on, as I mentioned earlier, we're not focusing on expansion but try to fill those vacancies. We're running two recruit class, in fact one is going on right now and we're going to start up one in June. We just finished one. And is, as Mr. Baz mentioned to you, our proposal is lower than what we had asked, what the actual in our past fiscal year, but anticipating on filling all our vacancies and in case something happen, you know, in the future that we're able to still provide the service.

VICE-CHAIR WHITE: Right. Well you know that we will, if you run into an issue you can always come back to us for a budget amendment. And this, even with these adjustments you all generally come in with between a 2 and 3 million dollar Carryover/Savings. So Mr. Takahashi does a wonderful job of keeping your finances straight, and so we have a lot of confidence in him and you to, you know, to make due, and you can have confidence in us that if you need the money you can, if you have a major incident, you need the money, that you can certainly come back to us.

MR. FAAUMU: Thank you, Mr. Chair.

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

COUNCILMEMBER CRIVELLO: Thank you for being here, Chief. Thank you, Chair. How many uniform officers do you have on the island of Molokai?

MR. FAAUMU: To the best of my recollection we have about 36 to 39 officers, that's including, that's total personnel assigned to that, you know, including a captain, lieutenants, sergeants, and patrolmen and our dispatch and support services and support personnel to include the Animal Control Officer. I don't have the exact number with me right now.

COUNCILMEMBER CRIVELLO: Okay. But your actual officers, your what we would call police officers, the uniform officers, you have your captain, you have your lieutenant, and...

MR. FAAUMU: Yes, if you can give me a minute, let me look through it.

COUNCILMEMBER CRIVELLO: Yes. Thank you. So well maybe I should ask, how many patrol vehicles do we have on island? Including the two that we need to have replaced.

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MR. FAAUMU: Councilmember, I don't have the exact number with me --

COUNCILMEMBER CRIVELLO: Okay. All right.

MR. FAAUMU: --but I can provide that information.

COUNCILMEMBER CRIVELLO: Okay. Okay, thank you. And my other question is, you know, we've had this discussion of some of the challenges we have back home. Where would your domestic violence come under with your investigative or criminal or where is it located? What does it come under?

MR. FAAUMU: The Domestic Violence Unit in Molokai, the district of Molokai comes under the Uniform Services Program.

COUNCILMEMBER CRIVELLO: Uniform Services.

MR. FAAUMU: Yes.

COUNCILMEMBER CRIVELLO: Okay. And...okay. So going back to the, your rotation policy and what, who services your vehicles? Are, do you have ongoing maintenance and service?

MR. FAAUMU: It's whatever service available in Molokai that we...

COUNCILMEMBER CRIVELLO: We do have some good --

MR. FAAUMU: Yes.

COUNCILMEMBER CRIVELLO: --a couple good places and couple good mechanics I think. Yeah, we do have.

MR. FAAUMU: I know minor repairs from what I was instructed that we will do it on the island, but any major repairs, engines or transmission, the vehicle has to come back, we have to ship the vehicle back.

COUNCILMEMBER CRIVELLO: Even for, you know, so much mileage you service or so many months you service --

MR. FAAUMU: Yes, the vehicle...

COUNCILMEMBER CRIVELLO: --that's not done on island?

MR. FAAUMU: They are done on the island.

COUNCILMEMBER CRIVELLO: Okay. Okay, thank you.

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VICE-CHAIR WHITE: Thank you. Any other questions, Members? Mr. Couch.

COUNCILMEMBER COUCH: Just real quick. You know, Chief, you get a bunch of new cars every year which is, I mean you've got a lot of cars so it's just the regular rotation. Do we get money back for the old ones? 'Cause I see them being sold all over the place, and are those dollar amounts factored into the cost that you're asking for?

MR. FAAUMU: Yes, we do. We trade in, we have a trade-in program where we turn in. I don't know the exact number to it but yes, we trade in the old cars.

COUNCILMEMBER COUCH: Yeah, I thought I saw Mr. Ueoka driving one the other day.

. . .(laughter). . .

VICE-CHAIR WHITE: But I don't think you got an answer to your question. Whether the price that we're being asked --

COUNCILMEMBER COUCH: Oh, and that was the other half.

VICE-CHAIR WHITE: --is net of trade-in value, but I doubt that it is. 'Cause each trade-in is going to be different.

MR. FAAUMU: I'm not sure right now, Councilmember.

VICE-CHAIR WHITE: Well, it brings up a good question, if we get --

MR. FAAUMU: We can respond.

VICE-CHAIR WHITE: --money for the trade-ins, where does that go?

UNIDENTIFIED SPEAKER: Carryover.

MR. BAZ: No. Yeah, Mr. Chair?

VICE-CHAIR WHITE: Yeah.

MR. BAZ: The money, we don't actually get money for trade-ins. What happens is when we bid it out that we include that we're going to be trading in these vehicles as, so the cost of those new vehicles to us is reduced by that amount.

COUNCILMEMBER COUCH: Right. Which is save, saves money...

VICE-CHAIR WHITE: We understand that, but so you don't sell any of them directly?

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MR. BAZ: Not, no, not anymore. I know a long time ago. we used to auction off the vehicles but we haven't done that in a long time, yeah. So you won't see Mr. Ueoka driving one around.

COUNCILMEMBER COUCH: He just rides in 'em.

VICE-CHAIR WHITE: In the back.

. . .(laughter). . .

MR. BAZ: Mr. Chair, I --

VICE-CHAIR WHITE: Mr. Victorino.

MR. BAZ: --do, Member Crivello, for Molokai in the Uniform Patrol Services Program, specifically that program, starting on Page 15-33 and 30...excuse me, 15-32, 33, and 34 we have a breakdown of 12 Police Officer IIs, 2 Police Officer IIIs, 6 Sergeants, 1 Lieutenant, 1 Captain, and the rest are Dispatchers, and one Clerk, as well as the Dogcatcher.

COUNCILMEMBER CRIVELLO: Thank you, Mr. Baz.

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: I do really have a question for you, Chief. Because you need two cars and you want to send brand new cars to Molokai, right, and one to Lahaina, is, and I know this is, you know, you're asking for four in Central Maui but I realize that you have a lot of new cars in Central Maui 'cause I see 'em driving around all the time. Would it be possible to send two and one to Lahaina and two to Molokai and then maybe next year buying seven one time for Central? I don't know, I'm just asking.

VICE-CHAIR WHITE: Well you bring up a really good point because they bought I believe 11 different vehicles unbudgeted.

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR WHITE: So that brings up a good question, where did those 11 vehicles go?

COUNCILMEMBER VICTORINO: Yeah. And...yeah. I'm not trying to make trouble, please, Chief, but I'd like to know how, you know, 'cause you buy all these vehicles and I see 'em out there, you know, and they need two and one. I mean and for Lahaina that's not a problem, just sending one over, but what, how do you determine if we could do that and if we can't, why not?

MR. FAAUMU: As I mentioned earlier, we have that rotation policy --

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COUNCILMEMBER VICTORINO: Yeah, yeah, I...

MR. FAAUMU: --where the cars are going to, so when we ask to replace a vehicle, it's based on the mileage and the years of service by that vehicle regardless of where they're assigned. One thing that we do is account, when the vehicle is assigned to Lahaina, it's going to be transferred to the inventory of the district of Lahaina, so the commander in the district is responsible for that vehicle until it's being traded in, traded back to out of service and put in there. And pretty much that's how we track it. And I did ask that questions and I asked the coordinator why don't we ship vehicles over when other vehicles are not...looking at the cost and the logistical fit, you know, shipping it back and forth is not practical. And but again, it's more for inventory purposes, it's not Wailuku get just the nice cars but, you know, we --

COUNCILMEMBER VICTORINO: Right, right.

MR. FAAUMU: --ship 'em all out according, evenly to everybody.

COUNCILMEMBER VICTORINO: And I'm saying send brand new cars, I'm not saying use the brand news you got for Central Maui.

MR. FAAUMU: Right.

COUNCILMEMBER VICTORINO: And, you know, again, I'm not trying to say give the outlying districts old vehicles, those days have long gone --

MR. FAAUMU: Correct.

COUNCILMEMBER VICTORINO: --to the wayside, because that used to be how it was run.

MR. FAAUMU: Exactly.

COUNCILMEMBER VICTORINO: No, the vehicles that were worn here in Wailuku was sent to Lahaina and that wasn't fair, I agree. You know so I just wanted to know if that was possible because like you said you bought 11 cars unbudgeted, where did these cars go? And so that's the kind of questions I have, only just because I just wanted to know if that's a possibility and then next year buying seven for Central. You know but, you know, if you think and using your rotation, I'm comfortable with that. Thank you, Chair.

VICE-CHAIR WHITE: Yeah. I guess the question is they bought three marked Police SUVs and eight marked Police vehicles. So I guess the question is where were those assigned?

MR. FAAUMU: The SUVs are for the outside districts, the rural district --

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COUNCILMEMBER VICTORINO: Right.

MR. FAAUMU: --Molokai, Lanai, and then the Sedan will be either in Lahaina or Kihei or Wailuku. That's pretty much how we set them up.

COUNCILMEMBER VICTORINO: Okay.

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

COUNCILMEMBER COUCH: Yeah. It's interesting, how many vehicles do you have in total? Around, I think it's around 300, right?

MR. FAAUMU: Yes, it's about there, 300.

COUNCILMEMBER COUCH: And how many new...if you do the policy of even a new one every five years that's still 60 vehicles a year, we're not buying them 60 vehicles a year are we?

MR. FAAUMU: No. No, we're not.

VICE-CHAIR WHITE: Not at this point.

COUNCILMEMBER COUCH: Right. So...

VICE-CHAIR WHITE: I don't recall what we've bought them in the near past.

COUNCILMEMBER COUCH: So and that's a five-year rotation. I mean I, you gotta think that, you know, 60 vehicles is a lot a year and we aren't meeting that number.

VICE-CHAIR WHITE: We're not budgeting it.

COUNCILMEMBER COUCH: We're not budgeting it.

VICE-CHAIR WHITE: But they are ending up with a good component.

COUNCILMEMBER COUCH: I don't know that high, even if they bought 11 unbudgeted.

VICE-CHAIR WHITE: I'm sure the Chief would be happy to provide us how many vehicles he's bought in the last four years.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: That would be helpful. If you don't mind.

MR. FAAUMU: Mr. Chair, maybe I can respond to Councilmember Couch. The four years rotation is only for the fleet vehicles, 'cause these are the vehicles that run 24 hours.

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But the unmarked unit used by detectives and specialized unit, those vehicles are nine years, so we don't come in. Usually the most of the vehicle we requested are the fleet.

COUNCILMEMBER COUCH: Thank you, Chair.

VICE-CHAIR WHITE: So do you want him to provide us a breakdown between the fleet and the non-fleet?

COUNCILMEMBER COUCH: No, that's okay. I was just thinking that, you know, I don't know that we get them enough every year anyway. So to me the, and the numbers I was doing was a five-year rotation, not a four.

VICE-CHAIR WHITE: Yeah.

COUNCILMEMBER COUCH: Okay, thanks.

VICE-CHAIR WHITE: Ms. Baisa, did you have something?

COUNCILMEMBER BAISA: No. I'm very familiar with vehicle replacement having to deal with buses, and I know that the problem is in the uniform patrol because that's where those vehicles are on the road 24 hours a day. I get in, you, I get out, you get in, and we keep it going, so it really wears the heck out of 'em. But it's interesting, I didn't think we had as many as 300 vehicles, that's a lot of vehicles to manage.

VICE-CHAIR WHITE: Yep. Any further questions for the Department? Seeing none, I want to thank you very much, Chief, for coming down at this hour and helping us understand your budget.

MR. FAAUMU: Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you.

MR. FAAUMU: Thank you.

VICE-CHAIR WHITE: And, Members, what is your pleasure?

COUNCILMEMBER COUCH: Six forty-five.

VICE-CHAIR WHITE: Six forty-five it is. We'll be in recess until 6:45. . . .(gavel). . .

RECESS: 5:49 p.m.
RECONVENE: 6:53 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee meeting will come back to order. And, Members, we will be moving through the

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Department of Water Supply. And thank Director Taylor for coming this evening, and Holly Ho. Catching you with a mouthful, sorry about that. I should have looked before I introduced you.

MS. FICKE-HO: My mouth is stuck.

VICE-CHAIR WHITE: And with that, Mr. Taylor, if you'd like to provide opening remarks.

DEPARTMENT OF WATER SUPPLY

MR. TAYLOR: Thank you, Mr. Chair. I have no opening remarks. I'm open to any questions.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Members, questions?

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. And thank you, Mr. Taylor, for being here. Mr. Hokama has sent or asked that we have no rate increase which many of us who are a part of the water and has been a part of the water truly believes that's not a good idea. Even a small rate increase continues the operation or the ability for you and your Department to continue your projects, your CIP projects. Now it was told to me that you have not spent even half of the monies that were allocated in last year's budget. Do...so that's my first question. Why haven't you and what is the intent? And can you tell me and tell the public some of the accomplishments, what you have accomplished over the last couple of, three-four years? What have you done, Mr. Taylor?

VICE-CHAIR WHITE: Boy, that's a broad question.

MR. TAYLOR: That's...

COUNCILMEMBER VICTORINO: I mean that's...but I'm giving him a chance, sir.

VICE-CHAIR WHITE: No, that's fine.

MR. TAYLOR: I'll start with your, in order, your rate increase question.

COUNCILMEMBER VICTORINO: Yes.

MR. TAYLOR: All the members of the Budget and Finance Committee have either, are either on the Water Resources Committee or have been on the Water Resources Committee,

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and sort of the flagship of what we've been doing in that Committee is the 20-year plan. Where we've been trying to lay out everything we're going to need to do, cost it out over 10 or 20 years, and give a clear vision of the future. Now based on that, we saw, we've looked at what the rates, how they have to increase over the long term, and we've had to decide should we try to spread the rate increases evenly, should we do them every other year but a little higher, every third year, et cetera. What we've tried to do, what we've decided that's best is to try to spread them evenly by using Carryover/Savings and borrowed money to spread those rate increases evenly. Do the work we can do but have basically a 3 to 5 percent rate increase every year rather than go a couple years without any and then have a bigger one. So again, we're trying to look at the long term, give people a chance to plan long term and not surprise them with no rate increase and the next year is 11 percent and then none again, and have it be predictable. So that's, the long-term plan is how we've tried to manage this. As far as some of your other questions about how much money we're spending, we try to manage as an enterprise fund utility, and I know there's been a lot of discussion a couple of weeks ago about how much Carryover/Savings is good to have. I saw that general discussion with the Budget Director and Finance Director. As an enterprise fund we've always been under the impression, I've always been sort of led to believe by previous Councils that we should expect unless it's a huge emergency like a natural disaster that we should not have to tap the Emergency Fund. So we shoot for Carryover/Savings like any business would of a couple months cash flow. So two months cash flow is around \$10 million. So I think our goal is, is that if electrical prices don't, you know, are sort of normal and there's no major line breaks that have huge repair costs, we would like to have around \$10 million in Carryover/Savings, use that to control rates the next year. We don't as a lot of people think government does, we don't rush to spend the money at the end of the year. If we don't need it, we don't spend it, and we use it to control rates next year. And that roughly two months cash flow carryover is really part of our long-term strategic planning to balance rates and not have these spikes. So that's the whole point of the long-term plan is not to have spikes in spending, not have spikes in rates, and balance it. As far as what we've done over the past couple years, I can tell you that in Fiscal Year 2008, the Department of Water Supply encumbered \$14.1 million of CIP; 2009 it was 11.8 million; 2010, 7.8; 2011 10.9 million; so roughly around 10. Okay. Since we started our new program, 2012 was \$21.7 million encumbered; 2013 was \$22.3 million, it's roughly doubled; 2014 was 14.9 million basically because of one \$9 million project that we had to decide not to go ahead with 'cause it was a well that had a bad soil boring and we have it on hold for now. But we were on track and we were ready to spend \$25 million last year. So basically just in the past four years, we have ramped up capital improvement from around 10 million to twice that. What else we've done is all of these long-term plans you've seen, there were no consultants hired, our own staff did that with no staff increases. We've gone from bimonthly budgets, every other month or bimonthly billing to monthly billing with no staff increases. So when you look at the actual work that's been done with no staff increases, we've doubled capital improvement, we've doubled the amount of bills we're sending out and the amount of services we're processing. We've done essentially all the fundamental technical work that will go into the Water Use and Development Plan, we've done all

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that ourselves with no extra positions. So I would say that the people in the Department really ramped up their efforts over the past couple of years to try to recognize that this situation has been behind for way too long, and I think they've done a fantastic job of ramping up those efforts and I think the numbers prove that.

COUNCILMEMBER VICTORINO: Now can you tell us what projects you've completed or should be completed in the very near future that has added or will continue to enhance your water supply, especially source development?

MR. TAYLOR: In the Upcountry region we have Waikamoi Flume, we've, which is fully operational. We've relined the Waikamoi Reservoirs which are concrete and they were leaking, so that'll save water up there and provide more water. We've relined the Olinda Treatment Plant pre-sedimentation basin which was also leaking, so we solidified that up. Just going down the line, I mean the next lower plant, the Piiholo Plant we just completed a major modification of both the SCADA system and the granulated activated carbon to comply with the Phase II disinfection byproducts rule, so that was more than a \$4 million project. At Kamole we've put in the high-lift pumps, we've initiated and finished that project that can pump that water when we have it to the higher levels to balance that water Upcountry. West Maui we have a well that basically the hole is completed and we're, this is the well I've talked about before that it's not getting the yield we had hoped, and we're trying to figure out whether or not to develop it or move on. Hana we just finished drilling a well there as another backup well. We have a well development deal that is in Member Cochran's Committee ready to be heard. I mean I can go on and on, but there are numerous projects all over the County that is what these dollars I talked about are very useful projects, they're not...and they're exactly the kind of projects people have wanted. We've got a lot more in the design, permitting, and early stages of professional services that are going to take a while, but there are some that are mired in sort of very difficult regulatory processes, and those early professional services has already begun to eventually have those bear fruit. There may be several years before there's really something to show.

COUNCILMEMBER VICTORINO: Okay. And finally and I'll let others ask questions and I'll leave the Upcountry water meter list to Ms. Baisa 'cause I'd like her to elaborate on that one. But the last question I have for you is Wastewater we've recently put together a reserve fund, you know, where their fees can go up, monies will go into this reserve fund for futuristic maintenance and repair development. And we've talked about this and I know yesterday or this morning when I mentioned that, you weren't too keen about it. But even though we know you're far behind, having a reserve that you know is there for immediate use if something comes up that's beyond just what you have each and every day, what do you look at that idea or what do you think of that idea, I should say, as far as having that available for the Department not only for maintenance and repair but even some kind of development if you had that come about and you didn't have the money right there and then?

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MR. TAYLOR: Member Victorino, I have always been a huge supporter of that concept. I think the difficulty that the County, the State, every municipality in the country and even the national government, Federal government have is we're very bad about big projects that have these long lifecycles, and so we tend to have these spikes, these spending spikes. And so nobody wants...when we really need it is usually when development is booming, the prices are high, costs a lot to borrow money, and nobody...but then it's too late for the projects. To me, what would be better is to gather the money all along, when the recession, when the economy sort of tanks, bid prices are low, it's, that's the time to build. So if we had what you're talking about, this reserve fund, we could target the good times to build when no one else is building and take advantage of that. So I am 100 percent in favor of that kind of thing. It takes foresight and I think it takes political courage to start collecting money years before you need it, knowing that you're going to need it. You know just like you save for a new car or save for your kid's college or save for retirement, you've got to do these things a long time before they happen. So I am 100 percent in favor of that sort of reserve fund for long lifecycle costs like infrastructure.

COUNCILMEMBER VICTORINO: And along with that, you have used SRF funds for many, many years. What makes those funds very good for us as far as appealing to what the County needs as far as maintenance and repair and other enhancements?

MR. TAYLOR: The State Revolving Fund loan process is really a Federal program from Congress through the EPA, where the Federal government gives money to the states that go into the State Revolving Fund loan pot, and then the states lend it out to utilities, water and wastewater utilities and I think even solid waste for different pots of money. They loan it out, we pay it back at very low interest rates, and every year the Feds give more money so that pot grows. I heard you ask earlier, I think you might have asked me how much there was, and I asked the head of Clean Water, the Safe Drinking Water Branch, so she texted me back that there is \$231 million currently in the State of Hawaii, Safe Drinking Water, SRF fund that is constantly being loaned out and paid back. The rates are very, very low, in fact there's minimal interest, it's something like a 2 percent or so service fee or administrative fee.

MS. FICKE-HO: . . .*(inaudible)*. . .

MR. TAYLOR: Administration fee, so it's much better than GO bonds if you can get the money.

COUNCILMEMBER VICTORINO: Okay. Thank you. I think the public and some of our Members needed to hear that, 'cause you've said that before to us but I wanted that brought up today, because some of the cuts were the SRF funds and, you know, we'll discuss it further. Mr. Chair, I'll let others ask questions. Thank you very much.

VICE-CHAIR WHITE: Okay. Ms. Baisa.

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COUNCILMEMBER BAISA: Thank you very much, Chair. And thank you, Mr. Taylor, for being here this evening. The nightshift is always tough. We're all kind of tired after the whole day but not out of questions from what I can see. You mentioned in your comments this morning or I think it was this morning where you testified and you said we're way behind, and you mentioned a bite off more we can chew mode of operating. What did you mean? Can you explain?

MR. TAYLOR: Yes. And thank you, Member Baisa, for letting me elaborate on that. I just mentioned earlier in my answer that infrastructure is a long lifecycle cost, it doesn't happen overnight, you can't do a major project in a year or two. A lot of water infrastructure projects can take from the time you decide to do it to the time you have the ribbon cutting ceremony, easily ten years. And if you look at what the sort of preferred method I think of the Council would be is we do, get a little bit of money, call it maybe 1 percent of the total project cost and do a feasibility study. Is it worth it, what will it look like, how much money it costs. Bring that back to the Council probably two fiscal years later to say look, we're ready to start professional services design, here's what you're looking at, and then we get maybe 10 percent of the money to do design, maybe the next year another 5 percent to do environmental permitting. Then probably we skip a year, maybe even two years while we're doing design and permitting. Then maybe there's some land acquisition. Finally somewhere in maybe year six or seven you might ask for 90 percent of the money or 80 percent of the money to build the thing. And at each step in that process, we would come back to Council and say, you know, we're ready to take the next step, here's what that next step looks like. Okay. So just imagine, you know, a five-year process for simple projects and a ten-year project for a long, ten-year process for a long project. If you have that long that's the way we'd like to do things. So if you catch your infrastructure when let's say it's at 80 percent of its capacity, you have time to do that. Eighty-five percent of its, once you're at 85 percent of its capacity, maybe you have time. Once you're past 90 percent, you don't have time for that. When we came into the Department of Water Supply four years ago, Upcountry is at 100 percent, right, that's the meter list. By doing the H'poko Well we've basically backed that off to what, maybe 97½ percent. Central Maui is doing best of the areas, that's probably in the neighborhood of between 90 and 95 percent of its capacity. West Maui I'd put it at, you know, 96 to 98 percent of its capacity. Molokai 96-98 percent of its capacity. That's where we are, and I would love to do this very slow, deliberate, hire a consultant to do a feasibility study, come back two fiscal years later for the design, you know, on and on and give you guys very detailed numbers and very clarity of exactly what's going to happen. If this had started at 80 percent capacity, you might have to go back, you know, 20 years to get to that point, this would have worked. But it seems that what happens year after year is everyone's in a rush to solve the problem that they try to go too fast and so nothing has gotten done. What we're doing is trying to take this middle ground, again, bite off a little more than we chew but by putting the money together in these groupings that allow us to do multiple projects, whichever one runs into problems we shift to the other one and keep it moving. I would love to get the Department of Water Supply to a point where we can follow that preferred method, but you've got to get down to 85-80, you know, 90 percent of your capacity

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before you can do that. And we are in this battle of rationing. Show Me the Water is a rationing bill. That bill was passed because everyone felt there was not enough. Upcountry meter list is a rationing bill. When you're already rationing, you just don't have time for this long, slow process. So I think that's this big question in front of us is can we afford to be so careful, or do we want to give a little more flexibility, and as long as you're okay with the end results, give up a little bit of the control to let us move faster. That's what we've been trying to do, that's the bite off more than we can chew, do multiple things, we don't have time. That's what I meant by that. I know it's kind of a long explanation but these projects are very difficult, there's a lot of bureaucracy at the State level...mostly at the State level to try to get these projects done. And we don't own the land, even if you own land where there's water, you still need Water Commission approval. A lot of the places where we have to get water are designated areas, are, they're involved in contested cast hearings about stream flow, about groundwater. There is not an easy way to just buy a piece of land and start drilling a well, I mean it is not that simple. And so these processes take so long and we're again, so far behind that in my view we don't have time to be super slow, we need to make sure we don't waste money but at the same time we need to make sure that we're not so slow dotting the Is and crossing the Ts that the time is ticking away underneath our feet.

COUNCILMEMBER BAISA: Okay. Thank you for that long answer. Let me cut to the chase. I know everybody expects me to ask the question so I might as well ask it. We talked about accomplishments, what have we done to help the Upcountry water situation and in particular water meter list? And I know that it's the feeling of this group, I, in our actions we show it, and we've all talked about how we want to do something to help that situation. So can you, you know, would you please give us a little more information about that.

MR. TAYLOR: Okay. Well, this body has been incredibly supportive to lead us to the point where we're issuing meters Upcountry, and when we came in, the meter list was in effect, well, the meter list is still in effect, but there were no meters going out. One of the reasons is the H'poko Wells had been ruled to be unable to be used. This Council, I think it was all these, I think there might have been a couple different Members, I think probably seven of nine of you were probably here when that happened, reversed that decision which allowed that extra water to be added to the system. We also through our analysis showed that if we juggled water a little differently we could, between the H'poko Wells and juggling water a little differently, we could support more meters. So this Council, this body allowed us to use the H'poko Wells by changing that ordinance, allocated the money to rehabilitate those wells, allocated the money I mentioned before, the Kamole high-lift pumps so we could juggle that water higher up the hill, change some of the ordinance around the meter list, and with the cooperation of this Council to the Department we were able to, where we are now is we're issuing meters. We've issued, I think we've probably gotten through about, somewhere around 100 people on the list. You know that's going to take another year and we'll see how far we get. But, you know, we are I think for the first time in I'm sure more than a decade issuing and offering meters.

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COUNCILMEMBER BAISA: Thank you very much. One more along that line. The Committee Chair's proposal adds 9.6 million for source transmission and storage for the water meter waitlist, and some of the feedback we got back was DWS does not currently have a project ready for construction that would address such a goal. And Committee Chair's proposal removed the water shortage rates which we understand have not been removed, that was an error, we heard that today. So if you could address the 9.6 mil.

MR. TAYLOR: First let me apologize, that was my testimony, and let me apologize for the water shortage rate mistake. When I had looked through the Chair's proposal, the rates and fees, I didn't realize those were just changes because almost all of our rates were in there red-marked and blue-marked, and I thought that was the whole thing and they weren't in there. I didn't realize that was just the changes of what we represented.

COUNCILMEMBER BAISA: Don't feel bad, I made the same mistake.

MR. TAYLOR: So anyway, that was my mistake so I apologize for that. Okay. The difficulty with more water source Upcountry is in two realms, it's surface water and groundwater. Surface water is the streams. The streams in East Maui basically from Haiku all the way to Nahiku are all involved in the, all part of the current contested-case instream flow standards case going on in the State Water Commission. So until that's resolved, us getting more water from surface water is not going to happen. That could easily be a decade. Okay. So now we're talking about groundwater, we're talking about wells. Any well that the County is going to develop let's say between Baldwin Avenue, Olinda Road, and Nahiku, that whole area, we are going to have to prove that pumping water from the groundwater does not affect filling those streams or that is going to have to become part essentially of that East Maui stream flow case. In order to do that, we've been working with USGS for the past three-and-a-half years to develop a methodology to do some hydrogeology testing in that area to determine if you can, whether or not you can pump groundwater without affecting stream flow. No matter where we do this we're going to have to answer that question. Okay. So we came up with a plan, we put something out to bid, and essentially what it is is it's two four-inch holes that don't reach the aquifer, one deep, another shallower where they can put instrumentation into those holes, monitor for a year or so, and find out if, find out how high the groundwater sort of backs up relative to the stream levels. And do all kinds of other computer modeling and stream testing. Okay. So we have a process we've worked out about three-and-a-half years ago with USGS. We designed the test wells, we put them out to bid, and we got hit with a restraining order from an activist group. We've been to court, we lost, we went, we filed something else in court, we recently lost that, and this is all tied to--without getting into the details--the East Maui consent decree that we've talked about in executive session. So even though what we're drilling is not in that area...I won't get into the details in open session but, you know, it's, it was in an open court hearing that we were told we couldn't go ahead with this. So are currently working on yet

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another methodology of how to move forward to do some hydrogeology in that area. We've been at this for three-and-a-half years, and it is very frustrating for the Department, I know it's frustrating for you and the public. I don't have an easy answer for you, but at some point before we develop groundwater anywhere between, you know, Haiku and Nahiku, the Environmental Impact Statement is going to have to address whether or not pumping from that well affects stream flow. And there isn't enough science and we're being stifled from doing the science. And all that was in, you know, open court so there's no secrets to that. We're going to try something else, but that's why we don't have something ready. We've got some rough sketches of what could be done, but we're going to hit a snag at the EIS anyway. This data gathering is the key to the whole thing, and we are, we have been trying, we've been working with Corporation Counsel, with our own engineers, with USGS to try to break this loose. But we have been mired in this. And so between that and the instream flow standards in East Maui another, you know, very complicated legal case, developing either surface water or groundwater anywhere like I said between Baldwin Avenue/Olinda Road and Nahiku is fraught with difficulty and uncertainty.

COUNCILMEMBER BAISA: Thank you very much. It is a complicated thing and I'm doing a lot of learning in the last few months as I tried to say well, why can't we do this and why can't we do that, because everybody has an easy idea. I have one more question that I want to ask, Chair, and then I'll, you know, relinquish the floor. But I did want to ask about the idea of reservoirs, we hear that a lot. If you can't get it from groundwater and you can't get it from, you know, surface water, well, why don't you save what's running down the road or, you know, can't you put it somewhere?

MR. TAYLOR: Just a couple weeks ago I learned a lot more than I ever knew about the State agricultural water system on Molokai. You've all seen it flying in, it's a 1.4 billion gallon reservoir just below Kualapuu, 1.4 billion with a B.

COUNCILMEMBER BAISA: Wow.

MR. TAYLOR: It brings a combination of surface water and groundwater from East Molokai, the wetter spot, and again, a 1.4 billion gallon reservoir. Our Kahakapao Reservoir and Waikamoi system is 130 million gallons, so just imagine 10 times that, 1.4 billion gallons. State agriculture engineer tells me that the current usage, daily usage from that reservoir is about less than 5 million gallons a day and they consider it tapped out, they can't support more users. A 1.4 billion gallon reservoir supports a daily average flow of less than 5 million gallons a day, because the differences between the rainy times and the dry times is so great that the reservoir is enormous. It almost goes dry sometimes. Now the Upcountry situation isn't that dire, it's not that extreme, but it shows that just building a reservoir in order to get a serious amount of, in order to get these very short, high flows captured to use for a long period of time, these reservoirs can be huge at a cost of, you know, it depends on where it is. But it can easily cost let's say 50 cents to \$1 per gallon, so a, you know, even a 300 million gallon reservoir could easily be well, well over a \$100 million. So then you run into all the issues I heard Public Works Director Goode talking about dams. The dam rules

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are very complex, it's difficult. Just to get another...nobody wants a reservoir and a dam built uphill of where it might, you know, affect their lives. So there's also more complications with that. But when you have an area that has sort of general even rainfall through the year, reservoirs don't have to be very big. But if it rains a lot for three months and then it doesn't rain for 270 days, you need 270 days of storage. So for, you know, for 1 million gallons a day, you know, you might need a 270-million-gallon reservoir just to provide 1 million gallons a day reliably for a year. So the reservoirs just get huge, and again, it's back to money. So what we're trying to do and that's the point of the 20-year financial strategy construction plan is to lay out how much we can afford, prioritize it, and not just start projects that we're not going to finish. You know and if I could just say one final word on this, during budget we spend, we tend to spend a lot of time on these index codes, on, you know, pieces of equipment and positions and things. I've been here at the County 23 years always involved in big CIP. In my opinion, the single biggest waste of money, meaning we spend money and get nothing is when we do professional services for engineering and never build it, blueprints that end up in the trash, feasibility studies that sit on shelves. We spend not tens of thousands, not hundreds of thousands, we spent millions of dollars because we think we're going to do something and we say this is really important even though it's \$100 million. So we put \$2 million into professional services, and then when somebody talks about putting it in the budget, everyone balks at putting \$100 million project in the budget. So that \$2 million we spend on designs and all this kind of stuff, stakeholder meetings and all this stuff, that just, that's a waste. So my point of the 20-year plan it's interesting, is the same point you guys have, to save money. The reason I've been so focused on the 20-year plan, I want to figure out what we're doing, what we're not doing, and if we're not going to do it, if we really can't afford it, let's not do the engineering feasibility studies, let's not do the master plans, let's just save that money, it is millions and millions of dollars. Again, in my view, that's where the money is wasted. It's not like a truck that we didn't buy this year and we buy next year, it's money we spend that we don't get anything out of. And so that's why I've been so concerned about the 20-year plan. I've had too many projects in my early years that we spent way too much money on early studies and things and we never built, and if we had looked at it from the beginning, we probably would have realized we were never going to build them. So that's sort of my point from the Department is we're way behind, these things take a long time, we have to be honest about what we can afford and what we can't, and not do the easy money of spending 1 or 2 or 3 percent on the professional services that just go in the trash.

COUNCILMEMBER BAISA: Thank you very much. Chair, I relinquish the floor. I have more questions, we can come back.

VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you, Mr. Taylor, for the lesson again. Now you had the 20-year plan and you showed us, you know, if we increase rates at 4 percent, we're going to slowly and do a controlled crash. Six percent I believe it was, then it was going to be a status quo, maintain the status quo,

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and 8 percent was going to be we actually will increase source. Where are we on that plan?

MR. TAYLOR: I mean we're drifting a little bit. I mean I think you all know we were at \$6,000 meter fees, we went to 12, we went back to 6, you know, we're asking for 14 this year to get back on the plan and here we are. I tend to oversimplify this maybe because it's, there's just some big numbers to look at. The Carryover/Savings this year was \$16 million. Every \$10 million you borrow, whether it's SRF loans or GO Bonds, the next year or the year after, you start paying back about a million dollars in debt service. So if we're borrowing \$20 million a year, right, 2 years later the fixed cost debt goes up 2 million, so it goes up 2, 4, 6, 8. If you cycle down the Carryover/Savings of 16 and you keep having it, 16, 8, 4, 2, but at the same time you're doing 20 million a year in CIP, 2, 4, 6, 8, in year 3 you run out of money. Right. I mean your, they're going to balance, and at that point you're going, every time, every year that we have \$2 million more in fixed cost, even if there's no inflation, you've got to absorb that entire increasing debt service just with rates. You add in a couple percent inflation and there you are, you're at 15 percent rate increases. I mean I just don't know any other way to look at it. It's like we're borrowing much faster than revenue is coming in, and you can plot when you, you know, when you run out of savings. And so that's essentially the basis of what our graphs show, and that's why we're so concerned that if we're going to do these big things, if we're going to keep doing 20 or \$25 million a year in CIP and keep carrying on this debt, you've got to raise rates, you've got to raise revenue somehow to pay for that. And adding the debt without some form of revenue is a problem. Or you cannot, you can stop doing that CIP and then obviously, you know, you're not going to have that debt. But that growing debt, 2, 4, 6, 8 million a year, if we keep doing 20 million of CIP a year it just keeps growing on us much, much faster than the revenue is growing.

COUNCILMEMBER COUCH: So and part of the revenues are the meter fees which should have been at I think 14 this year and, but were cut down to 6. Part of that, a big part of that revenue is coming from there, from those meter fees?

MR. TAYLOR: In the long-term projection what we had tried to do, if we were going to go up to, towards \$20,000 --

COUNCILMEMBER COUCH: Right.

MR. TAYLOR: --our 20-year plan I think we calculated it at roughly 70 percent of the money would eventually come from those meter fees.

COUNCILMEMBER COUCH: And I have, I mean I understand in theory how that works, but I think we talked, I think we asked when you were here at the beginning of the session, how many meters did we give out this last year and it was an astronomically low number.

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MR. TAYLOR: And the beauty of that, I mean that's the beauty of this water system development fees, if growth is low we don't bring in a lot of money, well, we can slow down the CIP projects. If growth is high, we bring in more money but it means we gotta accelerate things. So it's sort of self-regulating from the sense that you don't have to guess what growth is going to be, you, the faster growth is, the more money you bring in. So it balances whether it's steeper or shallower. You know if growth is steeper, you bring in more money but you gotta build faster. So I think that's one of the reasons that water system development fees are a nice way to balance revenue, because again, the more you bring in, you know, balances with the more you need.

COUNCILMEMBER COUCH: Well and what concerns me is that you're saying we're at 95 percent capacity, and so if we wanna, if you wanna bring in more money, you have to grow a little bit faster. We're going to hit the 100 percent I would think faster than we would get the funds.

MR. TAYLOR: Except that Honolulu has managed in the last decade even with a growing population to reduce total water usage. What the Council's been supportive of, we've completely changed how we do the water rates, right. We shifted the fixed cost, variable cost, we added the fourth tier, you know, these conservation rate structures, et cetera. We've been upping our advertising message. If you listen to the advertising, it's focused on saving money. It's telling people if they want to save money, save water. We're trying to push some conservation to try to hold let's say at 95 percent to give us time to --

COUNCILMEMBER COUCH: Got it.

MR. TAYLOR: --you know, if we can have the conservation rate match the growth rate for a few years, that can give us some time. So between that and the leak detection, you know, if we could between...and some of these other little things we're doing to debottleneck, that can give us enough time to catch up with some of these projects.

COUNCILMEMBER COUCH: Gotcha. And lastly, you talked about the Upcountry list and one of the things that you said the last time we discussed this, really struck a note with me because it happens to be part of, affect part of my Committee is that if we were to even to do half of the, if we were to fill half of the Upcountry meter list, that would far exceed the total amount of growth that we had planned for in the Maui Island Plan. Is that, did I hear that right?

MR. TAYLOR: That's correct. In fact, just the meters that we're giving off the H'poko Wells and these systems are going to come pretty close to the, basically the 2020 population projection water use that's in the Maui Island Plan. And the meter list is, you know, much, much bigger than that.

COUNCILMEMBER COUCH: And I guess that's...oh, he's gone. That was going to be an answer for Corp., a question for Corp. Counsel.

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UNIDENTIFIED SPEAKER: No, he's here.

COUNCILMEMBER COUCH: Oh, okay. That concerns me because these, the Maui Island Plan, part of it is regulatory, and if we exceed the planned growth in that area, are we bumping against up some regulations in the Maui Island Plan that could prohibit another person from developing an area Upcountry since we're already at the growth limit?

MR. UEOKA: Chair?

VICE-CHAIR WHITE: Go ahead.

MR. UEOKA: That's a really big hypothetical question.

COUNCILMEMBER COUCH: Well I'm just saying...

MR. UEOKA: I have no idea.

COUNCILMEMBER COUCH: Yeah, okay.

MR. UEOKA: No idea.

COUNCILMEMBER COUCH: Mr. Chair, that's my concern is that we planned for growth Upcountry and we're going to exceed it pretty soon it sounds like, what happens to the people who have their little section of land that they want to develop ten, you know, small, ten-unit subdivision, they can no longer do it according to the plan. So...

VICE-CHAIR WHITE: I think the question in my mind is how many of those meters would require plan approval anyway? Not many.

COUNCILMEMBER COUCH: You mean --

VICE-CHAIR WHITE: Upcountry.

COUNCILMEMBER COUCH: --Maui Island Plan approval?

MR. TAYLOR: I can answer that. I mean the Upcountry meter list is solely people who do not need any Council or Planning Commission action, they just need ministerial permits. They need water meters or subdivisions, they don't need Changes in Zoning. I mean it is simply --

VICE-CHAIR WHITE: No, they're not guided by the plan.

MR. TAYLOR: --ministerial permits.

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COUNCILMEMBER COUCH: No, they're not but somebody else, we're at the capacity Upcountry...

VICE-CHAIR WHITE: No, those are projections.

COUNCILMEMBER COUCH: Right.

VICE-CHAIR WHITE: But so what you're...

COUNCILMEMBER COUCH: But we also put limits.

VICE-CHAIR WHITE: What that suggests is that is the people Upcountry should be forbidden to do what everyone else in the County has been allowed to do for years, use their property however they wish. And we're just, we're restricting them from doing that by our policies and the Department's practices and their ability to move in a direction that we have been asking for to be set by policy. So, you know...

COUNCILMEMBER COUCH: And that's the Committee Chair's mantra is we either by zoning or by taxation we deal with policy, land use policy.

VICE-CHAIR WHITE: Well, we also deal with policy by establishing the budget.

COUNCILMEMBER COUCH: All right. I'm just a little concerned about that one way or the other. I'm fine with if we fill out the Upcountry list.

VICE-CHAIR WHITE: Well, the people who came up with the plan numbers might have looked at the water meter waiting list progress and said it ain't gonna be until 2070 before anyone gets another meter.

COUNCILMEMBER COUCH: True.

VICE-CHAIR WHITE: So I don't know what they looked at, but they obviously came to a conclusion that nothing's going to move very fast.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you, Mr. Taylor, for being here. I have couple manini questions, then I want to go into the Upcountry thing. Your watershed funding, is that from a pot that's set aside for grant monies in particular just for watershed? I'm looking at the reduction that is being proposed for the different watershed projects.

MR. TAYLOR: That, those monies are just part of our normal, our operations revenue, our unrestricted funds, and there's no limit unless Council wants to set one. We look at

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those the same way we look at any other kind of operations. What we did in the grant review program is as you heard when some of the Staff was here the other day, we looked at what work do people want to do, how valuable is it, and how much can we afford. So I had to set a number saying look, I don't want it to grow any more than the rest of the budget's growing, and so if we can find good work that people can do that they can get done at that level that works for us, you know, that's sort of the range we're looking at. So when the Grants Review Committee looked at those, they had that number in mind, they knew it was going to be around \$2 million.

COUNCILMEMBER CRIVELLO: Okay.

MR. TAYLOR: We didn't have an artificial cut.

COUNCILMEMBER CRIVELLO: Okay. Thank you. And we have a proposed reduction for laptops for electronic techs. Is that okay with you or?

MR. TAYLOR: I'm sorry. For the what?

COUNCILMEMBER CRIVELLO: Laptops for your electronic techs, 12,000 reduction.

MR. TAYLOR: Oh, the laptops. Those, I mean we're going to need those and I think as we go through every year, I'm most concerned with the total value in the C Account, but individual things like that, those are necessary. The telemetry systems, we call it the SCADA system, Supervisory Control --

COUNCILMEMBER CRIVELLO: Right.

MR. TAYLOR: --and Data Acquisition. That's, these laptops are how the electronic techs go around, plug into those systems, program them, diagnose them, fix them, and if those aren't up-to-date to handle all the up-to-date software then they can't run those systems. So they are important.

COUNCILMEMBER CRIVELLO: Okay. So that being said, so you have computers for your SCADA. What is the difference with the tech going out there to do diagnosis on the telemetry or your SCADA system as opposed to needing \$40,000 of computers for SCADA?

MR. TAYLOR: Oh, those are, I think that's the actual hardware SCADA system within the plant. Basically just imagine that each piece of equipment being controlled has essentially a computer assigned to it that tells it to go faster or slower, they're all networked together. So there are the laptops that the electronic techs use to plug in and program, but there are also computers scattered around the plant operating various pieces of equipment.

COUNCILMEMBER CRIVELLO: Okay. And that notifies you as far as your water measurements of your water and...

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MR. TAYLOR: Its primary purpose is control.

COUNCILMEMBER CRIVELLO: Okay.

MR. TAYLOR: So it is monitoring water quality, making adjustments, it's also setting alarms, and they communicate with each other to balance out the system.

COUNCILMEMBER CRIVELLO: Okay. So we're having quite a bit of discussion and, you know, our Chair has proposed 9.6 million as Councilmember Baisa mentioned for Upcountry resource development. And I understand about the consent decree with the Na Eha and all of that, but that being said, do you have any plans to be able to have some sort of storage or water resources for the people who deserves their, an equitable opportunities to have water meters for their Upcountry lots?

MR. TAYLOR: Absolutely. And part of the long-range plan has very specific projects. The first and earliest one is a storage reservoir at the Kamole Treatment Plant, just at the Haliimaile elevation. That plant comes right off the Wailoa Ditch, has no storage at all. So when...but the Wailoa Ditch runs all the way down to Nahiku and it's really reliable. That plant processes about 6 million gallons a day. But when that ditch runs dry and it goes right from having 10 million to bone dry. At 10 million I mean you can barely see the water on the bottom of that ditch. So when it goes dry it basically just shuts off. That's when we have problems Upcountry. So our analysis shows that over the last ten years, there's never been a time where that goes bone dry for more than say five days. So our view is if we can build just even a 5-day reservoir, 30 million gallons, we could dramatically increase reliability of water Upcountry. That will allow more reliability and certainly some more meters. So where we are now is we have a consultant who's doing feasibility of various reservoir alternatives. Our vision is that hopefully we could design it in such a way that it could be modular, maybe in 10-million-gallon increments or something, so when we got some money we could build 10, have all the plans finished for something much, much bigger. And then when these issues come up in budget where somebody has some extra money and wants to put it to Upcountry water, we would have a project that was preapproved, we had all the environmental permits, we had already built one section, and we would be able to take that money and go right to construction. So and just keep adding modules of reservoir storage. That is our vision for that. We are in, still in the preliminary engineering feasibility. Other than that, the next major thing is going to be wells. We are looking at where we could place a string of wells that would not cause a legal problem with the East Maui consent decree agreement, and once we can get that worked out and do hydrogeology, start moving forward on that project. So what could possibly happen, no promises with this 9.6 million, maybe we might be ready at a stretch maybe for design of that reservoir maybe, probably not but maybe, and we could also maybe use that if we could get something approved to build the, this hydro-geologic testing apparatus in the area that would eventually lead to those. I can't imagine those two would be more than a couple million dollars. We were planning on taking those out of some of the other CIP funds that had, you know,

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Countywide names in front of them. So we had wanted to move forward with those, but again, the big issue is the long-term cost issues, and if there's rates and fees to support all of our 20-year plan, those are included. Our concern is that if there isn't enough rate and fee projections to include everything then before we start working on things we need to really work with the Council to understand, you know, what are we going to finish and what shouldn't we start.

COUNCILMEMBER CRIVELLO: Yeah. So when do you start for Upcountry?

MR. TAYLOR: Again...

COUNCILMEMBER CRIVELLO: When do you start, you know...

MR. TAYLOR: We hired the consultant, they're doing feasibility of that reservoir.

COUNCILMEMBER CRIVELLO: Okay.

MR. TAYLOR: So this year's budget, this question of water system development fees, I mean to be frank, that decision that the Council makes about either leaving the water system development fees at 6,000 or raising them, you know, to some higher level, that's the fork in the road. I mean the way I see it, that's the fork in the road.

COUNCILMEMBER CRIVELLO: Well, you're given a spoon of 9.6 million for source development and transmission.

MR. TAYLOR: And that won't be enough to finish.

COUNCILMEMBER CRIVELLO: Went out for proposal...

MR. TAYLOR: And that won't be anywhere near enough to finish.

COUNCILMEMBER CRIVELLO: Not enough for you to start?

MR. TAYLOR: That's enough to start but it won't be enough to finish.

COUNCILMEMBER CRIVELLO: Well, I'm hoping you can come up with a plan how it would be finished before we can continue talking about what the needs are. So what is the allocation amount needed to accommodate the Upcountry meter list?

MR. TAYLOR: Our rough number for that is about \$100 million.

COUNCILMEMBER CRIVELLO: Well, water allocation.

MR. TAYLOR: Oh, water allocation. Somewhere around 6 million gallons a day.

COUNCILMEMBER CRIVELLO: Six million a day. He's saying six million.

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MR. TAYLOR: The current usage Upcountry is about 8 million and I think it's something like 80 percent --

COUNCILMEMBER CRIVELLO: So it'd be an additional.

MR. TAYLOR: --more than that. Something like an additional 6 million --

COUNCILMEMBER CRIVELLO: Six.

MR. TAYLOR: --somewhere in that neighborhood.

COUNCILMEMBER CRIVELLO: Okay. Okay, thank you, Mr. Taylor.

VICE-CHAIR WHITE: Mr. Guzman.

COUNCILMEMBER GUZMAN: No questions. I think my colleagues raised the efficient issues. Thank you.

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. But before I go, I'll let Ms. ...

COUNCILMEMBER BAISA: You can go ahead, it's all right.

COUNCILMEMBER COCHRAN: Okay. If you wanted to follow up on the talk. Okay.

COUNCILMEMBER BAISA: Go ahead, it's okay.

COUNCILMEMBER COCHRAN: Thank you, Ms. Baisa. So aloha, Dave, hi, nice to see you. And my question, bring us all back to West Maui and it's in regards to the grants, the watershed protection grants that you folks assist with over there and the new grant that's been brought to us for I believe I guess Nature Conservancy will be the recipient on that one?

MR. TAYLOR: That's correct.

COUNCILMEMBER COCHRAN: Okay. And then it's actually for and it's for the Kapunakea Reserve that they are in management of, so it's an existing area that they've had for many years. So this particular grant is going to assist in lands they currently have, not additional to, they're not expanding their scope of area they're working in. Is that correct? Or do you know?

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MR. TAYLOR: I, you know, we had a discussion on this, I think an extensive discussion when we did our operations budget, and our Division head who handles that and our Deputy Director were up here for I think more than an hour. They know so much more than I do. I don't know much more than what's written in the description in the budget. The details that you're asking, I don't know those details, and I would have brought one of them tonight but I thought we had sort of finished that detailed discussion. And I apologize, I didn't realize we'd be going there.

COUNCILMEMBER COCHRAN: Well in this budget, this proposed Chair's budget it's been deleted completely, so I think and I have questions being the area representative. So it would probably behoove your Department to go ahead and bring, you know, more clarity to this. And this I think will go to maybe Mr. Ueoka, but what is, anyone there who's aware of the definition of what State unencumbered lands are? What does that mean?

MR. TAYLOR: While he's getting that, let me just address, there was a testifier this morning from Nature Conservancy --

COUNCILMEMBER COCHRAN: Yeah.

MR. TAYLOR: --who came specifically to address I think and she apologized for the confusion of why, you know, that they did ask for the money. And I think during her testimony, she addressed exactly what they'd be doing. And again, I don't recall the details but we recognize there was some confusion. And with her testimony, we had called her and asked her to come, called them and asked them to come testify and clarify that. And again, I apologize, I thought that that testimony had clarified this issue.

COUNCILMEMBER COCHRAN: No. Well, for me there's other watershed grants that we've been giving and now they're being proposed to be cut, and I don't know if in essence to create this new grant to offset, you know, the dollar amounts to take from Peter to give to Paul kind of thing. But my concern is if there is one that this land is defined as State unencumbered, so I would like to know is that something that County should be funding, State unencumbered property? So, Chair, that's why I'm, I don't know if Mr. Ueoka knows the definition of that or what that truly means.

VICE-CHAIR WHITE: Yeah, I'm not sure. Mr. Ueoka? I know we do fund the various watershed projects that are responsible for State, some State lands as well, if I'm not mistaken. Mr. Ueoka?

MR. UEOKA: There is a definition of unencumbered public lands in the Hawaii Revised Statutes. I can read it to you. Would...

COUNCILMEMBER COCHRAN: No, I mean does that mean that nobody owns it?

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VICE-CHAIR WHITE: No, the State owns it.

COUNCILMEMBER COCHRAN: Well, Budget Director told me the other day that I mean there's no ownership on any government, it's because DLNR is in charge from mauka to makai, it basically settles down into their purview to be, yeah, caretakers of it. But in essence, unencumbered means nobody is, has encumbered it or whatever it. So that was just and that's why I was asking for a map. But now I'm hearing that it's no, it's not any additional lands, it's current Kapunakea Reserve that they've been management of throughout the years. So now my question is is that entire parcel? So if nobody has the question [sic] here today, Chair, that's fine, but I would like some answers in regards to this.

VICE-CHAIR WHITE: Mr. Ueoka, do you have the definition available?

MR. UEOKA: I guess I can answer yes, the State does own these lands in a sense, just the way history has served. I believe it went from, you know, the King to Territory to government, that might be argued here and there, but essentially this property is under the control and management of the State of Hawaii. And unencumbered essentially means not set aside by EO or something else and not under, encumbered by any lease, license, permit, easement. But it is State land.

COUNCILMEMBER COCHRAN: As I read in their grant application, it's a perpetual easement given by Pioneer Mill which in today's world is Kaanapali Land Management.

MR. UEOKA: I guess if it's a perpetual easement by Pioneer Mill, I would assume Pioneer Mill is the owner. I'd have to look at it of course, but just if --

COUNCILMEMBER COCHRAN: Okay.

MR. UEOKA: --it sounds like it. Sorry.

COUNCILMEMBER COCHRAN: Okay. And jumping back to water source and all this Upcountry, how is the Water Department assisting or factoring in the Upcountry, Maui waterline project? I guess this is the agricultural, I guess the dual line, the agricultural waterline. Is that coming from source that we the County are drawing from also? So is... 'cause you're saying we're using 8 million and ag users are currently utilizing that, but if this comes online then won't that offset the yield that you're acquiring now?

MR. TAYLOR: Unfortunately not. The current system at around the 4,000-foot level starts from the Waikamoi Flume and the Waikamoi Dam into the Waikamoi Reservoirs, the Kahakapao Reservoirs, and the Olinda Treatment Plant. Okay, that's all at the same level. The, and then it goes out to our potable water system. The Upcountry agricultural line is intended to hook directly to the Kahakapao Reservoirs and basically just serve people from that same reservoir but not go through the Olinda Treatment Plant. So there's no more volume of water, what it will do is it will cut

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down the cost of treating that water so agricultural users will get non-drinking water at a lower cost, but there won't be any more water. They're just tapping from the same raw water before treatment but there's no more water. It's just two different spurs, one of treated water and one of untreated water.

COUNCILMEMBER COCHRAN: Right. But both come from the same source.

MR. TAYLOR: That's correct.

COUNCILMEMBER COCHRAN: So it would still offset your potable amount 'cause --

MR. TAYLOR: It depends.

COUNCILMEMBER COCHRAN: --but you're just not going to have to treat the non-potable obviously and so...

MR. TAYLOR: This is where this gets complicated because if the same, if everyone who hooks up to the ag line is an existing DWS ag customer and they use the same amount that they were using before, everybody wins. It means they get water cheaper, we save costs, and all the balance, you know, however much water they got yesterday, they get tomorrow. But if they start taking more water because it's cheaper, now all of a sudden somebody who was getting water yesterday isn't going to get it tomorrow. So that's the whole trick of I think one of the reasons why the State Department of Agriculture, you know, hasn't really finished that, because there's some uncertainty about exactly how to allocate the water, you know, to the users.

COUNCILMEMBER COCHRAN: Okay. Thank you. And one question in regards to watershed protection, are you aware of how much private water companies help contribute to those means?

MR. TAYLOR: I do not know whether or not...I seem to remember that how much money people get from other sources was some of the information they provided, but I don't know how much or whether they do at all.

COUNCILMEMBER COCHRAN: Be nice for everyone to share in the protection of the source if we all profit or, you know, gain.

MR. TAYLOR: Interesting that you say that. There's some legislation moving through the State Legislature to support something just like what you're saying, to have all water users, especially groundwater users have to pay some fee or some sort to the State Water Commission for watershed protection. The issue you bring up is a valid one, it is widely discussed, and I think it's something that DLNR or State Water Commission has been pushing to try to say exactly what you're saying is if you're using a little, you should pay a little, if you're using a lot, pay a lot, but agree with you that everyone should share this burden. And we, Maui County is actually seen as the leader in this. Probably, you know, credit where credit's due, Dave Craddick I think a long time ago

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saw watershed protection as an integral part of water supply management and I think it's taken everyone else a little while to catch up with that.

COUNCILMEMBER COCHRAN: Okay. Well, very good. Okay, thank you very much for your time. Thank you, Chair.

VICE-CHAIR WHITE: Members, other questions?

COUNCILMEMBER VICTORINO: Yeah, Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, real quickly. We also notice here that, you know, your, the Chair has eliminated or reduced your ability to, for the new billing system which, you know, we were hot to trot and we were really, you know. So are you or do you feel that you're ready to get that started or that you can wait another year to really get that underway?

MR. TAYLOR: As we discussed at Committee and I think we provided some written information on this, the existing contract with Honolulu Board of Water Supply goes up every year, so the longer it takes to implement this, the longer, the more it's going to cost because we're just paying Honolulu more every year. So we're ready to go. The RFP is I think almost ready to go out, so we are ready to get started early in FY '16.

COUNCILMEMBER VICTORINO: Okay. Well, that's good to know. Well, we'll have to discuss that further. And the last one was the water meter inventory for which I know when I was on the Water Board was a strong problem, because at that time you guys were converting over and that's not your time, this was another director, but they were converting over and there was not enough inventory. And there were times when the system was, the meter system was giving all kinds of trouble. This year he wants to take it from half a million down to 100,000. Do you have a large enough inventory that you feel comfortable that will be sufficient? Knowing that too that I guess this is a program budget also, Mr. Chair, that they can move money around if they need to. They're allowed to do that also in the Enterprise Fund, right? As far as you know?

VICE-CHAIR WHITE: At this point, yes.

COUNCILMEMBER VICTORINO: Okay. Okay, just, you know, maybe at midnight it will be a different point, but okay. Okay. So, Holly, maybe or one of you can answer that question, because that's a big reduction for something that I had known and believed in that was very necessitated. But do you have a large inventory right now? Or what's the status I guess is the question.

MS. FICKE-HO: Okay. Basically this fiscal year, Fiscal Year '15, we budgeted 450,000 for water meter inventory. I just printed out as of today our balance and we have about, an unencumbered balance of about 90,000. We are going to be spending that. We

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have, because we do need the inventory. We have meters going out all the time. We have transponders going out. We do need the inventory. We put in for, we increased it to 500,000 for next year, so we do have the inventory, we can change out transponders/meters as we need to, and any new projects that come up, that we have the meters available. On that same line, the store's inventory, if I can comment on that. We budgeted 400,000 this year, as of today we have 20,000 left unencumbered. The store's inventory is for the warehouse that we have at the baseyard that provides all the materials for our jobs that the baseyard needs to, main waterline breaks, et cetera. So that's why we did increase that. We do carry the inventory so we are able to repair the breaks and everything as needed.

COUNCILMEMBER VICTORINO: Okay. Thank you for that clarification. I think very important to understand that when you say encumbered, is that money that's been used, you've, you know, you've used and ordered and have that as the inventory and then being presently taken out of stock for whenever something gives way or something new is put into service, a new meter?

MS. FICKE-HO: Correct. Yes. When I mean encumbered, I mean we do have like we have open encumbrances out --

COUNCILMEMBER VICTORINO: Right.

MS. FICKE-HO: --but we will receive those meters --

COUNCILMEMBER VICTORINO: Right.

MS. FICKE-HO: --and they will be in inventory, so we have the ability to use them as we need them.

COUNCILMEMBER VICTORINO: So how many, if I was to ask you, how many meters do you have right now in the warehouse today? I mean more or less, I mean you can't give me the exact number.

MS. FICKE-HO: I can get you the exact number, I just don't have it right in front of me. I...

COUNCILMEMBER VICTORINO: Okay. Well, Mr. Chair, if they did bring that back because...

MS. FICKE-HO: More than, we have a few hundred at least with transponders, meters. Yes at, over a few hundred.

COUNCILMEMBER VICTORINO: Over 200.

MS. FICKE-HO: Yeah.

COUNCILMEMBER VICTORINO: And then on an average month, how many you replace?

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MS. FICKE-HO: Oh, it varies.

COUNCILMEMBER VICTORINO: Okay. Average?

MS. FICKE-HO: I would say over 100 to 200.

COUNCILMEMBER VICTORINO: A month?

MS. FICKE-HO: Or well it could be some, you know, less, some more --

COUNCILMEMBER VICTORINO: Yeah.

MS. FICKE-HO: --but we do have stock --

COUNCILMEMBER VICTORINO: Okay.

MS. FICKE-HO: --you know so they, we do change out as we need 'em. Like I said it's we need that inventory to be there so that when the meters do go out that we can change 'em. Because that's our revenue, you know, we need to have that available for us.

COUNCILMEMBER VICTORINO: And the last question I have is I've noticed that the Chair also reduced your electricity tremendously, dropping it by a million dollars in each. You'll have no major problem as far as your electrical rates are concerned? Because I know at this point in time, there's very few of your pumps that are run by any sustainable energy source like solar or anything wind. So do you feel that that's an adequate number?

MR. TAYLOR: We put the number in our original budget that we thought was adequate to handle what I'll call a sort of reasonable, reasonably predictable dry weather with, you know, higher than usual oil prices, if you want to call it that. And look, even if we get everything that we asked for, you could have problems in the Middle East plus an abnormally dry year and it still might not be enough.

COUNCILMEMBER VICTORINO: Right.

MR. TAYLOR: But the number we put in we felt had the, sort of a reasonable buffer that lowered our chances to have to come back to the Emergency Fund unless there's a huge emergency.

COUNCILMEMBER VICTORINO: Okay. And last question.

VICE-CHAIR WHITE: Yeah, before you move on to the last question --

COUNCILMEMBER VICTORINO: Okay.

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VICE-CHAIR WHITE: --my recollection was that those, the numbers for electricity were based on 2014 plus the Budget Director's adjustment of 11 percent.

MR. BAZ: Yeah, Mr. Chair, the Water Department might have been one of those ones where we worked with the Department itself and it may not match exactly, but I can go back and review that.

VICE-CHAIR WHITE: Well and just, Mr. Victorino, my recollection is that last year, Mr. Taylor asked us to take all of our cuts out of electricity, and I believe we cut either 1 million or 2 million. Staff is looking it up. But part of their Carryover/Savings is just over \$3½ million savings in electricity even after we cut 1 or 2 million.

COUNCILMEMBER VICTORINO: Okay. Then that's fine. That's why if the...

VICE-CHAIR WHITE: So they should be fine 'cause we just, we cut I believe 1 million in each of their areas.

COUNCILMEMBER VICTORINO: Well, then finally, Dave, for the water treatment plants, chemical and other filter supplies, there's a drastic drop, but are we okay with that? Do we have, you know, I mean have we been spending less? I mean if I want to go look it up I guess I can, but you tell me, Mr. Taylor.

MR. TAYLOR: What we've done over the past three years --

COUNCILMEMBER VICTORINO: Yes.

MR. TAYLOR: --is we've moved I think from a very reactionary spending in that group to what I'll call a medium proactive approach.

COUNCILMEMBER VICTORINO: Okay.

MR. TAYLOR: In the same way I've shown you a 20-year plan for CIP, they started 2 years ago, developed a hand-drawn 5-year plan for all of their replacement parts.

COUNCILMEMBER VICTORINO: Okay.

MR. TAYLOR: That has moved this year to a Excel spreadsheet based, more-detailed five-year plan where we're trying to, we tried to get them to divide the treatment plants into all the different sectors and project replacement needs down to about a 50 or 100 thousand dollar level about when is this going to have to be replaced. So I believe that that group has a much better handle on their actual projected costs now than they used to because they were very reactive a few years ago.

COUNCILMEMBER VICTORINO: Okay.

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MR. TAYLOR: So they feel that with the membrane filters replacement program that they've developed that they are going to do those, because it's part of their planned replacement rather than what we've done before I think was the unplanned replacement.

COUNCILMEMBER VICTORINO: So the the reduction of 800,000 you don't think it's a real big deal in your mind?

MR. TAYLOR: I think it is a big deal because they, that number was something that the plant operation or the treatment plant maintenance staff had developed saying we are going to do this this year. It wasn't just a guess what did we spend last year, it came out of some calculations of how many do we have, what years did they go in, which ones are scheduled for replacement, and coming up and working with the vendors about how much is this going to cost. And I think that number was more calculated than it had been in the past where it was just hey, what was it, you know, two years ago.

COUNCILMEMBER VICTORINO: So how much have you used this year? We're nine months into the year, so how much have you used? How much have you spent on filters, you know, and chemicals? You don't have that?

MR. TAYLOR: Holly might have it.

COUNCILMEMBER VICTORINO: Okay.

MR. BAZ: So, Mr. Chair, while she's looking that up, I can respond to the electricity question. So for the majority of the areas of the Department of Water Supply, we did just and take the FY '14 actuals and apply an inflationary rate of the 11 percent. For, the only place we did not was in the water treatment plants. They have a little bit of extra in there, it looks like maybe about 30-40 percent extra in there in the water treatment plants, but the rest of it does match the inflationary schedule.

COUNCILMEMBER VICTORINO: So the numbers, you're comfortable with those numbers based upon what you're saying?

MR. BAZ: Yeah.

COUNCILMEMBER VICTORINO: Okay.

MR. BAZ: It's applied for the rest of the thing. So what we proposed was, you know, what we felt comfortable with. Yeah.

COUNCILMEMBER VICTORINO: Okay. Okay. So the reduction can be lived with as far as overall, yeah?

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MR. BAZ: I mean that, I'll leave that up to the Director. And, you know, and I do, you know, he did convince me to understand a little bit more about the emergencies, you know, that he does describe. And since Water Supply is Charter-required to be, you know, self-sufficient, you know, we want to make sure that they have enough in there in case they do need it for any emergency. And it's not like you can just increase water rates on the fly, so yeah.

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

MR. TAYLOR: If I could add. We've been working with Maui Electric. Maui Electric was ordered by the Public Utility Commission to do a--I can't remember what it was called--like a load shedding kind of a balancing methodology, and as the biggest user they came to us. So we've done a lot of work with them and their consultants, to try to characterize our electricity usage over the past few years, and that's helping us characterize the kilowatt hour usage and frankly it's all over the place. You know they're trying to project what if, what if, what if, and the envelope of what ifs are so wide that we're all having a difficult time, generally pretty, relatively small global events and precipitation events end up with these big shifts. And we're even having trouble with a lot of experts, statistical experts trying to really nail down how much kilowatt hours are we going to need and what drives that. So I can just say there's a lot of people trying to nail this down better, but it has just been a very difficult item to predict.

COUNCILMEMBER VICTORINO: Okay. Well, you still haven't answered my question about the filters and chemicals.

MR. TAYLOR: Holly knows.

COUNCILMEMBER VICTORINO: Oh, okay, Holly.

MS. FICKE-HO: Okay. Unfortunately I only have through March 31st and it looks like we spent about 360,000, there's about 400-something thousand left. But I know, I just spoke to Tony Linder and he told me we're waiting to get prices for these new membrane units that we're going to putting in at Kamole, and we're going to have to put in quite a few, at least 300,000, he's trying to, and he will get that encumbered and try to start replacing. I think there's seven units there that need replacing, and he will be using a good chunk of this prior to yearend.

COUNCILMEMBER VICTORINO: Okay.

MS. FICKE-HO: And that's part of this replacement plan that Dave mentioned.

COUNCILMEMBER VICTORINO: Okay. Okay, so long as we, you know, we've got that on the table, at least then now we can consider...if you used 300,000 already and you're looking to use another 300 then 200 may not be a lot leftover. And then if you had

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700 last year is what you're saying and you have about maybe 100 to 200 leftover, I can do the math. So okay, thank you for that clarification. Thank you, Mr. Chair.

VICE-CHAIR WHITE: Thank you. Just for clarification on the filters, how often do these filters get changed out?

MR. TAYLOR: Those are usually maybe in the seven-to-ten-year range, and they're tested. There's a certain testing protocol that based on how worn they are, that's when they're scheduled. Kind of like checking your brake shoes, you check them every so often and when they reach a certain point, you schedule them for replacement. But they usually last between seven and ten years.

VICE-CHAIR WHITE: Okay. So how many of the filters...I'm just trying to get a sense. If we set aside 800,000 this year and they've used 400, how, have you replaced 50 percent of the filters?

MR. TAYLOR: No, I don't think it's even close to that. Yeah, out of the four plants that use them...let me just say that preventative maintenance of the surface water treatment plants is also I think behind and we're in a catch-up mode.

VICE-CHAIR WHITE: Okay. Mr. Victorino, do you want any further details on that?

COUNCILMEMBER VICTORINO: I would like to hear...

VICE-CHAIR WHITE: I'd like to know if it's seven to ten years, I'd like to know if this is a \$800,000 a year item for 7 to 10 years or whether this is, whether we, and the issue is whether we can cut back on that to 600,000 if we got a good portion of the ones that were, that needed replacement replaced so.

COUNCILMEMBER VICTORINO: We have how many treatment plants, five, right?

MR. TAYLOR: There are four membrane treatment plants.

COUNCILMEMBER VICTORINO: Four membrane, okay.

MR. TAYLOR: I don't have that with us but I know that that is on the five-year maintenance chart. I, you know, we can get that back you, 'cause I know we have those numbers together in the five-year projections.

VICE-CHAIR WHITE: Yeah, if you wouldn't mind. If it's a big enough number I think we should...

COUNCILMEMBER VICTORINO: Yeah. And I'd also like to know the chemical use. And I know we've been changing because EPA requires certain changes so that also, you know, so whatever you can provide for us I'd appreciate it. Thank you, Mr. Chair.

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

COUNCILMEMBER BAISA: Thank you very much, Chair. Okay. I want to take us back to money which is why we're here tonight. We seem to have a difference of opinion. Mr. Chair, Mr. Hokama in his proposal took out the increase in the cost of a water meter and, you know, he just left it alone and he didn't provide for the increases that the Director would like to see. Obviously the Director has made his case over and over and over that he needs this money, he needs to put it in a pot so that we have it when we need it to develop source or do whatever it is that we're gonna, big projects that we're going to need. We're sitting on some cash. We have cash from last year and you're proposing to add to it this year another 9.6 million, so that would be with what we already have we're like at \$22-plus million. Is it possible that we could as the budget makers put some of that money in a line item which the Director has mentioned to us that he doesn't have a direct line or a budget line that, to use for when he does the 50 percent and 75 percent reimbursements for people who install lines, he has to kind of finagle his budget to find those reimbursements. Could we put some money in that line and maybe put the rest of it...like Solid Waste has a pot of money that they can keep, why can't we have a pot in Water so that we have that money there and we can live with the lower meter installation fees because we already have some money? I mean I'm trying to figure out how we're going to do both things. We gotta make sure he has money when he needs it to do what he needs to do, and I have tried working in my Water Resources Committee to find a way for us to allocate that 12.6 million that we put in the 2015 Budget and we've had a really hard time. But the real suggestion that has come up was can we subsidize the 50 and 75 percent reimbursement for installation of lines. So I'd like to kind of take care of that but then put the rest of it somewhere so that we can offset this reduction in the meter fees and still have money so when we need to do water improvements we have it. Can we do that? Is it okay under our fiscal policies and is it okay under our legal policies? I don't know, I'm just trying to solve a problem.

MR. TAYLOR: I mean are you talking about just taking essentially this \$9 million or the Carryover or whatever it is and just putting it into the Restricted Fund?

COUNCILMEMBER BAISA: Wherever it needs to go so that you have it when you need it to...you know you're talking about you need money from the meter installations to put in a fund so you have it when you need it to do some improvement. Could we put that, this money that we have, this money that we're allocating, put it in there and so that it would be there? My understanding is we can.

MR. TAYLOR: I know the, maybe we should wait for the Budget Director to come back.

COUNCILMEMBER BAISA: Where did the Budget Director go?

MR. TAYLOR: He has told me before and I'll wait until he gets back, when I had brought that up to him before, this, he had told me sort of very wisely, he said why would you save money when you're still borrowing money? He said you would move the borrowed

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money to cash projects, you know, and not have the interest before you would save money while you're borrowing money. So I thought the same thing, and he explained to me that fiscally it would make more sense to use that cash to do cash CIP rather than SRF loan or bond CIP before you started saving it. But...

COUNCILMEMBER BAISA: The same would apply to the general County budget, we borrow money and we put money away so.

MR. TAYLOR: Which is why I think when he gets back, he can address that much better than I can.

COUNCILMEMBER BAISA: Anyway, what about this other idea of putting money in your budget for your reimbursements which you had mentioned you might need?

MR. TAYLOR: That's fine. I mean is...

COUNCILMEMBER BAISA: Do you have an amount in mind?

MR. TAYLOR: Right now we have \$500,000 in a line item for that, and depending upon the bill that comes out of your Committee if it turns out...which I know was based on the \$12½ million or larger.

COUNCILMEMBER BAISA: Correct.

MR. TAYLOR: If we're going to support more of that, you know, depending on how aggressive that is, money to pay for that would be needed. I think we had previously, I think we're somewhere around 400,000 or a few hundred thousand dollars a year is what we pay for that now. About \$300,000 a year, so if we're, if we change that ordinance to make it easier for more people to get money, obviously more revenue would be needed to cover that. But it really depends on--I think we talked about in your Committee--is how many people we want to help and how much.

COUNCILMEMBER BAISA: And the question is how fast can we help them?

MR. TAYLOR: And that's very difficult for us to know because --

COUNCILMEMBER BAISA: I understand.

MR. TAYLOR: --we don't know who's going to come in asking for it.

COUNCILMEMBER BAISA: I understand. A lot of this is guessing and estimating, but, you know, I just am dearth to not use the money that's available. And, you know, since this Council and I think our Chair is very reluctant to institute those big meter fees, meter installation fees, we gotta find a way and here's a pot of money. Then you can pile it up so when you get your study and you're ready to do this storage at Kamole, you have it, at least some of it.

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MR. TAYLOR: It seems to me that the money you're talking about, it seems to me it's a one-time Carryover/Savings amount that isn't going to be there every year. So...

COUNCILMEMBER BAISA: I don't look at it that way.

MR. TAYLOR: Okay.

COUNCILMEMBER BAISA: And I don't think the Chair does either. What we seem to have come to some kind of philosophical place is that what I'm guessing from the discussions in Water Resources and from in the budget, that we really want to help with this meter situation and we're willing to put money there. That's what I'm understanding and I can't speak for my colleagues but that's what I'm getting, and it'd be nice if they could chime in. Thank you, Chair.

VICE-CHAIR WHITE: Would you like to ask Mr. Baz his question?

COUNCILMEMBER BAISA: Oh, did he...poor Mr. Baz.

VICE-CHAIR WHITE: He's on his way back.

COUNCILMEMBER BAISA: It always is when you leave the room that somebody will talk to you.

MR. TAYLOR: And, Member Baisa, what you're talking about is I think what we called our Option 1-C if I recall, which is saying look, we won't raise meter fees and we'll borrow money, and when the debt service comes in we'll raise rates. And our projection for that rate increase was roughly that's going to catch up to us and average out at around 15 percent a year. That's fine, that's another thing we can do, and we can spread that evenly to everyone if that's okay with the Council. There's nothing wrong with that in our eyes, it's just a different way to bring in the revenue.

COUNCILMEMBER BAISA: I don't think I'm being clear. I'm sorry but I'm not communicating well. What I'm trying to express is that we don't want to get all of the money that you need from meter rates and fees. I totally agree that we gotta raise water rates, we cannot continue to give water away at the rate we're doing. Where the problem comes in is when we talk about the meter fees, because it's a lot of money, we're not talking about 2-3 cents, we're talking thousands. And we're trying to say how can we help, how can we help you with that. And I know that you feel that you don't want any outside money coming into the Water Department, but we don't have a problem with that. Sandy, the question was could we put any of this money that we have set aside last year's and with possibly this year's, in some kind of a pot so that it would be there and kind of help with because we can't get money from big meter fees, could we use this money?

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VICE-CHAIR WHITE: I think if I could interject, the challenge is that 10 million of the money from last year was --

COUNCILMEMBER BAISA: Bond.

VICE-CHAIR WHITE: --bond money.

COUNCILMEMBER BAISA: Yeah.

VICE-CHAIR WHITE: So we can't, that's not a pot.

COUNCILMEMBER BAISA: Well, we can take what we have.

VICE-CHAIR WHITE: But if you put money into a pot from bond money you start paying interest on it.

COUNCILMEMBER BAISA: No, we have other money.

VICE-CHAIR WHITE: We have the other 2.6 --

COUNCILMEMBER BAISA: Yeah.

VICE-CHAIR WHITE: --you can.

COUNCILMEMBER BAISA: We have 2.6 million...

VICE-CHAIR WHITE: But and that is Water money.

COUNCILMEMBER BAISA: Was your intent this year to use this, is this 9.6 going to be cash? Do we know?

VICE-CHAIR WHITE: I believe it's cash at this point.

COUNCILMEMBER BAISA: Yeah, so we're now up to --

VICE-CHAIR WHITE: Yeah, unrestricted cash.

COUNCILMEMBER BAISA: --over 11 million cash.

VICE-CHAIR WHITE: Yeah. Well the question I have is how of the 10 million and the 2.6 million in cash are we going to lapse at the end of this year?

COUNCILMEMBER BAISA: We don't know.

MR. TAYLOR: Well at this point unless, you know, I know in Member Baisa's Committee, I know that's one of the things she wants to do is come up with a methodology to spend

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that, so depending on what that looks like. And I think we've seen all of the examples. If we're going to let the guy who needs \$3 million do it, we'll probably spend all of it, but if we want to give it out in, you know, \$25,000 increments, you know, probably we'll lapse most of it.

COUNCILMEMBER BAISA: We can't give somebody \$3 million, it's just not good policy.

VICE-CHAIR WHITE: I don't disagree with that. My frustration with this whole thing is that in four years we've made so little progress in awarding water meters, and I'm getting a little frustrated and I know you are. You're being very kind this evening. I'm not feeling all that kind because I don't see any determination or any level of determination coming from the Water Department to solve the Upcountry water meter waiting list. And we have people that have been waiting for much too long and I'm sick and tired of hearing the dance. You know Dancing with the Stars was last night but we've got it again tonight. And, you know, I just think we need to get a little more conviction from the Director. I know he's done some things but for us to have set aside \$12.6 million last year should have been enough of a policy statement from this body that we want that to be worked on and worked on hard. I don't feel that we've gotten the kinds of input and assistance that we should be able to expect from the Water Department. And I know you've been working very hard on it, I know Mr. Victorino worked on it, hard on it. But it's time for us to see some results. So, Mr. Couch, you had a question?

COUNCILMEMBER COUCH: After that...I gotta put some reality into this. It costs money and as we were told if we wanted to do that \$12 million thing and start doing it, it would be up to \$100 million to clear the Upcountry water list. I don't think anybody here has committed to that. But I understand it's a start, but if you're going to start it then you're going to have to finish it all the way through, 'cause you can't say oh these, you know, we spent the \$12 million and then we really don't want to spend 100 million so the first people who came in get it and we're done. So if we're going to do that kind of thing which, you know, I spoke against at the last budget as well then you gotta be prepared to go the full \$100 million, 'cause that's what it's going to cost as an estimate to get everybody their water meters. Which is fine, but where's that money going to come from?

VICE-CHAIR WHITE: Well, let me give you one little place. We have, the Honolulu or Kauai pays no overhead charge to the county. The Water Department on Kauai pays...I'm sorry, the County of Kauai pays the Water Department \$1.9 million a year for their fire hydrants. The Big Island doesn't get any money for their water hydrants or fire hydrants, they pay \$206,000 in overhead. Oahu pays 3.35 million in administrative service, I'm sorry 3.3 million in administrative service fees and it gets up to a total of 3.5 million when you add cost for Corp. Counsel and Workers Comp. They don't pay FICA, none of these guys are, none of the departments are charged FICA or OPEB or any significant overhead charge. Our overhead charge for this year is \$6 million. So and I was going to ask Mr. Baz to please calculate. You know when we borrowed the 6½ million for Launiupoko, the annual amount that we spend on principal and

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interest is \$434,000. That's 6.67 percent. So if you take and I did the math on a smaller amount, if we took the increase, the full increase in the water fees last year as I said the other day was \$4.2 million, that entire thing went to the increase in overhead charge. So all we did last year, we didn't give Mr. Taylor any more money, we gave it to the General Fund. So if we had taken that \$4.2 million, using the same debt service which is bond, not SRF and Mr. Taylor just accurately said SRF loans are less, but using the bond calculation, just last year's increase would have paid for \$60 million in bond. So that's where you get some of the money, and I'm not suggesting that it should all be spent Upcountry, but what I'm frustrated about and I think what Ms. Baisa shares in my frustration is that nothing is being done of any consequence to change, to move the needle Upcountry. So I feel it's time for them to, I don't think we have to fund it all at one time, because we've got a lot other of other needs and I don't disagree with that sentiment. But we gotta start somewhere and we're not starting anywhere. And yeah, you know, he's talking about three new wells that are outside of the consent decree area. Well, why couldn't we have figured that out four years ago? And what's, you know, and I don't believe private wells are subject to the consent decree. We could have purchased the Piiholo Well. I don't know if that financially works out but it's the, at least puts a little few, a little more eggs in the basket. Anyway, I don't know what the heck we can do with the overhead charge, that's not Mr. Taylor's decision. I'm sure he's not happy having to live with it any more than I'm comfortable with it.

COUNCILMEMBER VICTORINO: Mr. Chair?

COUNCILMEMBER COUCH: Oh yeah, I'm still, I haven't --

COUNCILMEMBER VICTORINO: Oh.

COUNCILMEMBER COUCH: --finished.

COUNCILMEMBER VICTORINO: You're not finished yet? Well hurry up then.

COUNCILMEMBER COUCH: I was interrupted by the Chair.

COUNCILMEMBER VICTORINO: I'm sorry, I thought you were done.

COUNCILMEMBER COUCH: Sorry.

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

COUNCILMEMBER COUCH: Thank you. My point on there was I think the users need to pay for it, the system, which is understandable. So I always have espoused the, you know, the meter fee is what it costs to develop the system so we should keep the meter fees as the 20-year plan says. That's my comment. My question to Mr. Taylor is if we're off the Upcountry thing is...

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COUNCILMEMBER CRIVELLO: No.

COUNCILMEMBER COUCH: We're not off the Upcountry thing?

VICE-CHAIR WHITE: I'll never be off it --

COUNCILMEMBER COUCH: Okay.

VICE-CHAIR WHITE: --but you don't need to be on it.

COUNCILMEMBER COUCH: My question to Mr. Taylor, in his testimony to us that he wrote, he has a summary here and I would like him to explain that a little bit more. He says Committee Chair's proposal appears to shift Department of Water Supply out of the lead role in developing water sources and place that burden on developers. In addition, proposal appears to direct Department of Water Supply to run lean while simply pushing off critical needs to future years and rely on the County Emergency Fund for unexpected events. That's kind of harsh, Mr. Taylor. Can you expand on that a little bit? Because I don't agree with the shift, if that is in fact the Chair's proposal. I'm not sure I read it that way, but maybe you can explain that a little bit more.

MR. TAYLOR: Thank you. And I didn't mean that to be harsh. I mean part of what we've been doing in Water Resources Committee is I've been saying look, there's a lot of different ways to do this. And one of the ways we presented from the beginning is saying we don't have to develop source, we can strict, we can make "Show Me the Water" stricter and basically let the private sector know that that's their job. Develop wells, develop these kind of things like Chair White just talked about and dedicate it to us for, you know, a large share of the source credits. There's nothing wrong with that. There's nothing wrong with running lean and saying look, we'll count on the Emergency Fund. That's a Council policy choice that we can live with. I just want it to be clear that when I saw the Chair's budget, you know, I know a lot of people go in and they start looking at individual things they're looking for. I just looked at my 20-year plan and said okay, if we pass this, if Council passes this, how does that change the direction of the 20-year plan, what shifts? And I don't mean it to be harsh or not harsh or anything like that, it's just different. And I just wanted to give the Council because we spent so much time on the 20-year plan and the implications of what we can build and how to pay for it, et cetera. What I was already looking at, okay, what is next year's budget. About the time you guys finish this year's budget, we start, we get really serious about putting next year's budget together. So I'm already thinking about what direction is, are these policies sending us in, and that's my take on where this goes. I don't mean it to be harsh or even that it's bad. If that's the policies, we can optimize a budget that does those things. If that isn't what you want then we have to do something else. So I think that's consistent with what we've said before in the Water Resources Committee on the different options presented.

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COUNCILMEMBER COUCH: But that's all well and good for a system that is pretty, even though it's at 95 percent capacity for the most part, it's a healthy system. We have the Upcountry meter list that is the difference in this whole thing. It's not that it's unhealthy, it's just it is a situation that happened a long time ago and hasn't been resolved and now it's coming to a head. I mean you've been telling us for four years now that it's going to cost up to about \$21,000 a meter if we raise the meter rates per year for as long as we need to do that. If we keep them down at \$6,000 then eventually either we aren't going to do this plan or we're going to have to kick it to 21,000 and maybe higher to bring in the bucks that we need to do this system, whether it's Upcountry or the rest of the County. I'm just...

MR. TAYLOR: Or we can raise water rates or we can supplement from General Fund.

COUNCILMEMBER COUCH: Right. And if we raise water, if we keep the meters at \$6,000 we gotta raise water rates 15 percent a year. I don't think anybody on this body would want to do that. Or take it from the General Fund which takes it away from other projects that we want to do and no longer makes the Water Department self-sufficient. Now I don't know if that's by Charter or if that's just by design right now. I don't think it's by Charter so we don't, we're not violating any Charter. I suppose Mr. Ueoka or Mr. Baz can, you know, what made, where's the rule that says the Water Department has to be self-sufficient? I don't think it's in Charter. And I'll have him look that up. It's just that we're trying to do, go in two directions at the same time and we're not making a decision which way we want to go. We're trying to do it both ways and this is one where we have to be decisive, and unfortunately we have to be decisive for future Councils too. Because if we start in one direction and then somebody goes in the next direction then it's really going to be kapakahi, but, you know, that's up to future Councils. But at least we should have the vision to set a direction one way or the other, and I'm fine with whatever way you wanna go. It's just that we gotta not go in two directions at once, we gotta focus.

VICE-CHAIR WHITE: Ms. Baisa.

COUNCILMEMBER BAISA: Mr. Baz never had a chance to answer my question. We just kind of took off. Would you mind?

VICE-CHAIR WHITE: I'll take full responsibility for that.

COUNCILMEMBER BAISA: Okay. If you would not mind, Mr. Baz --

VICE-CHAIR WHITE: Mr. Baz.

COUNCILMEMBER BAISA: --I'd like to hear.

MR. BAZ: Thank you. Yeah, Mr. Chair, Section 9-14 of our Charter does allow specifically that all or a portion of the surpluses may be transferred to any emergency fund or to a capital improvement reserve fund by ordinance. So if this Council for the

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Fiscal Year '16 Budget like they're proposing, like the Chair's proposal is for the Wastewater Fund is by ordinance putting it into a capital reserve fund, that's appropriate. If there's any monies in Department of Water Supply, you know, that you foresee to be able to do the same thing, that's your purview. For Fiscal Year '15 monies, that would have to be a budget amendment to designate that, those monies be by ordinance put into that reserve fund. So is that my, that's my interpretation of that, yeah.

COUNCILMEMBER BAISA: Thank you very much. That's very clear. Thank you, Chair.

COUNCILMEMBER VICTORINO: Chair? Well, I think Ms. --

COUNCILMEMBER BAISA: Crivello...

COUNCILMEMBER VICTORINO: --Crivello wanted to go first.

COUNCILMEMBER CRIVELLO: Oh, no, I don't want to go first but...

COUNCILMEMBER VICTORINO: But no, go ahead.

COUNCILMEMBER CRIVELLO: Okay. Thank you. So...

COUNCILMEMBER VICTORINO: 'Cause once I get through, nobody going want to hear anything more after that.

COUNCILMEMBER CRIVELLO: Oh, okay. Okay. Fine. In regards to the concerns on the meter fees, maybe from the 5/8 we leave it at that and the rest we raise it up, raise the fees to meet whatever demands that are being asked through, the 3/4 inch, the 1 inch, et cetera. That's a consideration instead of reducing that. The other question or I don't know, so I have to revert back, you know, I think I get kinda harsh because I hear so much concerns about the Upcountry meter. I am just dumbfounded how long these people had to wait. But I also recognize the consent decree that we have on us. So if you're considering--what's that place--Kamole for any kind of water resource development, would that be tapped in to the Wailoa Ditch? And that would be in, wouldn't that be against any kind of agreement that's on the table now with the consent decree with the County and whatever are happening right now?

MR. TAYLOR: No, the consent decree I'm referring to is a consent decree between the County and a private group that sued the County many years ago that deals with groundwater in East Maui. It does not deal with surface water and reservoirs for surface water.

COUNCILMEMBER CRIVELLO: But you also mentioned earlier that groundwater, you know, well use or pumping has its effect to our surface water which is the streams or the ditches that we're talking about with the East irrigation system.

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MR. TAYLOR: So essentially the Kamole Reservoir, basically how it would function is when there's, when the streams are really full, when it's raining and the streams are really full, no one has a problem with removing water from the streams during those days. So essentially during those days when the ditch is really full and the streams are full, you could fill the reservoir those days.

COUNCILMEMBER CRIVELLO: Yeah, I can understand that.

MR. TAYLOR: But that's all it is. So no one has a huge --

COUNCILMEMBER CRIVELLO: Yeah.

MR. TAYLOR: --problem with it.

COUNCILMEMBER CRIVELLO: But my thing with you, Mr. Taylor, what I'm asking you is it okay for us to go this route with this suit that's still going on with the East irrigation system?

MR. TAYLOR: Oh, with the suit against the EMI?

COUNCILMEMBER CRIVELLO: What the private, you know, you mentioned that we cannot go here, we cannot go there because of the consent decree.

MR. TAYLOR: I see.

COUNCILMEMBER CRIVELLO: Okay. So I understand what you're saying, if you have a lot of rain, I mean that's basic. What I'm just trying to, will it necessitate for us to deplete any kind of surface water if you're going into developing wells?

MR. TAYLOR: We wouldn't be allowed to drill wells if it depletes surface water.

COUNCILMEMBER CRIVELLO: That's what I'm asking.

MR. TAYLOR: Yeah.

COUNCILMEMBER CRIVELLO: Yeah.

MR. TAYLOR: Yeah, the State Water Commission, and that's the reason for why they, why the need for the hydrogeology is to know the answer to that.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

VICE-CHAIR WHITE: To the water meter fee issue, you all were nice enough to present us with the average water bills for the other counties. 'Cause we were looking at just the basic fees and you were, you had provided us what the other costs were. Would you

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be able to do that for us with respect to the development fees and facility charges?
Because in...

MR. TAYLOR: We could do that.

VICE-CHAIR WHITE: Okay. 'Cause looking at the Big Island they have a \$1,200 facilities charge and then depending on where you, what kind of road you're on they add \$3,000 if you're on the same side of the road as the pipe on county roads, and \$4,000 on, if they have to cross the road. So on a county road your water meter fee installation seems to be between 4,200 and \$5,200 and then it goes much higher if you're on State highways. But I think most of our folks are on County roads. And then the other, on Kauai I don't find a lateral charge but the 5/8 meter fee is 4,600. So if you could put together what it, you know, we may be missing other parts of the costs.

MR. TAYLOR: Ms. Ho has the information in front of her, she might be able to just walk you through right now basically what the numbers are.

VICE-CHAIR WHITE: Well, if you can total them by county, that's what I'm interested in. Because it looks to me that the, that Kauai and Oahu are right about where we are as long as we're on a county road, and I thought I had Oahu's, my recollection is Oahu is in the neighborhood of 1,200 too. Go ahead, Holly.

MS. FICKE-HO: I have for Oahu water system facilities charge for residential 3,706.60, but like I said. I'll have to look if there's any other charges and total them up for you.

VICE-CHAIR WHITE: Thirty-seven hundred?

MS. FICKE-HO: Yes, 3,700. For, and they go by a little bit different than we do, they go by fixture units, so that's for a minimum of 20 fixture units. So it gets a little more confusing.

VICE-CHAIR WHITE: Yeah, instead of going through that tonight. why don't we, why don't you just take the time and put something together in the morning.

MS. FICKE-HO: Okay, will do.

VICE-CHAIR WHITE: Thank you.

MR. TAYLOR: Mr. Chair, if I may? I did some calculations on the relationship between the meter fee and how that relates to how much we could afford for a well to provide that. I mean basically I looked at if we bring in \$6,000 for a 5/8 inch meter and it uses 600 gallons a day and there's a peaking factor of 1.5 or whatever, I can't remember the numbers I used. I came up with that a \$6,000 meter supports building a well for about \$4½ million. Okay. So essentially the way I look at the meter fees, the water system development fees is it sets the maximum price that we should look at sort of as

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a go or no-go with developing a well. So I look at it as if the Council's setting the fee at \$6,000, essentially what you're telling me is if I can develop a 1 million gallon well for \$4½ million, go ahead. If you set the rate at \$12,000, you're telling me if I can develop a 1 million gallon well at \$9 million, go ahead, 'cause there's enough money to pay for it, and so on and so forth. Because a 1 million gallon well is probably going to cost in the neighborhood of 10 to 15 million, by the time you build the well and a tank and connect it and get electricity, that ties to this, you know, \$20,000 meter fee. So essentially if we leave them at \$6,000 and there's no other way to pay for system improvements, it's kind of like putting lobster on your menu at \$4 but you never have any lobster, right, 'cause you can't find lobsters for that cost. So I think and I share Chair White's frustration with Upcountry and it goes back, you know, not as long as his but as long as I've been watching before I joined the Department, you know, I said why can't they fix this? And as I get more into it and look at what happened in history it's this issue. It's that it just costs more than the revenues coming in and no one can figure out a financial plan so no one gets started. And that is why I've been focused on the financial plan is if we can get it going, what's the revenue source. And it's that meter fee that seems to be the kicker is it should cost so much more to develop a well of that size and we're bringing in revenue. And if we can get around that I think the rest will fall into place.

VICE-CHAIR WHITE: Well, let me just share that at the \$14,000 tab per meter, that \$14,000, I used \$14,500, that places \$80 on your mortgage every month. So for me that's, you know, that's a lot more than a water bill. And so I'm not one that wants to charge all the new people coming online for the entire cost of development, because the reason we need to build more wells is because somebody else is using all the cheap water. So I don't have a problem with fee increases if they're moving in the direction where we're actually going to be using the money for something other than overhead. So I, you know, and just that one fee increase would have funded \$60 million worth of CIP if it hadn't gone directly to the General Fund. So...

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: Can we come back to West Maui?

VICE-CHAIR WHITE: Oh actually --

COUNCILMEMBER COCHRAN: Just...

VICE-CHAIR WHITE: --no, I'm sorry, Mr. Victorino was first.

COUNCILMEMBER COCHRAN: Oh, sorry. Okay.

VICE-CHAIR WHITE: He gave up...

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COUNCILMEMBER VICTORINO: No, go ahead. Go back to West Maui 'cause when I get through I'm just going to blast everything, so I'll be done for the evening. Go ahead.

COUNCILMEMBER COCHRAN: Okay, real, real quick.

VICE-CHAIR WHITE: No, you go ahead, we can hardly wait.

COUNCILMEMBER VICTORINO: No, no, no, no. It's building, it's a good volcanic building, Mike. Very good.

COUNCILMEMBER COCHRAN: No, this is pretty straightforward I think. The bad-soil boring well, you are speaking about the Mahinahina Well. You hit some weird --

MR. TAYLOR: Correct.

COUNCILMEMBER COCHRAN: --geological thing and you're trying to decide do we stop, do we go, or what are we going to do, at this point.

MR. TAYLOR: That's relatively accurate.

COUNCILMEMBER COCHRAN: And so how much money has been expended thus far? That's just like down the drain.

MR. TAYLOR: Well, spent a little over \$1 million, I can't remember the exact number, I know staff told me. And we were hoping for a million gallon well or bigger. If we develop it, it'll be somewhere around, hydro-geologist tells us maybe around 700, 750 thousand gallons a day. So what we're doing is we're running some cost analysis of what it costs to develop, because we gotta bring power there and pipes and all this kind of thing. Looking over a 30-year timeframe basically and saying hey, is it still worth developing or should we give up on it and just put the money into something, you know, possibly better. So we're not ready to give up on it. We want to do a very thorough analysis about maybe it's worth developing a 750,000 gallon well. We know the fixed cost because we already went to bid on it once before, it was about \$9 million. So whether we develop it at 750,000 or 1 million it's still \$9 million. The question is, does getting it hooked up, is it worth \$9 million, and it might be that it is even for a 750,000 gallon well. So we're looking at that, we're comparing, we're saying look, if we were willing to spend 9 million on a 1 million gallon well, what's the difference between that over 30 years on getting, you know, something of 25 percent less capacity. It may be that it's still worth it. We're also looking at the next siting to see if we can share infrastructure, we're looking at some different options. If we can develop the infrastructure to get to it and use that for the next one, it's probably worth doing even at a lower yield. So that's what we're taking a really close look at. We don't want to throw good money after bad, but if we can develop it even a lower, less, it still might be viable at, you know, 25 percent less than what we had targeted.

COUNCILMEMBER COCHRAN: Okay. And we put 10 million for this project?

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MR. TAYLOR: About a million.

COUNCILMEMBER COCHRAN: No, we spent but we put I think in the budget ten?

MR. TAYLOR: Yeah, I think there was, it was around ten and that's why in 2014, you know, we had only...I can't remember what the number is. That's why that was \$9 million of our unspent money in 2014 is that particular project. Oh, it was, yeah, we encumbered 14.9 million in FY '14 because that would have been 9 million we were ready to go on but we're not, still not quite sure. We'll probably know in the next couple of months whether or not we should go ahead with it or abandon it.

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

VICE-CHAIR WHITE: Okay. Anyone else before Mr. Victorino wants to finish everything off? Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. You, you're trying to get me to with my Feng Shui just whoosh. You gotta laugh guys 'cause you guys are getting all serious over here and, you know, let's start with Mr. Taylor. I appreciate what he does. He sometimes even for me and you've been excited about this for a number of years, but this goes back 14 years since I started with the Water Board and we've never solved this problem, and it was a problem that existed long before that. So it's frustrating. Frustrating for those who live up there, and I lived up there for a long time and I understood that. So, you know, I not happy how slow you're moving on the water meters, I've told you that a number of times. Sometimes nicely and sometimes maybe not so nicely but I've told you that. Mr. Chair, I want to make couple quick corrections so that, you know, the public doesn't think that because we pay overhead charges and EFTU [sic] and FICA and all that that other water boards do, they pay them to the County directly. Because they're semiautonomous, you, the Council on those islands have no say in what they do.

VICE-CHAIR WHITE: Well just...

COUNCILMEMBER VICTORINO: But just to make sure that we got that straight.

VICE-CHAIR WHITE: Well hold on.

COUNCILMEMBER VICTORINO: Okay.

VICE-CHAIR WHITE: Just so that you...I got this from the Water Department.

COUNCILMEMBER VICTORINO: They pay and you want to verify, you can check. I should know, I've been doing this a long time, and I guarantee you they pay. You can ask Mr. Baz.

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VICE-CHAIR WHITE: Okay. Then the overhead charge of \$6 million that I was stating does not include any of those, it doesn't include the EUTF and everything else, I don't believe. Yeah. So they may but still we're, we're still comparing apples and apples.

COUNCILMEMBER VICTORINO: Well, I'm just saying that they do pay EUTF --

VICE-CHAIR WHITE: Okay. Then...

COUNCILMEMBER VICTORINO: --and FICA, but it comes directly and it's paid through the county to the retirement fund. In fact, if you look under the board of water supply, when you look under EUTF, Board of Water Supply Honolulu has a separate, they're separated, not even with the county, they're totally semiautonomous.

VICE-CHAIR WHITE: Okay. I stand corrected.

COUNCILMEMBER VICTORINO: No, no, no, I just wanted to make sure we got that clear.

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

COUNCILMEMBER VICTORINO: All right. No, no, no, no problem, you know, it's late and everybody wants to go home.

VICE-CHAIR WHITE: I don't.

COUNCILMEMBER VICTORINO: Now, Mr. Taylor...

VICE-CHAIR WHITE: I'm good.

COUNCILMEMBER VICTORINO: Oh, I'm ready for the midnight hour, too. No, I don't want to do that to others. Going back to you, Mr. Taylor, you know, just to make sure that we understand, I think the frustration we feel towards all of this is you give us all these grand plans, but we don't see any tangible or at least some of us don't see tangible evidence when it comes to water meters. I understand about storage, I understand the differences that occur. Digging a well is very expensive, especially Upcountry because you gotta go really deep and then pump up, it's expensive. Piiholo, if we had used Piiholo South we may have had a good well there. The other question and I'm talking about wells, this one in West Maui, the 750,000 is that the yield or is that after redundancy? Before or after redundancy?

MR. TAYLOR: That would be the additional reliable capacity added by the well. That would be basically its firm capacity.

COUNCILMEMBER VICTORINO: After redundancy or before?

MR. TAYLOR: That would be its firm capacity. We would add...

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COUNCILMEMBER VICTORINO: You would then put the redundancy factors in ____?

MR. TAYLOR: The redundancy in West Maui comes from the fact that there's many different sources, so there's no specific backup to it. It would be a, essentially equivalent to firm power, you know, firm water of 750,000 gallons a day.

COUNCILMEMBER VICTORINO: So not like in Central Maui where you go 2/3 of 2/3? You don't use that in West Maui?

MR. TAYLOR: You...there's something similar but I think you're comparing peak flow and average, I don't want to get into that. But it's 750,000 gallons a day. Just imagine it's running 24/7, it would put 750,000 gallons a day into the system.

COUNCILMEMBER VICTORINO: All too often you have told us here in Central Maui and Upcountry you get a yield and then it has redundancy of 2/3 of 2/3 for reliable backup, and you've told us that. So that's why I, was my question. If that's what you're saying fine, I'm cool with that. Okay. Finally I will say that when it comes whether it's Upcountry, Central, it doesn't make a big difference, when you're developing sources you're looking for reliable, sustainable sources, right?

MR. TAYLOR: That's correct.

COUNCILMEMBER VICTORINO: Okay. East Maui where you have been looking to go, the consent decree was signed in 2002, when Mr. Arakawa first came into office in 2002. 'Cause I was on the Board of Water Supply and when he walked in, he said he had come to a settlement and this was the settlement. And he also said some other things like we don't need you, Board of Water Supply, and he forgot to look into the Charter, but that's another story and another conversation. Have not forgotten even though it's 13-14 years ago, I have no forgotten what was said that day he walked in. Fine, I forgive and forget and I move on. No, I never forget, I forgive. Now with all that being said, can we ever, ever in your opinion get the Upcountry water meter list based on what we have, based on hopefully some new sources coming online, can we ever get that completed in the next five years? That's a simple question, five years. I'll give you five years. Is that possible? And we put in, let's say we put in \$100 million over the next five years, can that be done?

MR. TAYLOR: Probably in eight years.

COUNCILMEMBER VICTORINO: Probably eight years. Thank you very much. That's all I needed to know, I'm done.

VICE-CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thinking outside the box, I know one, this was talked about long before any of, seven of us got on the Council, what about hooking the Upcountry system with the Central system? There was some talk

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about hooking them together and use that as potential backup for the water, potential water shortage?

MR. TAYLOR: I'm actually very much in favor of that, and in our...I think if there were wells somewhere Hana-side of Baldwin Avenue somewhere, wherever that somewhere is at whatever elevation, having those wells be able to serve Upcountry, tying them with Central, at their cores, not at their edges, and that's part of actually what our plan looks at, it would allow us when there's a lot of water Upcountry from the ditches to shut down the wells down-country and bring that water down, therefore letting the aquifer rest and balance between larger areas. I think it's a, definitely something that once...those systems are not geographically that far apart, and I think at the time once you've got wells in that area to be able to use them for Central or Upcountry, I think that's a great idea. It's the same string, it's the same sort of location, and to be able to go either way and sort of switch between them, I would be 100 percent in favor of that.

COUNCILMEMBER COUCH: And then why aren't we considering that?

MR. TAYLOR: That would be, again, after this, I know everyone's frustrated about the time...

COUNCILMEMBER COUCH: Oh yeah, you said on the Hana-side of Baldwin.

MR. TAYLOR: But, you know...right, once you get those wells in then it's a matter of piping. So and --

COUNCILMEMBER COUCH: Right.

MR. TAYLOR: --what the Environmental Impact Statement says. This whole thing hinges in my opinion on this, you've got to be able to put in an EIS or an EA whether you buy Piiholo South or anything else, anything on that, anything over there, even if we buy an existing well, we're still going to have to do an EA or an EIS on it. Use of County lands, use of County funds, it triggers it. Before we use it we'll have to do this. Somebody is going to make us say the EA or EIS is inadequate unless we can show that taking that groundwater doesn't affect the streams. In my opinion, that science and scientifically proving that to the point that we can absolutely get somebody qualified on the stand to raise their hand and say, pumping this thing will not affect the streams, that is the key to everything, and that is what we have been working on for three-and-a-half years. And I know it's hard for most people to grasp that there's so many dominos that have to fall before we can start designing something, but that is the first domino. And we've been working nonstop on this with Corporation Counsel for more than three years.

COUNCILMEMBER COUCH: And this decree that was signed, was that approved by Council back then in 2002? Does it have to be? And how binding...I mean how binding is that? It's not a...it's just an agreement between...

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MR. TAYLOR: I don't know, the judge said it was binding, so I don't know what to tell you. I mean we were in court twice on it in the past year and the judge seems to think it's binding, so I don't know. I'm not here to give legal opinions but I can tell you what happened in the courtroom across the street.

COUNCILMEMBER COUCH: I mean we've backed out of other things before too and see what happens, but if we've already lost in court then we're out of luck there. All right. Thank you, Chair.

COUNCILMEMBER VICTORINO: Mr. Chair?

VICE-CHAIR WHITE: Mr. Victorino.

COUNCILMEMBER VICTORINO: Real quickly. Just to let Mr. Couch know, that was when that transitional period when we went from semiautonomous to under the County --

COUNCILMEMBER COUCH: Yeah.

COUNCILMEMBER VICTORINO: --all of this happened.

COUNCILMEMBER COUCH: Yeah.

COUNCILMEMBER VICTORINO: And that's why it's binding, you cannot...this Council at that time didn't even know how to get involved. They didn't know how to get involved as far as what was going on as far as water was concerned. And the Administration was kind of handling everything at that point in time. It wasn't until later when the Council really got into it and that's when we, you know, many of us came in, in 2007, that's when we really started to understand the dynamics between the Council, the Administration, and the Department. So and I'm not blaming anybody but that's the way it was back then.

VICE-CHAIR WHITE: Mr. Taylor, do you have any idea how much the Kauai County pays for their, pays the water department for their meters? I know we're getting some revenue from the, from Maui County, but Kauai must be charging, it's significantly more per hydrant than we are.

MR. TAYLOR: Oh, per hydrant. Ms. Ho might know, I don't know.

MS. FICKE-HO: Are you talking about the amount that I gave you that they charge?

VICE-CHAIR WHITE: Yeah. Your notes mention that the county pays the water department on Kauai \$1.9 million for servicing the fire hydrants.

MS. FICKE-HO: Correct.

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VICE-CHAIR WHITE: So I'm just wondering and if we used that same fee per hydrant, we must have way more hydrants than Kauai County has.

MS. FICKE-HO: Yeah. Currently the Fire Department or the County pays the Water Department--I think it's in our budget--about 250,000 a year --

VICE-CHAIR WHITE: Right.

MS. FICKE-HO: --for hydrants and meters. It's a very small amount.

VICE-CHAIR WHITE: Yeah. So do you think we have twice the number of hydrants that Kauai has?

MS. FICKE-HO: I would think so. I can find out that information for you.

VICE-CHAIR WHITE: If you wouldn't mind finding out. I mean we may consider establishing a fee to get some of that overhead money back.

MS. FICKE-HO: I would be happy to.

MR. TAYLOR: I don't know, the Fire Chief seemed pretty mad this morning, I don't really want to add anything to his _____.

VICE-CHAIR WHITE: Well it doesn't come out of his budget. Okay. Well, I think unless you have more questions I think everybody else is questioned out. Do you have any other questions or comments, Mr. Taylor?

MR. TAYLOR: No. Thank you for the opportunity to help clarify things tonight, Mr. Chair.

UNIDENTIFIED SPEAKER: Yeah, or not.

VICE-CHAIR WHITE: Yeah, or not. Yeah. I think one of the challenges we face is that there, at least I can only speak for myself, but I'm not terribly interested in funding major projects elsewhere in the County until you guys figure out how to move on the Upcountry water meter waiting list and providing additional source. So but that's just me and Ms. Baisa.

COUNCILMEMBER VICTORINO: Well, wait a minute now, Chair, don't be speaking for others.

VICE-CHAIR WHITE: Oh no, and I'm...

COUNCILMEMBER VICTORINO: Yeah, I agree with you wholeheartedly, you know, so.

VICE-CHAIR WHITE: Yeah.

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COUNCILMEMBER VICTORINO: I've been very disappointed like I said earlier.

VICE-CHAIR WHITE: Yeah.

COUNCILMEMBER VICTORINO: So...

VICE-CHAIR WHITE: No, and you've made that clear.

COUNCILMEMBER VICTORINO: Yeah, thank you.

VICE-CHAIR WHITE: I just think it's something that no other part of this County has had to, has been put in that same position, and I think it's unfair and it's unfortunate. Are you aware, Mr. Taylor or Ms. Ho, are you aware of any other counties in Hawaii that have a water meter waiting list?

MR. TAYLOR: I don't know that any of the other water directors told me about a list, but I'm certainly aware that they all have areas that they don't serve or don't have meters for. That's a common, you know, I think we all know there's a lot of rural areas that don't have water service in all the counties. So whether or not they went through making a list of those areas or not, I don't know. I'm not aware that they have a list.

VICE-CHAIR WHITE: Yeah, but I'm, from what I'm familiar with, the areas that have no service had no service, right? I mean we have areas that have service next door but not on your property, and I think there's a distinction there.

MR. TAYLOR: And you may be correct and I am not aware.

VICE-CHAIR WHITE: Okay. I think we've done our work for the evening, and in case you want us to call another department...

COUNCILMEMBER COUCH: Sure, why not.

COUNCILMEMBER BAISA: Sure, who it'll be?

COUNCILMEMBER COCHRAN: Tonight?

VICE-CHAIR WHITE: It's --

COUNCILMEMBER VICTORINO: We're not going to midnight?

VICE-CHAIR WHITE: --too late for Ms. Cochran, she missed it.

COUNCILMEMBER BAISA: Chair, I had all this coffee, I'm ready.

COUNCILMEMBER COCHRAN: I was looking at Kauai water rates.

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VICE-CHAIR WHITE: Okay, we're back here at 9:00 tomorrow. Okay, we are adjourned and we'll see you all in the morning at nine o'clock. . . .(gavel). . .

ACTION: PENDING further discussion.

ADJOURN: 9:03 P.M.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:150428:ds

Transcribed by: Daniel Schoenbeck

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CERTIFICATE

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

DATED the 28th day of May, 2015, in Kula, Hawaii



Daniel Schoenbeck