

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

**MINUTES**

**April 24, 2015**

**Council Chamber**

**CONVENE:** 10:03 a.m.

**PRESENT:** Councilmember Riki Hokama, Chair  
Councilmember Mike White, Vice-Chair (in 10:53 a.m.)  
Councilmember Gladys C. Baisa, Member (out 11:52 a.m.)  
Councilmember Robert Carroll, Member  
Councilmember Elle Cochran, Member  
Councilmember Don Couch, Member  
Councilmember Stacy Crivello, Member  
Councilmember Don S. Guzman, Member (in 10:53 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  
Michael M. Miyamoto, Deputy Director, Department of Environmental Management  
Eric Nakagawa, Wastewater Reclamation Division Chief, Department of Environmental Management  
Jeffrey A. Murray, Fire Chief, Department of Fire and Public Safety  
Kaala Buenconsejo, Director, Department of Parks and Recreation  
Jo-Ann Ridao, Director, Department of Housing and Human Concerns  
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the audience

David Goode, Director, Department of Public Works

**OTHERS:** James Leary, Assistant Specialist, University of Hawaii-Maui College of Tropical Agriculture and Human Resources

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

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

CHAIR HOKAMA:    *... (gavel) ...* The Budget and Finance Committee shall come to order.  
This morning, Members of the Committee present are Mr. Carroll, Ms. Baisa.

COUNCILMEMBER CARROLL: Chair.

COUNCILMEMBER BAISA: Good morning.

CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: Morning.

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: Good morning, Chair.

CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good morning.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Aloha and good morning, Chair.

CHAIR HOKAMA: Good morning, Members. Excused at this point are both Messrs. White and Guzman. They are in an earlier meeting that they are still doing business on. So, first, I thank you, Members. I know you did good work with Mr. White to conclude most of the requirements. So, we're pretty much back to speed. Although I was not with you visibly, I was able to observe you videoly. And so, I was able to hear your great questions to Mr. Ratte, Mr. Goode, your discussions with the Auditor, with the Clerk, and some others, as well as being always kept up to speed by our responsible Staff. Stating that, we shall take testimony before we continue the business of the meeting...Committee. So, this morning anyone wishing to provide testimony before the Committee has three minutes. There is no additional minute to conclude. We shall assist you with your time. When you speak in the Chambers, we have a lighting system. Green means to speak. Yellow means you have 30 seconds remaining. And red means to stop. Please address your comments to the Chair and it needs to be on the Proposed Budget for Fiscal Year 2016 as presented by Mayor Arakawa. All others, please keep your equipment to silent or off mode, please, to maintain decorum in this

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Chambers. So, at this time, we'll ask Mr. James Leary if he would come forward and share his testimony with the Committee, please.

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

MR. LEARY: Good morning, Chair.

CHAIR HOKAMA: Good morning.

MR. LEARY: Good morning, Members, and thank you for the opportunity to speak. My name is Dr. James Leary. I'm a specialist with the College of Tropical Agriculture and Human Resources. My expertise is in invasive species management, the science and research of. I have experience in Hawaii managing invasive species for 20 years now, and I've been serving the County of Maui since 2009. In that time, I have had the opportunity to collaborate and coordinate with the Maui Invasive Species Committee and have contributed over \$100,000 annually to ensure their success in their projects, including Miconia, coqui frog, and the latest one, little fire ant. My expertise is in client science, invasive plants science, and so I've largely focused on Miconia efforts that MISC has led. And so, I'm here to support MISC in their efforts to maintain and build new capacity in controlling little fire ant on Maui. It is an incipient problem that will become worse if we don't address it. And so, I'm here to support their efforts. And again, with the background that I have, my support in practically puts my money where my mouth is. And so, thank you for the opportunity to express my support for their efforts.

CHAIR HOKAMA: Thank you very much, Dr. Leary, on your testimony this morning. So, can you tell us how much the State antes up for this type of program?

MR. LEARY: I'm unfamiliar with how much they specifically support. I'm assuming you're talking about little fire ant specifically.

CHAIR HOKAMA: Or Miconia or any invasive species. What is the State's?

MR. LEARY: Sure, I can speak. I'm familiar with MISC's budget. I am a committee member, so I'm familiar with their annual budgeting. And the State, I'm going to guess, but it is in writing, it's in the order of 60 to 70 percent of their funding comes from the State, largely through the Department of Land and Natural Resources through the Hawaii Invasive Species Council. My contributions are through State and Federal grants that I've written and also my salary as a State employee. I spend anywhere from 70 to 80 percent of my time focusing on issues that are being addressed by the MISC. So, we have a good relationship that way.

CHAIR HOKAMA: Thank you for that comment, Mr. Leary. I appreciate it. Mr. Victorino.

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COUNCILMEMBER VICTORINO: Thank you. And I was gonna ask the same question, you know, you've asked. Thank you very much. Maybe you can give us an idea, are we getting a better handle on the fire ants and coqui frog and Miconia? Or are we just still lagging behind and no matter what effort where may never catch up?

MR. LEARY: Right. Well, I think, the short answer and the convenient answer is it's a long-term commitment. And the challenge typically with these programs is they're running on annual funding cycles.

COUNCILMEMBER VICTORINO: Right.

MR. LEARY: And so, they ebb and flow with the climate of the economy. But invasive species don't recognize it. In fact, they can exploit conditions when we're in a down cycle economically. So, I can speak better about Miconia and I don't want to dominate it. But what I can say with Miconia is, through our efforts over the last five years, we've developed new technologies that has dramatically improved our efficiency where we're able to manage forested watershed, inaccessible forested watershed, at less than \$10 an acre. We have that height very well calculated. As far as coqui frog, a lot of the efforts are in Maliko Gulch and that's an ongoing battle. And, to my knowledge, it's been successful, but it has to be maintained. And with little fire ants, the sightings that I'm aware of are in Kihei, several years back, two or three years ago, which was eradicated. Our current known populations are in Nahiku and also in Haiku. And so, they've delimited the population. They've surveyed the surrounding areas and determined where they're focused at and so have developed strategy for eradicating those populations with some consternation from local residents. So, a lot of outreach currently to address the local citizens about the issue and how it needs to be addressed.

COUNCILMEMBER VICTORINO: Okay, thank you. I, only thing I will say is I beg to differ with you. We were informed by a number of testifiers that the coqui frog situation in Maliko Gulch is expanding very rapidly. And they even brought us some sound to back up what they're saying. So, anyhow thank you very much for your efforts. I appreciate it.

MR. LEARY: Thank you.

COUNCILMEMBER VICTORINO: And, thank you, Mr. Chair.

CHAIR HOKAMA: Okay. Any other questions? Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And, thank you, doctor for being here. I just want to make sure I understood what I heard. You said earlier that you had contributed over \$100,000. Is that a State contribution or personal contribution? I want to make sure we thank you if it's your money.

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MR. LEARY: That's correct. So, I'm standing today representing CTAHR, as an employee of CTAHR. So, I'm a State employee. The \$100,000 calculations are accurate and they pertain to direct contributions through grants I've written as the principal investigator. These are from Federal and State sources of funding, including the Forest Service and the Hawaii Invasive Species Council. And then also as my salary as a State employee, I count that as indirect. And it's about 50-50, my salary versus the amount of funds that I can generate through grants that I'm writing with the State and Federal governments.

COUNCILMEMBER BAISA: So, you view that as a State contribution?

MR. LEARY: I sure do, and Federal.

COUNCILMEMBER BAISA: Okay, thank you very much. I just want to be sure. Thank you.

MR. LEARY: Thank you very much.

CHAIR HOKAMA: Any other questions? Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you for being here. So, the Miconia that was like the big, you know, the big word back, few years back, but now everyone's talking about the fire ant and everything else. So, how are you, you folks backed off though on the Miconia eradication and control?

MR. LEARY: Yeah, that's a very good question. And one of the concerns that I have, you know, in my field and biasly towards invasive weed management is that if efforts are shifted to little fire ant and coqui frog, is that...does that mean that we are going to divest in Miconia control? That is a concern that has to be addressed and spoken openly about. If we see any efforts that on Miconia management, which we've invested well over 20 years now, then it will be a lost battle. We are holding the line. And we are currently trying to devise new strategies that helps us get a little better toehold on the situation. But what we have on our side is we have very strong intelligence. We know exactly what the situation is and we are smart enough to come up with reasonable strategies. Like any other project though, we're resource limited. So, there's a lot of decision-making in terms of best or best outcomes with the resources we have available. And so, but if we are to address little fire ant at the expense of Miconia, that will be an added expense in terms of lost opportunity and opportunity cost.

COUNCILMEMBER COCHRAN: Right. Okay, thank you. Thank you very much and, I know, it's a lot of work to be done with a lot less. It looks like Chair back in 2014, 476,000 actual for the Miconia, in particular, and now the proposal is 263,000. So, definitely a drop in resources monetarily wise.

MR. LEARY: It's new information and I'm concerned about that, but we work with what we have.

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CHAIR HOKAMA: We're not going to have --

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: --discussion on this during testimony.

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

CHAIR HOKAMA: Okay, thank you very much --

MR. LEARY: Thank you.

CHAIR HOKAMA: --for being here. And, again, look at the various sources of funding. It's not just in one pot. Okay, I mean from the County, from the County too. It's not just from one pot. I think Water Department has a component besides this other pot you looking at. Okay, we'll go to Hana District and ask Ms. Lono if there is anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you. On Lanai, we'll ask 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: On Molokai, we'll ask 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: Thank you very much. Anyone else in the Chambers would like to present testimony, please make yourself known at this time? Seeing no one coming forward, with no objections, testimony shall be closed for today's meeting, Members.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: I thank you. So ordered.

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

CHAIR HOKAMA: Let us move on to the continued work of the Committee.

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**REVOLVING FUNDS**

CHAIR HOKAMA: I believe this morning we are going to have the review of the Revolving Funds. And I would also note that we have received communication dated April 17<sup>th</sup>, from Mr. Ueoka to the Committee, regarding a question we asked...couple of questions we posed to him regarding the Plan Review Permit Process Inspection Revolving Fund and as well as the Open Space Fund for reconsideration. We have their written responses so please take that into account when you're considering your thoughts on what you would like to have considered by the Chair. So, at this time, Mr. Baz, I believe --

MR. BAZ: Yes.

CHAIR HOKAMA: --we turn it over to you at this point.

MR. BAZ: Sure, good morning, Mr. Chair. I wanted to just also, for the Members' reference, did pass out, I think, got handed to you. I provided to you the legal references to Appendix A-Part II, Special Purpose Revenues, and they're in the order of the ordinance. And so, Members, for your reference we're starting on Page 36 of the Budget Ordinance, which the Appendix A-Part II, Special Purpose Revenues Schedule of Revolving Special Funds. And we have Departments here as well to discuss any individual items related to that. The first one is the A, is the Housing Interim Financing and Buy-Back Revolving Fund. I don't see the Department of Housing and Concerns here, but this was established to be able to have a pot of money so that in case the County needed to exercise its right to buy-back any of the restricted affordable housing project, you know, where there's a time restriction. So, if, you know, the County did a project or supported a project, then there was a restriction for 10, 15, 20 years on that for sale, the first right is the County to purchase those. And, I don't think we did any in the past year, but previous years we did some in Kihei and then, I think, couple in the Waikapu Gardens Subdivision as well. So, those were...that's what this fund is about, Mr. Chair.

CHAIR HOKAMA: Okay, thank you. Now, if you kinda notice this was one approach by Council in the '70s with Mayor Tavares, Mayor Cravalho, and the County was pretty successful in working with property owners to develop some employee housing as it was called then. And some of the conditions of on the buy-back provisions and priorities of who could then get the house or lot after the original occupant. This is one of the ways that the County approached it. So, I can tell you that from the historical side. Housing is under Ms. Crivello. Questions on this fund to Mr. Baz?

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

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

COUNCILMEMBER COUCH: No.

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CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I actually benefitted from such a program in Lahaina on Aulike Street. And currently...so this was basically a, I guess, partnership with private developers who built out affordable housing or we invested in the building or we built it but before the housing? And then sold it out to the market and then?

CHAIR HOKAMA: I can tell you Lanai's experience, Ms. Cochran. At that time, Dole, Castle & Cooke worked with the union to develop employee housing. The County got involved from the standpoint of helping to ensure that the values that was used for the consideration was fair and should something happen, who then would have the benefit of this affordable house and lot 'cause they had house and lot purchases. They had lot only purchasing and you had to build within a 24-month period. Those kind of conditions. The County's point with this is the County asked to have first option should the current owner choose to sell. Then it went back to the company. How it worked out was that we would find another employee, let's say I gave up the house, the company worked with the union and try and find another employee that qualified for that. And then we would ask the County, please refuse your first option of purchase. We have another qualified resident, employee resident that qualifies and deserves the housing. So, most times we never used monies from this fund, because the County was willing to relinquish its first option because the intent was to get that Lanai employee resident back into the house. It was all done with the, interestingly enough, fit the plantation levels of compensation. That's why the key the County's involvement was to use the original price of the purchase of the land, and not the current value of the land during the development, because that was night and day. And so that was how we worked it, how we kept values reasonable, and we made those projects successful. So, you see Lalakoa I, Lalakoa II, Lalakoa III, that was because of the County's cooperative work with the landowner and the employer as well as the union. That's how we made it work and that's why you see monies like this still sitting in pots with no additional revenues because the County never intended to buy the lots back. It was always to go to another qualified person.

COUNCILMEMBER COCHRAN: Okay, thank you for that historical background on this. So, with being said, this 1.5 here, is it just nice to have just in case thing, is it?

CHAIR HOKAMA: So, you know, first, and, you know, I would like you guys to ask, if it's being part of the considering of this year's budget. If not, after budget, part of the list, laundry list, I have for Committee to do under Finance is to reveal all these revolving funds. And if they're not currently justifiable we'll either sunset it, transfer the funds to another more appropriate situation, or if need be re-authorize it and make it current to the needs of what we have today. That's my intent.

COUNCILMEMBER COCHRAN: All right. Well that's good, I think, that's a good approach to this. Thank you, Chair.

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

COUNCILMEMBER BAISA: Not on this. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair, for sharing that historic perspective. I appreciate that and, I know, at that time the unions had a big and the companies had a big part of this 'cause I remember Mr. Arisumi and others, Mr. Yagi, talking about this and how this helped the people, especially the working people. So, I hope if we do anything we can somehow get it to go back right into that specific area where we need the most help is our working people. Thank you, Mr. Chair.

CHAIR HOKAMA: 'Cause at that time too, Members, if you will recall, in the Code was requirements for hotel developments. There was a formula, one house per four hotel rooms.

UNIDENTIFIED SPEAKER: Right.

CHAIR HOKAMA: That was part of and then we've revamped it. And now we currently have the new current County housing policy. That was all part of the evolvment of the fund and the programs.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR HOKAMA: Okay, Mr. Baz, next.

MR. BAZ: Okay, thank you, Mr. Chair. The next item is the Naval Air Station, Kahului Airport, Naska Sewage Pump Station Fund. And this is, so, we have Mike Miyamoto from Department of Environmental Management as well as Eric from the Wastewater Division in case there's questions about this. But basically, this is a fund that the State pays us for maintenance of a pump station for the services--the airport facility. From my recollection, they plan on replacing some of the system up there eventually, but for now we're still maintaining that. And just a side note, I never knew what Naska stood for even though I was born and raised here until I started the County and saw what this fund was.

COUNCILMEMBER VICTORINO: Naval Air Station, you never knew that?

MR. BAZ: No.

CHAIR HOKAMA: You don't remember the sabre jet under the kiawe tree?

COUNCILMEMBER VICTORINO: Yeah.

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MR. BAZ: Oh, yeah, no, I remember that but.

CHAIR HOKAMA: The swimming pool?

MR. BAZ: Oh, yeah, the swimming pools in the middle of the pond there.

COUNCILMEMBER BAISA: We learned to swim.

CHAIR HOKAMA: A few of us with slightly older years of service remember.

MR. BAZ: Just never understood what the acronym was for.

CHAIR HOKAMA: That was old ratoon days. Sewage, sewage, Ms. Cochran, that's your Committee area.

COUNCILMEMBER COCHRAN: All right, yeah, me and sewage. So, this is a State-used facility, but it runs through our County sewerage system. And we, so we get funds from them though to help us out on this?

MR. BAZ: Yeah, correct.

COUNCILMEMBER COCHRAN: Oh, that's what this is?

MR. BAZ: Correct, yeah.

COUNCILMEMBER COCHRAN: But it's only three, thirty-nine hundred bucks?

MR. BAZ: Yeah, I believe, it's the cost of...whatever the cost of maintenance is we bill them, and but I'm not quite sure about that. We can bring Eric Nakagawa down here, if you...

CHAIR HOKAMA: Yeah, sure. Mr. Nakagawa, if you would please join us? Thank you. We would love it if all our stations only cost us 778 a year.

COUNCILMEMBER COCHRAN: Yeah.

CHAIR HOKAMA: So, maybe if you can just give us some comments and then, you know, if can give us some comment about the 778 --

MR. NAKAGAWA: Okay.

CHAIR HOKAMA: --figure, please?

MR. NAKAGAWA: Good morning, Chair, Members. So, this agreement was done in 1981, I guess, when the pump station was finally built and, I guess, we basically maintain and operate that pump station. This revolving fund is really in the Intergovernmental

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Agreement, I guess. Basically any charges for small repairs, minor repairs, or equipment that we need buy, it's between \$50 to \$500, we purchase it and then they reimburse us. So, this is really just for minor repairs and equipment that we need to purchase and then get reimbursed for throughout the year. So, those costs are pretty minor. And there's a separate for the actual operation and maintenance fee that we charge.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: No, that helps, you know, to get a little more clarity on what this is and how it's being utilized and for what. So, that's fine. Thank you.

CHAIR HOKAMA: Thank you. Ms. Baisa, any questions?

COUNCILMEMBER BAISA: No questions.

CHAIR HOKAMA: Mr. Carroll, any questions, sir? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, no questions.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, thank you.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: No, thanks.

CHAIR HOKAMA: Okay, next one, please.

MR. BAZ: Thank you, Mr. Chair. Next one is Fire Hazard Removal Fund. We have Chief Murray here from the Fire Department. But this fund basically allows us to charge and get reimbursed for mitigation of fire hazards. It does not, as you can tell, get utilized very much. And we've had discussions in prior years about reasoning and things like that. But if you're going to bring him up, you can have further details about that.

CHAIR HOKAMA: Okay, that's under Mr. Victorino's kuleana. Mr. Victorino?

COUNCILMEMBER VICTORINO: Well, I'd like to have the Chief if he doesn't mind, please.

CHAIR HOKAMA: Okay, we'll ask Chief Murray if he would please join us. Well, thank you for providing this handout, Mr. Baz. I think, it assists all of us very well. So, thank you.

MR. BAZ: Yeah, you're welcome.

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CHAIR HOKAMA: Okay, Mr. Victorino, the Chief is here.

COUNCILMEMBER VICTORINO: Chief, as the Budget Director has mentioned, this fund is, from what I can see, rarely utilized. And yet, I think, we have spoken on a number of occasions, not only individually, but even in this Council about the abundant amount of homes adjacent to what we call fire hazards within subdivisions where, in my area, Wailuku Heights, there is about 30 lots still vacant, till today, and some of them get overgrown very quickly, and it takes an arm and a leg to get somebody to get up there to clean it out. And what happens in the meantime is the neighbors are worried that if there's a fire they're gonna be impacted quite substantially. So, with that being said, why aren't we using the fund? And if we are, are we getting reimbursed the full amount? And, I guess, that's my two questions for you.

MR. MURRAY: All right. Thank you, Mr. Victorino, and Council. We utilize the fund and the total cost of some of these areas maybe we can get two lots done annually. So, that's an issue. So one of the things that we could do is up the fund to a substantial amount that we could utilize, and actually have it revolve, because a lot of times once we go in to a property, a lien is put against that property, so we can get the payment back. And sometimes that goes to litigation as well. So, it is a cumbersome process for us. But it is there and right now speaking of your area, we had the people, our inspectors, go out three weeks ago. So, all the letters went out to the residents of that area. So, but, yes, it's a cumbersome process and we don't have enough money to do more than two at a time.

COUNCILMEMBER VICTORINO: Okay. And so, it says anticipated revenue zero. Okay, revenue, Mr. Chair, in this respect is what we put in? Or is because it's a revolving fund if we spend 3,394, we get back \$3,394? We're not adding anything additional to this, Mr. Chair. That's what I read here.

CHAIR HOKAMA: Currently, you're correct, Mr. Victorino. However, the Department can go and expend money and have, again, through working with Finance through the liens and whatnot, we will recapture that cost back.

COUNCILMEMBER VICTORINO: Okay. And my final question to you, Chief, is this. If we were to up this fund, what would be an appropriate number that you could work with so that you can get the job done 'cause the safety and well-being of our communities is paramount? Your best estimate, Chief.

MR. MURRAY: Well, to start out to see how quick we could turn that around?

COUNCILMEMBER VICTORINO: Yes.

MR. MURRAY: I would say \$100,000.

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COUNCILMEMBER VICTORINO: Okay, thank you for that information. Okay. Thank you, Chair. Thank you, Chief, very much.

MR. MURRAY: All right. You're welcome.

CHAIR HOKAMA: Ms. Crivello? Before your question, Mr. Ueoka, you have a comment for the Committee?

MR. UEOKA: Thank you, Chair. Just to add on to what Chief said. I do work with Captain Haake on these matters a lot and they are a very big concern to him. It is taxing on his staff also because it takes a lot of time. They have to go out and get bids for each one. It takes a long time for us to collect because it is a lien. So, it's a litigation process to collect on that lien. And one of the biggest concerns he told me is in the most recent year's, foreclosed properties.

COUNCILMEMBER VICTORINO: Yeah.

MR. UEOKA: Who's really the owner once it's in foreclosure? And that type of thing just adds a whole another, you know, wrench into the mix. So, just trying to put that into perspective for you also. Thank you, Chair.

CHAIR HOKAMA: So, has your Department made a determination on regarding that status foreclosure, who is still the responsible entity? The seller?

MR. UEOKA: The latest one, I believe, I don't think we've gone that far with one of these fire properties. Most people have been compliant. We've been looking at it as the real property tax person on record is, the person on record with real property tax is still the owner in our opinion.

CHAIR HOKAMA: Okay, thank you for that.

COUNCILMEMBER VICTORINO: Thank you, Chair. And after this is all said and done, I'll put a PAF to try to determine that and to maybe look at some changes in our ordinance, because we still have a fair number of foreclosures out there. And it makes it very difficult when somebody walks away from the property. Very seldom are they gonna pay up until somebody sells it and then the lien is taken care of at that point. So, I'll look into that matter, Mr. Chair. Thank you.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. So, you know, in particular the incident, I think, you can recall on Molokai, we have residents complaining about the neglect. So, in this situation, it was up for sale and you have the new owner. Is there, in this kind of situation, is there a follow-up with the Fire Department? Or is it with the Building Department?

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MR. MURRAY: Usually, any fire hazard, it comes back to our Department. So, we try to maintain the inspections of those areas and see if we can continue to get dialogue with the owners or the new owners for that matter. So, it goes into a file and then they try to keep track of that specific issue that they have pertaining to that property.

COUNCILMEMBER CRIVELLO: So, this kind of revolving fund, when we say fire hazard, does that also include the hazardous material situation that an old building, you know, like propane gas?

MR. MURRAY: It may be. It may be.

COUNCILMEMBER CRIVELLO: Rusted gas tanks?

MR. MURRAY: Yes. Sometimes those situations other than...so this is specific for brush abatement.

COUNCILMEMBER CRIVELLO: I see.

MR. MURRAY: Yeah.

COUNCILMEMBER CRIVELLO: Okay, that's it. Thank you.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And, thank you, Chief, for that information. The question I have is if this were bumped up, you know, by \$100,000, upon hearing Mr. Ueoka's comments about strain on the staff, et cetera, would you be able to do a lot more because, I mean, we had it at the Lahaina hearing? The Wahikuli one that apparently one of your firefighter's goes by every day and that one is on an iffy basis because I'm not quite sure if it's, I don't know that's a hard one, if you've seen the pictures. But, I know, you guys did one in Kihei and it was a great job. The neighbors appreciated it. There's also the need for follow-up too because, you know, once you do it --

MR. MURRAY: Right.

COUNCILMEMBER COUCH: --nobody, I mean, if you can't get a hold of the owner, and you've got that lien on the house, and it's not going to happen until the house gets bought, you gotta keep going back.

MR. MURRAY: Right, because the fund gets tied up and it's sometimes tied up for many years. So, it causes an issue and that's why, I think, we would be able to manage it a little bit better as far having more ability to reach out to more different, more properties, 'cause right now if we tie up two properties, we're done annually.

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COUNCILMEMBER COUCH: My concern is if we, you know, if, you know, what do you call it, rainbows and unicorns? You've got 100,000 added to this fund --

MR. MURRAY: Right.

COUNCILMEMBER COUCH: --and you go out and start doing it, then next year you're going to come back and say I need more bodies. That's would be my concern.

MR. MURRAY: Well, we always ask for the bodies because there's a lot more that needs to be done, you know, as a whole. I mean even if we're talking about commercial properties, but just the brush abatement alone is a huge issue. You know, there's large land parcels that we try to stay involved with those people and invite them to the meetings. We also help with the development of certain grant processes to take care of this. So, we're busy and we're constantly trying to find new ways to address this issue. But, I think, with more funding it will allow us for the ones that are extremely hazardous so we could prioritize those as well. And just get more on the books. And, I think, that would help us. So, thank you.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. And good morning. Thank you, Chief, for being here. So, I was jotting all these questions of what constitutes a fire hazard. And I was saying, not just overgrown plants, but you said this is specifically for brush --

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: --and, Ms. Crivello, touched upon others, such as flammable combustible materials. You know, and then, Mr. Couch brought up the derelict structures issues. Lanai, it was a stockpiling of cars and what have you, things that people are doing in their garages. They're afraid of what else being of that nature to catch fire and so on. So, I thought, is there another, like you said, you have other grants and things that you search out for in order to address this brush abatement challenge. So, this isn't the only obviously route?

MR. MURRAY: No, this is the route that we utilize just specifically from our Department. And it caps out at \$5,000 and that hasn't been changed for over 20 years now.

COUNCILMEMBER COCHRAN: Okay. Is that 'cause of the actual ordinance?

MR. MURRAY: I guess that was the --

COUNCILMEMBER COCHRAN: It caps it?

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MR. MURRAY: --the amount, you know, back in the day 5,000 could do ten lots --

COUNCILMEMBER COCHRAN: Yeah, right.

MR. MURRAY: --you know.

COUNCILMEMBER COCHRAN: Yeah.

MR. MURRAY: But times have changed and the urgency has also changed. To address your questions about the hazardous structures and what have you, the Fire Code takes care of that. So, we're able to go through that with our Fire Code and the Building Department and try to work those things out. So, that's not tied into this specific fund here.

COUNCILMEMBER COCHRAN: Okay.

MR. MURRAY: Yeah.

COUNCILMEMBER COCHRAN: And then your Fire Prevention Bureau people get, suss out areas, are they actually on the ground searching out places that may be higher priority than others?

MR. MURRAY: Yes.

COUNCILMEMBER COCHRAN: Something like that.

MR. MURRAY: 'Cause normally they'll be, you'll see a complaint boost in a certain residential area or commercial area. And that's...they'll try to concentrate on those as they come in. But we're on an annual inspection for brush. Yeah.

COUNCILMEMBER COCHRAN: All right. Well, thank you very much --

MR. MURRAY: You're welcome.

COUNCILMEMBER COCHRAN: --for all that work and see how we can assist. Thank you. Thank you, Chair.

CHAIR HOKAMA: When you get Request for Services, does the station makes the call or the Admin makes the call...you make the call, Chief?

MR. MURRAY: Yeah, usually the calls come in either through our Fire Prevention Bureau. Sometimes the station and they push it back up to Administration and then we make the assignment to Fire Prevention. And once it goes to them, it's all logged and their inspections are done and conducted pretty quickly.

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CHAIR HOKAMA: Okay, 'cause Lanai we were told that a Request for Service went to the station and the answer was no response.

MR. MURRAY: Really? Okay, why don't...if that happens again, have them call my office, and we'll make sure that somebody gets on it. We don't have an inspector assigned on a daily basis to Lanai.

CHAIR HOKAMA: But, yeah, we understand, Chief.

MR. MURRAY: Right, so, but, we can make that arrangement pretty quickly. That's part of their responsibility. We do periodic checks there as well. So, please let us know.

CHAIR HOKAMA: Do you have revolving fund for inspection to support some of these inspections?

MR. MURRAY: No, this is strictly for the removal of brush.

CHAIR HOKAMA: Okay. So, we got the Revolving Fund. You also have here your General Fund request of 5,000. So, yeah, we can take a look at this, Members. Ms. Baisa, questions, sir, ma'am?

COUNCILMEMBER BAISA: Yes, thank you. This is, of course, an area of big interest for me. I really am concerned about this kind of thing. And it's disconcerting to me to hear that, you know, essentially we can deal with two. And we know there're many more, I'm sure. I mean, just drive around, you know, you can see so. I guess, the Fire Department is doing the best they can with what they have. I'm also concerned, Chair, about the possibility of liability. You know, if complaints are made or RFSs are made, and we don't follow up, and something happens, this would be later on for Mr. Ueoka, and we can deal with this, I think, in the review that you're talking about. But the other thing that I'm hopeful for is the Environmental Court, and I'm wondering if there will ever be a time when, you know, a complaint or case can be taken to Environmental Court so that they can order people to deal with their mess. So, for today, I'm okay.

CHAIR HOKAMA: Thank you. Mr. Carroll? Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Nope, I think, I've said and we've heard everything. Thank you, Mr. Chair.

CHAIR HOKAMA: Okay, thank you. Thank you very much, Chief.

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

CHAIR HOKAMA: Mr. Baz, next fund.

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MR. BAZ: Thank you, Mr. Chair. So, the next fund in our review is the Plan Review, Permit Processing, and Inspection Revolving Fund. This is a fund managed by the Department of Public Works, their Development Services Administration. We have Director Goode here should you have any discussion review. We did review this fund during the Department's review partially, but if you have further questions, the expenditures are laid out in the Budget Details. I can get that page number to you in a bit. But the question that had come up that Mr. Ueoka responded to was regarding the use of this fund to pay for a Water Department Plans Reviewer, kind of a specialty plan reviewer. So, those are for your reference as well.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. Yeah, you know, not a whole lot of burning questions here. Are we bringing Mr. Goode?

CHAIR HOKAMA: Only if we have questions.

COUNCILMEMBER COCHRAN: Oh, okay. And I'm just trying...quite a bit of money here and anticipated revenues. So, yeah, I think, we vetted through some of this during our earlier deliberations. So, I don't have anything, any burning questions at this time. Thank you.

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

COUNCILMEMBER VICTORINO: None at this time.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: None at this time. Thank you.

CHAIR HOKAMA: Mr. Couch? I guess, you guys like the numbers. Okay, next, Highway Beautification, Mr. Baz.

MR. BAZ: Thank you, Mr. Chair. The Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund is money received when you pay for your vehicle registration. And you can see that generally it's quite a bit of revenue and it has quite a bit of expenses in here, provides for two staff members in the Metal and Abandoned Vehicles. In fact, you know what, Mr. Chair, I just noticed that we're gonna have to change that. Maybe I'll work with the staff because since we created the Environmental Protection and Sustainability Program, these two individuals are moved into that separate program.

CHAIR HOKAMA: Right.

MR. BAZ: It is the Metals and Abandoned Vehicles Section of that program, but it's not an individual program anymore. And then it provides the \$835,000 for their operations

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and salaries for that. And it also provides a grant to Community Work Day Program for some of the cleanup on the side of the road. And then, a grant for \$10,000 to Teens on Call to maintain the Paia Bypass. It was an addition recently when the Paia Bypass got opened up full-time. So, Mr. Chair, that's basically it for this one. We do have Mr. Miyamoto here from Department of Environmental Management if you have any specific questions. I do note that the amount provided for the Metals and Abandoned Vehicles Section did get reduced. And, I believe, it's related to the use of Community Work Day or Malama Maui Nui for some other activities and shift in funding for that. Not sure if it's a reduction in service, but we did notice the reduction in dollar amount.

CHAIR HOKAMA: Okay, thank you for that. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. In fact, I'd like to follow up just on the kind of question that Mr. Baz just had in regards to the reduction of the Metals amount and if that had been transmitted to a community, Malama Maui Nui to, you know, pick up that service in place of or I just was curious about that. But just in reference to the actual Abandoned Vehicle Fund, as far as I've been hearing on the streets, when an abandoned vehicle happens on a public road, County, I guess, State too, then we go get it. There's no charge, I mean, we sort of get recouped, it's kind of like lien on the house, but we get it via their...we look up their ownership stuff and then try and put the fee on them for that removal cost. Is that part of this money?

MR. BAZ: Mr. Chair. Thank you, Member Cochran. Yes, we try when we can identify the owner, try to get them to basically, we hold their vehicle in abeyance of those fees. Should they come in and pay those fees then, you know, they can have their vehicle back. If they do not, the Department of Finance does provide auctions on a regular basis to auction off vehicles that have been abandoned and try to recoup those funds as well through that.

COUNCILMEMBER COCHRAN: And so those fees that you could recoup are in here?

MR. BAZ: Correct.

COUNCILMEMBER COCHRAN: So, I think, a lot of abandoned vehicles 'cause they don't want it and it's a easy way for them to get rid of it. And so, as far as I understand if someone abandons a vehicle on private property though then that's all up to the private person to take care of and it's charged to them. That's all at their expense. So, we can't call County and get help from us to help with some stranger dumping something on my property because you can't hold that same, recoup the money.

MR. BAZ: Yeah, Mr. Chair, and Member Cochran, from my understanding that's correct is, you know, we're not, we don't go on private property to remove abandoned vehicles even though it may not be the owner of that property's vehicle or anything to do with it. I'd venture to say a lot of abandoned vehicles end up on the side of the road that probably were on private property when they broke down. But, yeah, I can't --

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COUNCILMEMBER COCHRAN: Right.

MR. BAZ: --confirm that.

COUNCILMEMBER COCHRAN: Okay, it's just kind of a skewed system for private people who have land and people --

MR. BAZ: Yes.

COUNCILMEMBER COCHRAN: --tend to do this.

MR. BAZ: You know, I know, that HC&S has a huge problem with this and it costs them quite a bit of money to get rid of the abandoned vehicles on their property.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR HOKAMA: We can look at either State...more like State law on how to assist those private property owners to get some compensation back.

COUNCILMEMBER COCHRAN: Yeah, that would be helpful, Chair. It's happening a lot.

MR. BAZ: Mr. Chair, from my understanding recently the law changed that if it's over a certain size of trash on a, I think, specifically, agriculture but maybe other types of lands as well, it becomes a felony for that to be left on private property. I think, it's agriculture. So, it becomes a criminal offense. Member...Senator English was spearheading that.

CHAIR HOKAMA: Okay, thank you.

COUNCILMEMBER COCHRAN: Okay, thank you. Look into that. Thank you for the opportunity.

CHAIR HOKAMA: Ms. Baisa, questions?

COUNCILMEMBER BAISA: This is a tough one and I certainly think whatever we spend on this is good. You know, we had a long period of where we didn't see abandoned vehicles because of the crackdown that we had. But I'm beginning to see them again more and more on Haleakala Highway. And all of a sudden they're cropping up again and they're staying longer. And the sad part is the minute that they are tagged in any way as not moving then the vandals come in and they start breaking windows so then you have glass all over the place. And it's really, really dangerous. So, I think, this is something that, you know, we have to deal with. And it would be nice if we could figure out who to send the bill to but, I think, these people are smart enough to take the vehicle IDs off, right?

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CHAIR HOKAMA: Mr. Baz.

MR. BAZ: Yeah, generally, I believe, the VIN numbers are scratched off when it comes to that point. But we do try to collect that and unfortunately all of us vehicle owners pay into this so that, you know, we can have clean roads and different things. I know, there's also certain restrictions to, you know, that we can't just go and tow a vehicle immediately. It would be really nice if we could but, you know, we have to keep, you know, put the tag on and keep it on for a certain amount period of time before we can actually go and pull the vehicle.

COUNCILMEMBER BAISA: It might be a really good place for us to work on legislation is to allow us to go get it, because the more we leave it there, the worse it is and the bigger mess we have to clean up. Thank you, Chair.

CHAIR HOKAMA: The manufacturers' industry is working on new technology, Ms. Baisa, 'cause I just the other day sat down with the Caterpillar representatives two days ago. Where in the future the equipment will be talking to a receiving component regarding operator abuse, maintenance, pre-maintenance issues, even on the vehicles. If you try to abandon it, there will still be the ability of Big Brother to locate.

COUNCILMEMBER BAISA: Good because really it's not fair to everybody else that people leave their stuff around.

CHAIR HOKAMA: It will be draconian, but...

COUNCILMEMBER BAISA: That's what it takes.

CHAIR HOKAMA: If that's what it takes, that's what it takes.

COUNCILMEMBER BAISA: Thank you, Chair.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, I think, we know what the problem exists out there. I think, some legislation may be needed to look at. So, I think, that's something we need to work on. And the other question I had for you, Mr. Ueoka, is that if we set up legislation, is it applicable to State highways? Because, again, you know, a lot of the abandoned vehicles as Ms. Baisa just mentioned along Haleakala Highway --

COUNCILMEMBER BAISA: State highway.

COUNCILMEMBER VICTORINO: --State highway, yeah. So, if we were to enact something that said, you know, within three days, we're gonna remove the vehicle not five weeks or whatever time?

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

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MR. UEOKA: I can give him a general response.

COUNCILMEMBER VICTORINO: Yeah, yeah, yeah.

MR. UEOKA: I believe, it's all State law right now anyway.

COUNCILMEMBER VICTORINO: Anyway.

MR. UEOKA: So, I would hate to think if you were to make a different law, it might be pre-empted by the State law anyway. So, you might wanna follow up on the State level.

COUNCILMEMBER VICTORINO: So, even County items, County roads, because, again, the private is separate, right? Private is based upon you doing your own thing removing the vehicle, right?

MR. UEOKA: Yes, generally, private property you deal with as a private landowner. For the County roads, we can look into it if you wanna pass something just for County roads, but we'd have to check if the State law right now is designed to be one of those of Statewide effect. So, it might be designed that way. I'm not overly familiar with this specific area though. Thank you.

COUNCILMEMBER VICTORINO: Okay, Mr. Chair, I just...I'll make that request and then I'll wait on behalf of the Committee, if you don't mind, Mr. Chair, and let's see what we can find out. And if you wanna pass it to PIA or whichever Committee, I have no problem with it. But, I think, it's time we look into the matter because, again, the State doesn't seem to act very quickly in a number of these proceedings. And so, I think, it's about time we take charge and take back something that belongs to us, our beauty of the island. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you very much. Any other questions on this fund area? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Are we going after the owners? I know, we do, you know, some...the last registered owner, I know, we do a little bit, but if we just can't, they're not on island or anything, I know, we used to pursue 'em all the way as far as we can. Are we still doing that?

MR. BAZ: Yeah, Mr. Chair, Member Couch, I don't think so. I believe that's the process of the auction and we recoup. There's a minimum cost when we auction off the vehicles, I think, the minimum is like \$50 or something to recoup our costs that people have to bid on. So, that's where we're recouping those costs. The legal, you know, to go after somebody --

COUNCILMEMBER COUCH: Yeah.

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MR. BAZ: --you know, especially if they're out of State and Mr. Ueoka can probably try to figure that out, but it'd I'm sure be way more than the cost of the towing and the amount we would get from, you know, scrapping it probably covers some of the cost too, so.

COUNCILMEMBER COUCH: Yeah, I was just going to ask you do we get any money from the metal folks?

MR. BAZ: I'd have to check with Department of Finance if it's not auctioned what the disposal of that is and if there's any revenue generated.

COUNCILMEMBER COUCH: Okay, yeah, I know, it was a really bad deal a while back. But it has...it appears to be coming back again. So, hopefully, we can get a handle on it. I mean, 'cause almost a million dollars to fix this project, to fix this issue is just...hopefully, we can figure out a way to...sometimes we may need to let people know that yeah, we're gonna go back after them again and recover all costs if they start doing this frequently again.

MR. BAZ: Yeah, Mr. Chair, I believe, that the million total cost of the abandoned vehicles program or division out of the Hawaii Beautification Fund doesn't cover just vehicles. It also covers the contracts for metal recycling and different things like that. So, that's...so, it's not just a million dollars on vehicles.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay, any other questions on this fund? If not, let's go to Molokai Diversified Ag.

MR. BAZ: Thank you, Mr. Chair. So, I actually had to go to the Legislative Reference Bureau to pull up Act 387 of 1988. It's not electronic anymore so that's why you see copies of an actual book. But that is the Revolving Loan Program for Business Opportunities on Molokai. And from our records, it doesn't look like anything has been done with this fund for a very, very long period of time. Some of the discussions when I had questioned prior Economic Development Coordinators about this and why it wasn't used was if you look on page, on the second page, 758, Item (4) each loan shall bear interest conforming to the Department of Agriculture's "Agricultural Loans" rate, policies, and practices. And those rates if you go on to their website, they have available rates but why would they come just, you know, if there is a lot more money available at the State level in Department of Agriculture for these loans. And we don't have anything set up necessarily in our system to provide these of types of loans. I'm not sure, you know, it would be, behoove a, you know, farmer on Molokai to come to the County for these funds. It does have to be a loan and not a grant. And the other thing is that it references the Molokai Task Force and would...I tried to do a bunch of research on what the Molokai Task Force is and I couldn't find that even, you know, as far records as back as I could. So, Mr. Chair, this might be one those funds you

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wanna review, you know, after this budget session, and say, hey, what can we do with this? And if there is something else we can with this? If the Legislature will give us the ability to grant this money out or some other purpose, I think, we'd like to go to them for some kind of relief fund on this fund that we've been carrying on our books for very long time.

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

COUNCILMEMBER CRIVELLO: Yeah, I think, we talked about this last fiscal year too ...*(inaudible)*... and this is my second term. So, this is the third time I've heard about it. So, maybe I'll make a note to do some follow-ups. But just for your information, Molokai Task Force was formulated at the time of the closure of the plantations as well as the Kaluakoi, and it included our old-time leaders like Pat Kawano and Louie Howe and Fred Bicoy. So, it be interesting to find out if this dollars still exist somewhere.

MR. BAZ: They do. They do. They're in our books, you know, we do have the cash in our bank.

COUNCILMEMBER CRIVELLO: Yeah, and if legislation can change to meet the needs of today. Yeah. Thank you.

CHAIR HOKAMA: Do the revolving funds until utilized bear interest for us?

MR. BAZ: Yes, I believe, they are part of the Treasury's investments.

CHAIR HOKAMA: So, the interest goes back to the fund or is that being thrown all into General Fund?

MR. BAZ: I believe, they go back to the fund, but I will have to double-check that.

CHAIR HOKAMA: Can you verify that, please?

MR. BAZ: Yes.

CHAIR HOKAMA: Thank you. Further questions on the Molokai Fund Revolving Loan, Members? I think it's pretty straightforward and we appreciate Mr. Baz giving us the statute because it's pretty clear their intent. And I would say Ms. Crivello is right. This was the days of the Masa Fujimotos and the ...*(inaudible)*... and Mr. Pat Kawano, our own Pat. Okay, let's move on to the Construction Plan Review Fund.

MR. BAZ: Thank you, Mr. Chair. So, the Construction Plan Review Revolving Fund is a fee that is charged for construction plan reviews from Development Services Administration. Again, we have Director Goode here. These fees are as described in 18.24. They're collected and they can be expended for...basically from my recollection the last go-round of this, these fees were implemented so that in case DSA needed to

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either hire contractors or pay overtime that to get the backlog of permits done, that they would have the ability to do that. That's what these fees are basically about. So, these do assist in helping cover those costs of the Department should they have that need and, I believe, they do on a regular basis try to keep up with permits and pay for those types of expenditures.

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

COUNCILMEMBER COUCH: No.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. And this amount has this balance...has been here around this range for a while or, I mean, does it actually cover the work that they do? And is it one of those things where things need to be adjusted in order to better be, you know, the ratio of work to fee?

CHAIR HOKAMA: You know, I'm gonna recommend to you as steering Committee Chairs, subject matter Chairs, after budget, review your funds in your subject area and come up with recommendations for considering before the next budget cycle. Part of that is the Measurements. I know all of you have been very good in looking at the Narrative. You've brought up the comparison to the Measurements. So, part of the Measurements should then tie back to the funding. So, for this you should really consider what is a backlog? How long is a backlog? Whether or not this fund will help achieve the Measurements we expect. And you could help me 'cause then next year the basis of the zero base budgeting will be the actuals of '14, '15, and how then we'll approach their new requests. So, that would be what I would ask all the other Committee Chairs. So, you'd be in your area, and Ms. Baisa would take care her water funds and her water schedules and permit process within her subject jurisdiction and she would make her recommendations.

COUNCILMEMBER COCHRAN: Yeah, very good. Very good idea, Chair. Thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: No questions regarding this matter, but I do have follow-up questions for that Molokai Diversified Agriculture Revolving Loan. But maybe I'll just talk to Mr. Baz later.

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CHAIR HOKAMA: Why don't you ask it now?

COUNCILMEMBER GUZMAN: Yeah, well according to the Act, it's supposed to be used for businesses that will diversify agriculture in Molokai. And one of the sections here is that the County, Maui County shall adopt rules and carry out the program's purpose as well as 40,000 of the total amount. I believe, here it says 281,000. Forty thousand shall be used for the operations and hiring of a professional staff person. And then yearly and December 31st, the County shall annually submit a written report to the Governor and the Legislature on the progress of the revolving loan program. So, I'm wondering do you have all of that? Have we been doing that?

MR. BAZ: I don't know.

COUNCILMEMBER GUZMAN: 'Cause you can spend 40,000 of this for a professional according to the Act itself, a professional consultant to diversify business. And it doesn't have to...as long as there's a nexus with agriculture. This looks like it could be a business in itself that would help promote agriculture. So, I think, this is the fund that really can be utilized maybe even in this budget session. But that would be Ms. Crivello's, I guess.

CHAIR HOKAMA: You know, I see your point, Mr. Guzman, and I say I would defer to Ms. Crivello as the District Member. But, we, you know, one of the ways we comply 'cause it doesn't require us...they authorize us to spend up to 40,000.

COUNCILMEMBER GUZMAN: Yeah, but my question is have we been --

CHAIR HOKAMA: Complying the report?

COUNCILMEMBER GUZMAN: --right.

CHAIR HOKAMA: That's a great question.

COUNCILMEMBER GUZMAN: Complying with the reporting because according to the statute it's says that we have to...the County shall annually submit a written report, December 31<sup>st</sup>, the Governor on the progress of the revolving loan program for each year the revolving loan program is in operations. So, has it been in operations?

CHAIR HOKAMA: What I will do is send a letter to the Managing Director.

COUNCILMEMBER GUZMAN: Okay.

CHAIR HOKAMA: It's not a budgetary thing. This is a managing thing. So, we'll send a letter to Management Director on compliance.

COUNCILMEMBER GUZMAN: Yes, thank you.

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CHAIR HOKAMA: And also, Members, you know, we all know, we support the island through our appropriations for the Kuhao Business Center on Molokai. So, there's other ways we've been supporting the islands need to try and diversify as best they can.

COUNCILMEMBER GUZMAN: Chair, yeah, my only point was that this is, you know, quite a bit of money here, the 280,000, that can be utilized. It's just been sitting there.

CHAIR HOKAMA: Very pertinent question.

COUNCILMEMBER GUZMAN: Thank you.

CHAIR HOKAMA: Very pertinent. Any other questions in this fund? Any questions on Construction Plan?

MR. BAZ: Mr. Chair, if I may?

CHAIR HOKAMA: Yes, Mr. Baz.

MR. BAZ: So, I just looked up the transactions from the subdivision...the Construction Revolving Fund and it looks like there hasn't been any actual expenditure since 2000. So, we might wanna put that on the list of items to review, purpose, and different things like that.

CHAIR HOKAMA: Yeah, we are gonna do a comprehensive review after budget. Okay, Rental Housing Development Fund.

MR. BAZ: Okay, so the Rental Housing Development Fund is Chapter 3.34, Maui County Code, and this is rental housing revenue in excess of expenses for projects that we have either contracted out or have basically...used to be us managing it, but now it's either contracted out. So, there's no money expected in there. No money received. And again, Mr. Chair, one of the items that probably should be up for review of applicability and current status.

CHAIR HOKAMA: I appreciate the new Administration of Ka Hale A Ke Ola and their board's decision to repay the County. So, I appreciate their grasp of responsibility and trying to fulfill obligations. Would the monies that they returned from that loan go back into this specific fund or that is the General Funds repayment?

MR. BAZ: Mr. Chair, from my understanding those loan documents are separate from this fund as they were appropriated from the General Fund many years ago. So, that would come back into the General Fund.

CHAIR HOKAMA: Okay. Could we place it in this fund?

MR. BAZ: That would be a question for Mr. Ueoka.

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CHAIR HOKAMA: Continue to support rental housing because, you know, we have many Members who know that, you know, purchasing is one but there's still a great need for the rental component. And so, is that a opportunity for Council to use those funds that on a payment schedule from Ka Hale A Ke Ola? Well, we'll work on it. I mean, we may need to revise legislation. But I'm just saying this is one way to put fund monies in this fund to assist further rental programs in the County. Mr. Ueoka.

MR. UEOKA: Thank you, Chair. Just a reminder too. We have the Affordable Housing Fund, which covers all these things also. So, I'm not sure which route you'd prefer to go. But, again, it's your decision, just wanted to throw that out there. Thank you.

CHAIR HOKAMA: Well revolving fund means it goes in a circle and that's why I'm more in tuned to the revolving fund and just an outlay.

COUNCILMEMBER VICTORINO: I like the circle issue.

CHAIR HOKAMA: Okay, any questions on this one? Housing, Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, but I appreciate your inquiry in regards to the repayment of the loan and perhaps that's something my Committee can look into.

CHAIR HOKAMA: Sure.

COUNCILMEMBER CRIVELLO: Thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Since I saw this, I've been wondering about the definition of County rental housing. Does that mean that the County build it with County money or does it mean that we participated with some agency in building rental housing? Or, I think, that's a really important question because if it is that we participated, the pool is a lot bigger for us to go and recover excess rent.

CHAIR HOKAMA: No, that's a good point. And, Mr. Ueoka, how would...are you prepared to give us a comment at this? Or would you need additional time to respond?

MR. UEOKA: Yeah, I would need additional time to respond to that one. Thank you.

CHAIR HOKAMA: Yeah, thank you. But great question. Thank you.

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Sorry, I skipped. Mr. Couch, questions? No. Ms. Cochran? Mr. Carroll?

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COUNCILMEMBER CARROLL: Just a comment on Councilmember Baisa's question. We discussed that at length several times and the wording was proposed was basically this, that County Affordable Housing or Rental Housing, either one, would either be sponsored or administered to the County or partners that they partnered with.

CHAIR HOKAMA: Okay, thank you for that.

COUNCILMEMBER CARROLL: . . .*(inaudible)*. . .

CHAIR HOKAMA: Yeah, understood. Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: No, nothing at this time, Mr. Chair. Thank you.

CHAIR HOKAMA: Okay, Mr. Guzman? Mr. White?

VICE-CHAIR WHITE: No questions. Thank you.

CHAIR HOKAMA: Okay.

MR. BAZ: Mr. Chair?

CHAIR HOKAMA: Yes, Mr. Baz.

MR. BAZ: I just did look up the last transaction in this account was in 2000 and it was related to Luana Gardens, which was, I think, the last County --

CHAIR HOKAMA: Right.

MR. BAZ: --funded this rental facility. So, and then, of course, that went over to Hale Mahaolu.

CHAIR HOKAMA: Right, right. Thank you for that.

MR. BAZ: Okay.

CHAIR HOKAMA: Thank you for checking. Liquor Education Fund.

MR. BAZ: Thank you. Liquor Education Fund is HRS 281-16 there, for education of licensees so that they can make sure that they're doing what's required by law when as far as dispensing liquor. And that fund is managed by the Department of Liquor Control. As we're, you know, discussing this a number of years, and I can hear some of the members, you know, groan about it. This is set by HRS what we have the ability to spend. And, I know, Member Baisa for many years advocated at the State Legislature to get this changed with to no avail. So, this is this fund. Thank you.

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CHAIR HOKAMA: Well, I think, this is maybe a good time to challenge a State law. We've done it before. We can do it again. And, I think, under home rule and County jurisdiction of governing structure, we may be able to make a difference at least for this County regarding education and alcohol consumption. So, I have no problem reviewing this also, Ms. Baisa. Questions, Ms. Baisa?

COUNCILMEMBER BAISA: Mr. Chair, yeah, I think, everybody knows that this is a pot of money that I want to get my hands on. I think, the County should be receiving money to help with, not just educating the vendors, but in educating the users or the people who buy the liquor so that we are not spending our social service dollars on this kind of, you know, we have to help Aloha House. We have to help all these education programs to help people rehabilitate or learn how to drive safely or whatever after consuming alcohol. And, I think, some of the money should be coming back for that. I'm sorry, I don't agree with this at all. And I'm disappointed that we haven't made any progress, but I'm not giving up. In a little while I'll have more time to get involved and I'm going to. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, I agree with Ms. Baisa, and I agree with you. Should be home rule and we should be able to use this money where we feel is appropriate. And, yeah, educating the vendors is one thing. And we can always challenge them more because they're the ones that make the profit off of that. So, I'd have no qualms in doing something in this area. Thank you, Mr. Chair.

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

COUNCILMEMBER GUZMAN: No, thank you..

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: This is just one more in a long line of home rule issues and I totally agree with Ms. Baisa on this, because it is something that we spend a lot of General Fund dollars to fix problems that in some cases we could've avoided. Not all cases but, I think, we have a responsibility to provide a higher level of education to keep people from making choices that in the end really hurt them. And we end up picking up the tab. So, I support Ms. Baisa's efforts and I would certainly support yours to move this in a different direction.

CHAIR HOKAMA: Okay, thank you. Ms. Crivello, questions?

COUNCILMEMBER CRIVELLO: No, thank you. I want to go on record to support where Councilmember Gladys Baisa is coming from as far as the liquor education and the entities that try to help us through the recovery of our community.

CHAIR HOKAMA: Okay. Mr. Couch?

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COUNCILMEMBER COUCH: Nope.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I wholeheartedly agree also with Ms. Baisa's crusade to somehow utilize this money in better assistance for education as a liquor dispenser--myself for 32 years in the past. I know the importance of yourself being educated but also the users and being responsible with it and what have you. So, it's, yeah, hopeful, let's take a look at this one too. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Baz, let's move to Animal Management, please.

MR. BAZ: Thank you, Mr. Chair. So, the Animal Management Revolving Fund is a fund that is charged for the licenses of pets. We do have the Director of Housing and Human Concerns here if you have specific requests for information that she may be able to answer. This fund is...generates a small amount of revenue. They do have some expenditures that the Maui Humane Society incurs for the those licensing costs as they do it on our behalf.

CHAIR HOKAMA: Okay, thank you very much for that. Mr. White, questions?

VICE-CHAIR WHITE: Thank you, Chair. You know, one of the and I'm not sure this is for the Department but in speaking to the Humane Society, they had mentioned that I'm not sure about the time frame but, I think, it was taking them over six months to access funds from this account to replace a vehicle that had been damaged. And what can you share with us with respect to the process through which somebody's got to go to access this fund?

MR. BAZ: Okay, Thank you, Mr. ...

CHAIR HOKAMA: Mr. Baz.

MR. BAZ: Yeah, Chair White, you know, I remember that issue specifically because since it is the County funds that are purchasing a vehicle, it has to go through the vehicle policy that the Department of Management manages. And so, they had to justify the need for that vehicle. They had to provide information to Department of Management for them to verify that that vehicle, you know, needed to be replaced. And that process, along with the procurement and everything, did take a significant amount of time.

VICE-CHAIR WHITE: Do you recall how many months? Is it six months or is it longer?

MR. BAZ: No, I don't recall how months 'cause I don't know...I don't see the purchasing side of things. I always saw the processing of it. It took a couple months just to process it, I'm sure.

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VICE-CHAIR WHITE: Okay. Chair, that's one of the things with, you know, with the way we do things around here. It sometimes puts, not only, but we hear the hiring challenges. We hear the procurement challenges. There's a lot that we need to fix, but I'm not sure how much of it is within our reach, because if we're leaving the Humane Society without one of their patrol vehicles, who benefits? Nobody. So, when there's a process, it makes it impossible for us to get the equipment needed to do day-to-day responsibilities. I don't think it serves anyone and so.

CHAIR HOKAMA: I would agree with you. And I can you tell counties' nationally issue is with an outdated, very antiquated, and at times very controlling procurement laws from an, other entity that's imposing its policy on lower government procurement.

VICE-CHAIR WHITE: I understand the purpose of the procurement law, but, I think, it's been taken to a degree which really impedes operations and in some respects costs us more money than it saves.

CHAIR HOKAMA: No. I would say 3,000 counties would agree with you.

VICE-CHAIR WHITE: Yeah, between sunshine and procurement, we've got lots of stuff . . . *(inaudible)* . . .

CHAIR HOKAMA: It's interesting what the *(inaudible)* levels of government do not deal with by exemptions.

VICE-CHAIR WHITE: So, maybe we need to look at an HSAC --

CHAIR HOKAMA: HSAC.

VICE-CHAIR WHITE: --bill that would request some changes to the procurement law that would allow . . . *(inaudible)* . . .

CHAIR HOKAMA: I would suggest that maybe a request to review the whole State procurement process, especially since for the Council, the Chairs are, for the Legislative Branch, the Chief Procurement Officer.

VICE-CHAIR WHITE: You know, if you wouldn't mind, Chair, you know, I think, our Procurement Officer here in the County is really quite sharp. And if you don't mind, I would like to refer to the Finance Committee after budget is done, an item asking for him to come and share with us what he feels would be appropriate and useful, and helpful measures that we could present to the State Legislature in an HSAC package.

CHAIR HOKAMA: Great suggestion, I think, Mr. King would be a great resource and an in-house consultant.

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

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CHAIR HOKAMA: I would agree with you. Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No questions. Thank you.

CHAIR HOKAMA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: No. Thank you, Chair.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: I agree about the discussion and, I think, it's really interesting that they put a limitation on this money...the use of the fund. And it's only limited to two Equivalent Personnel. I mean, this is crazy. But, you know, I agree, we need to take a look at this. Thanks.

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

COUNCILMEMBER VICTORINO: I agree with what's been said. So, we look forward to see what we bring forward, Mr. Chair. Thank you.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Nothing.

CHAIR HOKAMA: Thank you. Plan Review, Processing, Inspection, Fire.

MR. BAZ: Okay, Mr. Chair, so this is the Fire Department, again. This is their fees that they charge to review plans that are sent to them so that for building and those different items. So, they use that accordingly for costs related to that. This is where we do have two Equivalent Personnel. The fund levels I noticed does go up and down. It has been higher in the past and it's down lower now, now that they're actually using the fund, I think, in the recent years more often than General Fund for their inspectors.

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

COUNCILMEMBER VICTORINO: Not at this time, Mr. Chair.

CHAIR HOKAMA: Mr. Guzman? Mr. White?

VICE-CHAIR WHITE: No questions.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: None. I'm okay, thank you.

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CHAIR HOKAMA: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: No. Thank you, Chair.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Mr. Carroll? I think this is a very straightforward fund. It's very detailed in its enactment. And so far, I think, the Department has been within the parameters using the fund for its purpose. So, I have no questions either. Good job, Chief. Let's go to a big one, Open Space, Natural Resources, Cultural Resources, Scenic Views Preservation.

MR. BAZ: So, thank you, Mr. Chair. As Council knows this fund was established to be able to protect and preserve open space, natural resources, cultural resources, scenic views preservation and recreation areas throughout our community. The fund has been utilized heavily over the last few years for purchases, acquisition. We have some items in here, Mr. Chair, that have been here for a number of years that, you know, under for review. But they remain on here because they're still active --

CHAIR HOKAMA: Okay.

MR. BAZ: --for some certain purposes. If you want I can go through them individually.

CHAIR HOKAMA: No, I mean, it's very specific, especially the debt service for Launiupoko. Is maintenance also to be, can be utilized for those acreages bought out of this fund?

MR. BAZ: Thank you, Mr. Chair. No, there's a specific prohibition from using these funds for maintenance.

CHAIR HOKAMA: Okay. But the debt service is allowable?

MR. BAZ: Yes.

CHAIR HOKAMA: That's how we purchase by debt occurring?

MR. BAZ: Correct. That's part of the acquisition costs.

CHAIR HOKAMA: Okay. Parks is Mr. Guzman. Mr. Guzman, do you have any questions in this fund area, sir?

COUNCILMEMBER GUZMAN: Not at this time.

CHAIR HOKAMA: Mr. Victorino, any questions in this fund area?

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COUNCILMEMBER VICTORINO: No, I think, we've covered it and we continue to utilize this Open Space Fund, Mr. Chair. So, I think, and I see we've included the acquisition of the Kula Gym and the expansion acquisition of land along the Honoapiilani Highway in Maalaea, the two that were, been brought up or brought to our attention lately. Okay, thank you, Mr. Chair.

CHAIR HOKAMA: Yeah, so, thank you for that. So, you received Corp. Counsel's comment on the Kula Gym that this is not a fund that we should look at for possible acquisition of that consideration.

COUNCILMEMBER VICTORINO: Okay, thank you, Chair.

CHAIR HOKAMA: Mr. Carroll, questions? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No, thank you, Chair.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yes, in regards to the Kumimi Beach on Molokai, what many may call Maurice Point. What is the status? So, where is that? Or what's the consideration at this time? I know, my predecessor...this was like his hope that it would happen, but I don't know what the status is.

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yeah, when I started working for the County, I got assigned to look into this also from Corp. Counsel's standpoint. The last I heard was like, I believe, a year or two ago, negotiations with the landowner kinda reached a standstill for a price. That was my understanding. I believe, Executive Assistant Kalua was working on the project at the time. Thank you.

COUNCILMEMBER CRIVELLO: So, what happens if everything becomes...what happens to, are there, were there any monies appropriated? No?

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I believe, there was money put aside in the Open Space Fund, but it was never spent because negotiations was never completed.

COUNCILMEMBER CRIVELLO: Okay, thank you.

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

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COUNCILMEMBER COUCH: Thank you, Mr. Chair. And, you know, I've been...I was out for a little bit so I'm not sure when this Maalaea stuff land was brought up. If Mr. Victorino can tell, fill me in on that one.

COUNCILMEMBER VICTORINO: What was that? I'm sorry, I was...

COUNCILMEMBER COUCH: The Maalaea-Honoapiilani land.

COUNCILMEMBER VICTORINO: Was just brought to my attention 'cause somebody came by and testified or talked to me about it, so.

COUNCILMEMBER COUCH: I was just curious what that was, Mr. Baz.

MR. BAZ: I'm sorry, Mr. Chair, which one is that?

COUNCILMEMBER COUCH: Number six, proviso number six.

CHAIR HOKAMA: Eighty-four acres.

MR. BAZ: Yes, so, thank you, Mr. Chair and Member Couch. This funding is to allow us to purchase some land. I don't know the exact details of it, but it's part of the original purchase of the Pali to Puamana in Ukumehame. There's some land that we didn't acquire and this is some land that...

COUNCILMEMBER COUCH: Who owns the land?

MR. BAZ: I don't know. I'm not aware of that. I can get that to you.

COUNCILMEMBER COUCH: Then this might be the...there were 85 acres of clouded title.

MR. BAZ: Yes.

COUNCILMEMBER COUCH: This might be the purchase of the solving of that issue?

MR. BAZ: I believe so. I'd have to confirm that, but from my recollection, it did have something to do with title issues.

COUNCILMEMBER COUCH: Okay, I'd like to know a little bit more about that.

MR. MOLINA: Chair?

COUNCILMEMBER COUCH: Thanks. Yeah, that's a lot of..

CHAIR HOKAMA: By 4:00 p.m., that's all you got. Ms. Cochran?

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COUNCILMEMBER COCHRAN: I think Jordan was trying to get your attention if that's okay.

CHAIR HOKAMA: Mr. Molina.

MR. MOLINA: Mr. Chair, the property tax records show that parcel is owned by MVI, LLC, and attention to Jesse Spencer.

COUNCILMEMBER COUCH: That's a completely different area.

CHAIR HOKAMA: Okay.

MR. BAZ: So, I apologize.

CHAIR HOKAMA: Okay. So Administration can clearly state then that is not a consideration that the Chair will take into his...

MR. BAZ: Thank you. Mr. Chair, yeah, I apologize for the confusion. This is the Maalaea land mauka of the highway that the Mayor has proposed for us to purchase to leave an open space to prevent from development.

CHAIR HOKAMA: There's zoning besides purchasing, remember.

COUNCILMEMBER COUCH: That whole lot, huh? No, it doesn't look like the whole lot. The whole lot is over 100 acres. So, would that be that open zone thing that they're looking at.

MR. BAZ: I apologize. I don't know too much detail --

COUNCILMEMBER COUCH: Okay.

MR. BAZ: --that's why I didn't recognize this one right off the bat.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. This would...well I understand, yeah, definitely need more information. But it's a perfect strip for a transit corridor if ever we were to expand out and not have to go through the whole rail situation right now on another island. Just a general question though as in purpose and use of this fund? The purpose, No. 7, Improving Disabled and Public Access. Is that in reference also to beach accesses? Would that be --

CHAIR HOKAMA: Mr. Ueoka?

COUNCILMEMBER COCHRAN: --a fair assumption that?

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MR. UEOKA: Thank you, Chair. I would assume so.

COUNCILMEMBER COCHRAN: Okay.

MR. UEOKA: Again, all these things would be project specific and we'd have to look at it in detail. But, generally speaking, if it's improving disabled and public...to...for open space and recreational facilities, I don't see a problem.

COUNCILMEMBER COCHRAN: But obviously...well, I guess, okay, all right. Good, thanks. Something to look into. Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions in this area? Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. Mr. Baz, number two, the Kula Community Center, is that 307 a current number? I don't recall that number being there before.

MR. BAZ: Yes, it is a current number. We did an appraisal on that and came in at, I believe, 300,000 and then the 7,000 was for closing costs.

VICE-CHAIR WHITE: Okay.

MR. BAZ: I'm not sure. I think they're waiting for this budget to be approved and then go forward with the sale.

VICE-CHAIR WHITE: Okay, 'cause, I know that we had put in a placeholder amount earlier. So, I'm happy to hear that's a final number.

MR. BAZ: Yeah.

VICE-CHAIR WHITE: And is the total in Item No. 3, which is, I think, the...I guess you guys are consulting.

MR. BAZ: Yeah, I'm sorry. I apologize.

VICE-CHAIR WHITE: No, go ahead. Go ahead. Do you have anything further on the Kula Community Center?

MR. BAZ: No, that's it for Kula Community Center.

VICE-CHAIR WHITE: Okay. Then, I think, number three is the one that you were referring to with regard to the Pali to Puamana item.

MR. BAZ: Thank you, Mr. Chair. Yeah.

VICE-CHAIR WHITE: So, is that an active number or is that a placeholder?

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MR. BAZ: No, that's an active number as well.

VICE-CHAIR WHITE: Okay.

MR. BAZ: I knew that was in here someplace. Thank you, Chair White, for pointing that out.

VICE-CHAIR WHITE: Okay, you know, Chair, I understand that the Kula Gym purchase can be made out of this fund. But, for me, an Open Space Fund should be focusing on open space and preservation of space not buying a building. And, I realize, that it's consistent with the...I mean you can read the definition to say that it's consistent, but, I think, the spirit of the law is certainly not one that would support the purchase of the Kula Gym. I totally support acquiring the gym, but I feel strongly that it should be done through other means.

CHAIR HOKAMA: Well, the response from Corp. Counsel also impacts number two, the Kula Community Center, that it's not what they're recommending the fund use for. So, if those two projects are something that you as Members feel to support, then I would say find me another revenue source, cut another project, transfer monies from someplace else, but do not look at this fund as your source to pay.

VICE-CHAIR WHITE: Thank you, Chair. That's all I have on this fund.

CHAIR HOKAMA: Other questions? Let's move to Emergency Fund.

MR. BAZ: Thank you, Mr. Chair. So, set up by County Charter. We have Section 9-14, the Emergency Fund. This fund has been progressively rising over the years. We'd like to see the fund in the, I don't know, \$60 million range or so. But, at this point, we propose \$5 million in there just in case we have any emergencies, whether they be natural or otherwise that could affect our operations as well as our financial status. So, Mr. Chair, this is my recommendation as an appropriation of \$5 million. Last year was about 3½ million.

CHAIR HOKAMA: Okay, thank you. Questions on this request, Members? Very straightforward. It's what you feel is an appropriate level of cash that we need in the bank for unforeseen situations.

MR. BAZ: May I make just one other comment?

CHAIR HOKAMA: Mr. Baz.

MR. BAZ: You know, I like this fund better than us depending on Carryover/Savings for emergencies. And, I, you know, this is a fund that once we've put the money in, it stays in. So, it's not as subject to fluctuations like our unreserved fund balances are. So, I really support this thing.

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CHAIR HOKAMA: Thank you, Mr. Baz. I would say this is a much more open approach to the budget as regards to the taxpayers' money instead of hiding it in Departmental Operations. So, I appreciate the Director being very upfront with the Committee and the tax base on fiscal approach. Any questions on this request? Mr. White?

VICE-CHAIR WHITE: Thank you. I appreciate the Director's openness as well. And I would just suggest that if he'd like to help us with providing us a list of where he placed all the Easter eggs, we'd be more than happy to help him move some of those funds into the Emergency Fund.

CHAIR HOKAMA: I'm sure he will --

VICE-CHAIR WHITE: Thank you, Chair.

CHAIR HOKAMA: --take it under consideration. And, again, Mr. Baz has been very available and willing to work with the Committee. So, I thank Mr. Baz. If there's no questions on this fund, let's go to the Ocean Recreational Activity Fund.

MR. BAZ: Thank you, Mr. Chair. So, Maui County Code Section 13.04 shows the development of the Ocean Recreational Activity Fund. This is a fee charged to organizations, companies that want to provide ocean recreational activities to our visitors and residents. It's managed by the Department of Parks and Recreation. We do have Keala Buenconsejo from Department of Parks here in case you have any detailed questions about this.

CHAIR HOKAMA: Okay, thank you. Mr. Guzman, any questions regarding this fund?

COUNCILMEMBER GUZMAN: Where's the revenue coming from again? What did you say?

MR. BAZ: From fees.

COUNCILMEMBER GUZMAN: CORA.

MR. BAZ: Correct, CORA fees, yeah.

COUNCILMEMBER GUZMAN: Yeah, yeah, yeah. Those fees need to be increased. They're very low. That's all.

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

VICE-CHAIR WHITE: No questions.

CHAIR HOKAMA: Ms. Crivello?

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COUNCILMEMBER CRIVELLO: So, this says that we...it's like if I want to say be a vendor on the public beaches, teach somebody how to surf or what have you. So, I would pay Parks and Recreation a one-time fee.

MR. BAZ: Thank you, Mr. Chair...Member. Mr. Ueoka has very detailed information because Keala was here with development of it, but...

CHAIR HOKAMA: Director, why don't you come down? Okay, so, Mr. Ueoka, please, any comment.

MR. UEOKA: Thank you, Chair. Basically, there's so many permits available and there's rules and everything that the Parks Department has set up, administrative rules, and it's an annual fee. I believe it used to be 500 or so, per permit. So that's what the funding comes from.

COUNCILMEMBER CRIVELLO: Oh, okay. So, I hope we can extend this to Mr. Hokama's vision of enterprise. Check how much gross they make, the vendors make, and perhaps...it's like you're renting a building, sometimes they charge you percentage of your gross or what have you so, we can have ongoing. And are the permits and maybe Mr. Director can answer this. Are the permits issued to per vendor or do some of them come in with an umbrella, say, I wanna be at Beach I, Beach II, Beach III, and I have just under control of the permit controller?

CHAIR HOKAMA: Director?

MR. BUENCONSEJO: Councilmember Crivello, so, currently right now in Fiscal Year '15, we currently have 118 permits out. And how that goes it's from kayaking, kite surfing, scuba, snorkeling, sorry, kayaking, kite surfing, scuba, snorkeling, surfing, and windsurfing. And they are designated to different areas throughout the County beach parks. There was a study done back in 2009 and it was kind of allotting certain activities at certain beach areas. And so, currently those 118 permittees that do hold a CORA permit are paying that \$500 fee. To also add to your question with CORA as far as understanding it a little bit more, it's almost once you've got that CORA permit, you're grandfathered in. It's just a point of coming in to your permit every fiscal year, paying that fee, and you're on your way. We've also figured out as well there's a lot of permittee holders that are in the process of in a sense, I don't want to say monopolizing it, but there are a handful that hold permits in different areas that don't do anything there. Or also subleasing, which is also not part of the Charter or the Code. They're subleasing that to say somebody who wants to be an event and who can't get a permit. So, what the Department is doing, Chair, and Councilmember, is we are looking into going into different counties, you know, other areas. For instance, for Honolulu, we were just there on Tuesday to do the Enterprise Fund. And that Enterprise will consist of the golf course, the zoo, the Shell, Waikiki Shell, as well as the vendors, the surf school vendors at Waikiki Beach. And, again, kind of going into that whether it's a concession standpoint where they pay a percentage or a one-time monthly fee, like how we do at Waiehu Golf Course for the restaurants. So, we are

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looking into different stages to generate more revenue to at least sustain some of the expenses.

COUNCILMEMBER CRIVELLO: Thank you. Because I, you know, it's not a very large fund and if you have 118 permits, I think, you can expand that with the Enterprise Fund process. I think we need to work on that. Thank you.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I wholeheartedly agree with Member Crivello, and this is a perfect place for your concept of the Enterprise situation as well. Because that fund allows for provision of salaries and purchase of equipment and maintenance of the County property, which we're doing already through the General Fund to help support some of the stuff. So, I'm all for revamping and I look forward to it in Mr. Guzman's Committee, revamping that whole process...the CORA process 'cause \$500 a year is peanuts for, I mean, there was one company that was able to build a whole building and lease it out on his \$500 a year permit. So, yeah, I'm looking forward to getting this thing revamped, and this could be the revenue generator for the Department, at least for paying for the park rangers because that's their job is to deal with that and some of the maintenance of the parking lots that these folks use and a lot of stuff that we now are paying through the General Fund. So, thank you, Mr. Chair.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I appreciate the Director looking into different programs and ways of utilizing and capturing more fees, because I'll tell you, yeah, as an owner of a shop that, you know, does involve ocean recreational type sports, I do know that the vendors on the beach, you know, they rake in this kind of money on a daily basis. So, just to pay for their annual fee through us and not to, you know, cut into people's profits, but, I think, they can afford a little more for the benefits they reap, largely. So, thank you. Looking forward to more work on this.

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

COUNCILMEMBER BAISA: Thank you very much, Chair. I totally agree with my colleagues. I think this is a joke with a 118 contracts and we making like less than 60,000 bucks. Something's wrong. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: I agree with all that the others have said. I also would like to add that if we can capture more revenue, other things like our restrooms, which is always a sore spot. All the beach restrooms could be taken care of or least a good portion of it could be taken, 'cause they're the ones have the direct benefit of it. You know, the parking lots I agree with Mr. Couch. I have tried to park in certain parks

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and these vendors have their trailers and everything parked in there. And you don't have any parking for the residents. And so, that becomes a real bear to deal with. And West Side and South Side, I've been there a number of times, you know what I'm referring to Mr. Buenconsejo. And so, I agree, let's find the revenue in here. Make these guys pay their fair share. And also make sure that they maintain these specific entities in our parks for which they get a direct benefit of. So, I'll be all for reviewing this and going wholeheartedly. Thank you.

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

COUNCILMEMBER GUZMAN: Thank you, Chair. I wanted to do a follow-up question. I know that this fund was established for the appropriations or at least the funding of the Park Ranger Program. And so, how much of this, I guess, the revenue is actually being spent on the Park Ranger Program. I mean, like for their equipment, salary, and do we have any numbers to verify that the monies --

MR. BUENCONSEJO: Mr. Guzman.

COUNCILMEMBER GUZMAN: --that are actually used in the Park Ranger Program?

MR. BUENCONSEJO: So, for this particular fund, the park ranger is not coming out of this particular fund that we got. Through Mr. Baz we had a discussion this morning. So, but, again, it's coming out of a General Fund if I'm not mistaken. But with the revamping, we can, which is the whole point of the enforcement that we could get to that point if we boot up the revenue. But this wouldn't...this fund right here wouldn't even accommodate the park ranger fund. We have five park rangers. With vehicles and expenses, it would run negative in what's coming out of this particular fund where it's currently revenue generating with the \$500 a pop. So, again, maybe Mr. Baz can jump in on that one a little bit more, but it is not currently coming out of this fund for payroll and vehicles.

COUNCILMEMBER GUZMAN: Okay, so, I need to ask Corp. Counsel because, I believe, that this fund in doing the research on it, was established for the Park Ranger Program. So, and you just and the Director just told me that no monies from this fund is going to the Park Ranger Program. So, do we have a conflict in appropriations?

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I know that was, I've heard that a lot being said that it was created for that reason, but the Code is pretty clear that it can be used for a bunch of things. It doesn't say that we only can pay for the park rangers out of this fund. We're not restricted.

COUNCILMEMBER GUZMAN: Okay.

MR. UEOKA: And we're not required to. So, I don't think there's any conflict right now.

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COUNCILMEMBER GUZMAN: Okay, great.

MR. UEOKA: Thank you.

COUNCILMEMBER GUZMAN: Thank you.

CHAIR HOKAMA: Okay, thank you. So, yeah, after budget, I think, you know, again, our subject matter Committees will be able to assume additional review and proposals. I would also agree with all of you that the annual fee is one thing. I can tell you on Lanai when we administered under Castle & Cooke, the Hulopoe Beach Park Program, we charged per fee, per head daily. So, if you brought in a 100 people, you going have 100 times whatever is the daily individual fee verified. And then we'd send them a billing and then they'd pay us according to the executed agreement. But there's more way to get revenue justified and dependable revenue. And I thank the Director and the Deputy taking my request of Enterprising very seriously because this can be a revenue-generating Department. Okay. Mr. Baz.

MR. BAZ: I just want to mention, you know, the expenditures out of this fund over the last couple of years have been related to a vehicle purchase in 2014, beginning of Fiscal Year 2015, as well as radios and things like that for...it's specifically for the permit, I mean, the enforcement guys. But, you know, it's not paying their salaries, but it's paying for some of their costs. Also, in the past, you know, in previous fiscal years have paid for some signages and sand, things like that.

CHAIR HOKAMA: Okay. If there's no other questions, let's to move a very important fund. Thank you, Director. Let's go to the Affordable Housing Fund, please.

MR. BAZ: Thank you, Mr. Chair. Again, another Charter-initiated fund. This has just been renewed this past election cycle for a number of years. The Affordable Housing Fund gets 2 percent of our real property tax revenue deposited into it by Charter. And so for this year, it'd be around \$5 million depending on what your net real property tax revenue will be at the end of this Council's budget session. The first proviso is general on there, provided that no more than 70,000 shall be for administrative expenses. The second proviso is for Lanai Affordable Housing Project that is currently paying for some of the planning and design work that is being done by our CIP Coordinator in coordination with the Department of Housing and Human Concerns. And the third proviso is for the amount, the total amount required for the Kulamalu Affordable Housing Project. Just to note that the number there, \$11 million, includes the previous amount for the design as well. So, that's not...the construction is this as well as the HOME monies there that are going to be available for that. So, we do have the Director of Housing and Human Concerns here should you have any questions about this fund.

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CHAIR HOKAMA: Okay, thank you. Director, why don't you come join us, please, Director Ridao? There's a few firsts. This will be, I believe, Ms. Ridao's, last budget cycle with us.

COUNCILMEMBERS: Aw.

UNIDENTIFIED SPEAKER: Can we make an ordinance that --

COUNCILMEMBER VICTORINO: She cannot retire.

COUNCILMEMBER CRIVELLO: Proviso.

COUNCILMEMBER VICTORINO: Yeah, proviso she cannot retire.

CHAIR HOKAMA: Director, thank you for joining us. Do you have any comments you'd like to share at this time with the Committee?

MS. RIDAO: Just share with you, Committee, that, I think, this fund is doing what it's supposed to do. I'm very excited, especially about the Kulamalu Project because we're talking about 56 units, which is something that will make at least a little bit of an impact and this is rental units. And the fund has, of course, drawn a number of nonprofit projects that we were able to assist with. So, I think, it is a fund that is well worth keeping for the County.

CHAIR HOKAMA: Okay, thank you, Director. Ms. Crivello, questions for the Director on this fund?

COUNCILMEMBER CRIVELLO: Not really questions, you know, I appreciate the, again, the thoughts and the insights of working towards providing affordable rentals to meet our housing needs for our local community or people of Maui. And as far as the Kulamalu Subdivision, I think, that's something you can be very proud of, and we look forward for its completion and actual when the keys will be turned over. So, I applaud you. I think, this is a worthy process that people have put together in our Charter, and I would hope we would apply it more and, I guess, hopefully when we have more housing fund paid into it, we can respond to the needs of our island community. Thank you.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Now, this is the one, not the Hale Mahaolu piece at Kulamalu? This is the one that, we, as the County are doing?

MS. RIDAO: Correct.

COUNCILMEMBER COUCH: I thought there were gonna be 85 units there? But it's down to 56.

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MS. RIDAO: No, it's --

COUNCILMEMBER COUCH: There's so many projects.

MS. RIDAO: --I think what happened at one time there was a number of 58 being talked about, so you may have inverted that.

COUNCILMEMBER COUCH: Yeah.

MS. RIDAO: But we never went to that high a number of 85.

COUNCILMEMBER COUCH: All right, that's fine. This is great. This is the perfect project for this. I'm guessing that any expenses left over go into that other fund that we had questions about supposedly. If there's any Carryover/Savings. The one that was on Page 37.

MS. RIDAO: Oh, yeah. Yes.

COUNCILMEMBER COUCH: The Rental Housing Development Revolving Fund?

MS. RIDAO: Correct. That...the plan for Kulamalu is that we will RFP out the management portion of it. So, yes, any excess fees that is over and above operations will go into the Rental Development Fund.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay.

MS. RIDAO: And I'd just like to report to you that the project has gone out to bid. The construction conference has been held and we're expecting bids to be opened by the end of May.

CHAIR HOKAMA: Thank you. Thank you for that status report. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. And that was kind of my question, the relationship between the Rental Development Housing Fund and this one in relation to this project itself. So, then, the revenue generated from the rentals will go into that, the Rental Housing Fund instead of going back here.

MS. RIDAO: Excess revenue, yes.

COUNCILMEMBER COCHRAN: Excess.

MS. RIDAO: Because what happens is that you'll collect the rent, the management firm will pay for maintenance, operations, you know, whatever needs to be done to maintain

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the property, and any excess funds at the end of the year, will go into the Rental Revolving Fund.

COUNCILMEMBER COCHRAN: Okay. Hopefully, we'll see some. But, yeah, great. Great project. I'm glad to see something coming through. So, no other questions, Chair.

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

COUNCILMEMBER BAISA: Great project. Director Ridaao, how much HOME money is going in here?

MS. RIDAEO: I believe, our HOME allocation, Councilmember, is between 2 and 2.7 million. And we are putting into this project about 2.6 million.

COUNCILMEMBER BAISA: So, the total money is, the total cost of this is?

MS. RIDAEO: Oh, gosh, I don't have that off the top of my head. But, I know, that we're taking 9 million out of the Affordable Housing Fund for construction.

COUNCILMEMBER BAISA: Okay.

MS. RIDAEO: Plus the 2.5 million from HOME.

COUNCILMEMBER BAISA: Okay.

MS. RIDAEO: It's for construction. So, the excess money here that you probably figuring this out in your head was for the plan, design, architect fees, and all of that.

COUNCILMEMBER BAISA: Not a problem. I tell you what I'm thinking about and I've thought about this for a very long time. And I just can't reconcile myself to drop it, okay. And the reason is, if the Federal contribution is two million plus, and the total thing is going to cost us, you know, a lot more than that, many millions. What that Federal money does is put restrictions on the project that we cannot control. Who can benefit from the project? And sometimes I wonder if that's a smart thing to do. And I wondered about that for a very long time if it wouldn't be smart to make this instead of that two something million dollars of Federal money, use this money and then have purely our project and then we can control how it can be utilized. So, I've thought about this for a really long time and it continues to bother me because I really want to see the benefit going to our local taxpayers, the people who live here and pay taxes. I'm sorry, Chair, that's just --

CHAIR HOKAMA: No, no, no.

COUNCILMEMBER BAISA: --it's something that comes back to me all the time.

CHAIR HOKAMA: I appreciate that.

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MS. RIDAO: And if I may, Chair?

CHAIR HOKAMA: Ms. Director.

MS. RIDAO: There's two issues here. One, the HOME Funds, which we get only every third year is very difficult funds to find a project for. So, when you doing a project where you can use all of the 2.5, all of the monies we get from HOME into one project, it's much easier than trying to break up the HOME funds into different smaller projects. So, just for, you know, using the funds, keeping track of the funds, reporting to HUD, it's much easier when you use it for one project versus a number of projects. Okay. The other thing that is, yes, it is restricted for 25 years. However, they're restricting us to serve the people that are below 50 percent of the median income, which we're, you know, in this project, the Council wanted us to serve the gap group, which we are serving the gap group. But by using those funds, we're gonna have eight units that will be assigned to people who are making less than 50 percent of the median income. So, I don't have a problem with that, except that you're right. We gotta report to HUD. We gotta tell them that we are using this money appropriately. So, there is some pain to it, but, I think, it's worth the while.

COUNCILMEMBER BAISA: I understand, Ms. Ridao, what you're trying to do. But, like I said, it continues to bother me --

MS. RIDAO: Yeah.

COUNCILMEMBER BAISA: --because, I know, that what Council would like to see and everyone would like to see is that the housing that we develop going to our people who have been residents and paying taxpayers for a long time.

CHAIR HOKAMA: That's understood, yes.

COUNCILMEMBER BAISA: And we can't do that once we bring in the Federal money. Thank you.

CHAIR HOKAMA: Thank you. Well, we had this same discussion with the Kihei Police Station. I didn't want USDA money for their one dollar to control this whole project. So, yeah, it's good to hear the benefits and disadvantages of Federal dollars. Mr. Victorino, any questions in this fund area?

COUNCILMEMBER VICTORINO: No, although I agree with Ms. Baisa to a point, I also realize that monies some time become real difficult to get, especially when you're talking affordable housing. And when we can get partnerships, I'm not opposed to it. I agree that the restrictions 25 years may seem like a long time, but I've sat in these chairs for eight and a half and it does seem like only yesterday I walked in. Twenty-five years is really not that long when you think about it, Mr. Chair. Twenty-five years go by really, really quick and at that point in time, you know, we then have the total control, right,

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Ms. Ridao? Right, we have total control? We can say what goes on as far as that project is concerned?

MS. RIDAO: Correct.

COUNCILMEMBER VICTORINO: Okay. So, some of the prices we pay for the help we get from the outside. I'm opened to either side. I wouldn't be totally opposed if we had the money to doing things on our own, but sometimes it makes it very difficult, yeah. Thank you, Mr. Chair.

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

COUNCILMEMBER GUZMAN: It's for the purpose of the fund type question. So, can the funds be used to purchase property?

MS. RIDAO: Yes.

COUNCILMEMBER GUZMAN: For affordable housing? And then and can the funds also be used, I guess, for the County to act as the developer?

MS. RIDAO: Yeah, well, that's what we're doing with Kulamalu.

COUNCILMEMBER GUZMAN: Yeah.

MS. RIDAO: We are the developer and we used Affordable Housing Funds to purchase that property. I think, if we in the application process received an application strictly for real property from an outside entity, say a nonprofit organization, we would probably like to see how they're going to build, how they're going to create the housing. And show us, you know, okay, we're working with HUD. We're working with USDA. This is the funds we getting from them for the actual construction of the building. Sometimes it is difficult to just get monies for land, yeah.

COUNCILMEMBER GUZMAN: Okay. No, I was, Chair, the reason why I was going down this path was just the idea of being the developer, like a Jesse Spencer, and developing the housing or even affordable rental units. Thank you.

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

VICE-CHAIR WHITE: Thank you, Chair. Why are there administrative expenses charged to this fund? I don't see that provision in any of the other funds.

MS. RIDAO: Okay. In our case, for instance, at Kulamalu, we are paying for the water, not that we using water. But, yeah, that's what we use it for. We pay for...it's a minimal water fee monthly and its three meters. So, we pay for that. And then there is like an association dues that we pay monthly. That kind of stuff.

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VICE-CHAIR WHITE: But wouldn't that be considered part of the cost of the project?

MS. RIDAO: No, we don't consider the construction funds or the development funds as part of the cost of the project. Not for now anyway. Once, I think, we get into the construction phase, we will.

VICE-CHAIR WHITE: Okay.

MS. RIDAO: It's a holding...kind of a holding fund.

VICE-CHAIR WHITE: The other question I had was I know we had discussions last year about the possibility of selling the project once it's complete. Does the...Ms. Baisa brought up a good point. Does the inclusion of Federal funds preclude us from selling the project to someone after its completion?

MS. RIDAO: No, it does not. We would have to, of course, work with HUD on the sale. But it does not preclude us from selling.

VICE-CHAIR WHITE: Because the reason I bring that up is that the contribution that we normally make on kind of an average on the Affordable Housing Projects that we fund and we've been funding over the years, seems to work out to about \$100,000 per unit. And this is almost doubled that. So, it will be nice if we...one of my concerns that we're putting a lot of eggs into one basket. And while, I think, it's, what you're doing is great, it would be nice if we could get back to where that contribution is closer to that \$100,000 level.

MS. RIDAO: Yeah.

VICE-CHAIR WHITE: So that we can use it to go and continue to do the additional projects that, I know, are still out there. And, but, anyway, I'm sorry to see you retire because, I think, you understand the process and the game better than most. So, I've appreciated your leadership. Thank you.

MS. RIDAO: Thank you.

VICE-CHAIR WHITE: Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I wanted to follow up on Ms. Baisa's train of thought there. The restrictions from HUD, are they on the whole project or just the eight units that we are gonna be the half?

MS. RIDAO: Just the eight units.

COUNCILMEMBER COUCH: Just the eight units?

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MS. RIDAO: Yes.

COUNCILMEMBER COUCH: So, we can do other restrictions on the other?

MS. RIDAO: Correct.

COUNCILMEMBER COUCH: Then the question...next question would be to Mr. Ueoka, are there restrictions we can put on to kind of limit it to the folks who, you know, have been paying taxes here and have been here for a number of years or? I know that gets into some sort of Constitutional issues even without the HUD restrictions.

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Well, generally speaking, 'cause you haven't given me your specific restriction request I can't fully answer. But, yes, it would probably run into some Constitutionality questions. It can be certain preferences, I believe, like there's case law supporting preferences. But just a straight-up only certain people, with certain stuff, you might run into a problem. We'd have to look at the language and that.

COUNCILMEMBER COUCH: Typically, it would be a, you know, current taxpayer or something like that. I think is what Ms. Baisa was looking at and a lot of us want to say look, the folks who've been here for a while and have been contributing to this community or, you know, somebody who's been a teacher for a while, not moved here to become a teacher kind of thing. I don't know. Just those two examples kind of thing.

CHAIR HOKAMA: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yeah, generally speaking, if you just say reside here or be a resident or, you know, that type of thing, those would be okay. But if wanna go further into the "x" amount of years and then, you know, such and such, you might run into like a freedom of the travel type of problem. Thank you.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

MS. RIDAO: Chair, if I may?

CHAIR HOKAMA: Director.

MS. RIDAO: As we speak, actually, they're probably on lunch break. There is a Fair Housing training going on right now at Maui Community College and, I believe, the Federal attorney will be speaking at 1:00. So, if you free, you're welcome to attend. It's in the Science Building, Room 144, I believe. Go ask him.

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CHAIR HOKAMA: Further questions?

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Yes, Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. I'm curious. You answered Mr. Couch's question by saying the eight would be restricted by Federal guidelines, by HUD guidelines, right?

MS. RIDAO: Yes.

COUNCILMEMBER VICTORINO: And the other whatever number of forty something would not be? You could...it would have no restrictions so is...

MS. RIDAO: It would only be restricted by the requirement that this body put on the project.

COUNCILMEMBER VICTORINO: I see.

MS. RIDAO: So, I believe, there were like...they wanted certain numbers in the 80 to 100 percent category. And certain numbers from the 100 to 140 percent category. So, you gonna have a range of people living there from below 50 percent of median to 140 percent, which this body felt was lacking, that the gap group, the people who work and maybe make a little of bit of money could not find affordable rentals.

COUNCILMEMBER VICTORINO: Okay, I kinda remember some discussion in that respect. And thank you for jogging my memory. The other part is we intend, from the beginning we were told and the intent was to sell this eventually, so that monies would be replenished into this account, so that we could start on the Lanai or be a big chunk of Lanai Affordable Housing. Okay. So, I guess, once it's done, built, then we would be looking at ...(inaudible)... or whomever, the Hawaii Housing Authority, or whomever, to look for them to purchase this like they've done other places here in Maui County?

MS. RIDAO: I think, my recommendation would be that we RFP it out because we now have a lot of affordable housing management firms that are new to Hawaii, EAH, the guys who did Imi Ikena.

COUNCILMEMBER VICTORINO: Right, right.

MS. RIDAO: We have a new group coming in too and proposing a project in Kihei. So, I would assume that these people would want to bid on it also.

COUNCILMEMBER VICTORINO: Okay. Okay, Chair, that's good news so long as there is a history of reliability also. Sometimes when new people come in, Mr. Chair, we have been in that position, where years down the road, you know, things go wrong, and

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then we're stuck with the project, or we're stuck with the bill. So, again, due diligence is something I'd be looking into as far as any new entities coming in without any history here in Hawaii, especially Maui County, Mr. Chair. Thank you.

CHAIR HOKAMA: Okay. Thank you. Mr. Guzman, any last questions? Mr. White?

VICE-CHAIR WHITE: No, thank you.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Yes. I wanna just say a few more things and to follow up on what I brought up. You know, I may be understanding this wrong, but I've heard it over and over and over that questions are asked, why is it that we have an influx of people who are moving to Maui going into Hale Mahaolu? And what I've been told is because, Constitutionally, and under the Federal guidelines, because of Federal money we cannot do anything about that. And that's where I was coming from. The other thing is we have a Section 8 list that I don't know how many people are on it, but 2,000, 3,000, 4,000, whatever, and I personally would like to see us deal with some of that. And the reason is, it would allow new people to come in and qualify. You know, we don't get any more vouchers. I don't know if we do or if we don't, but I'm not aware of it. And so, if there was a way to take care of some those people and then allow new people to benefit from rental assistance. That's where I'm coming from. It's not that I have anything against people who have come here. It's just that, you know, if housing is such a crisis and so limited as it is, I wanna try to see how we can handle our seniors that are really looking for housing and our low-income people that are, you know, really in trouble. So, that's where I'm coming from.

CHAIR HOKAMA: Thank you for that comment. Okay.

VICE-CHAIR WHITE: Chair?

CHAIR HOKAMA: Mr. White.

VICE-CHAIR WHITE: If I can just add to that, you know, the...Ms. Baisa brings up a really, really important point. And it's important because the folks that move here from other places are able to sell, you know, sell their properties on the mainland, they've got the cash, they come in here, and purchase or move into places that we've created. It's really not...it's not allowing us to solve the problem that we're using taxpayers' money to solve. And I don't know how the heck we can get around it, but I'm sure that legal minds, like Mr. Ueoka's, can put it all together. So, we look forward to your leadership, Mr. Ueoka. Help us fix this. Thank you, Chair.

CHAIR HOKAMA: Well, Members, like I said always more ways to skin the cat. One is, of course, not to agree with the State's projections on population growth for our County. Two is taxation polices. Three is zoning policies. I've always said we need to tie in zoning and taxation and more coordinated than the current situation, because I would

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agree we'll never catch up with the local need when the impact from non-local factors is taking away opportunities for the local need. But it's not only in our County that faces this. My only concern is the Affordable Housing Fund should be for affordable housing, not to subsidize subsidized housing. Two different things, for me. And so, I appreciate the separation of the 50 percent below from the affordables. Okay, so since we do have the Director, I'm gonna bring up the Kaunoa Service Program since she's here. So, Director, Mr. Baz, any comments regarding the Kaunoa Program?

MR. BAZ: Mr. Chair, this Kaunoa Senior Services Leisure Program Revolving Fund was set up so that the Kaunoa Program can receive fees for activities that then they can go and pay for educators to do activities and education with our seniors at the Kaunoa facility in Spreckelsville as well as the West Maui Senior Center and they go do a number of functions as well. So, this is there. It also assists in meals for activities in that arena as well.

CHAIR HOKAMA: Okay. Thank you, Director. Any comments regarding this?

MS. RIDAO: No comments, Chair. It's exactly as Mr. Baz described.

CHAIR HOKAMA: Okay, thank you. Human Concerns. Ms. Crivello, questions?

COUNCILMEMBER CRIVELLO: No, not at this time.

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

COUNCILMEMBER COUCH: So, we are drawing from it? I mean, it looks like it's getting bigger, but I'm not sure what last year's amount was. So, I know what your expenditures are, but it still looks like we're, you know, we're adding more than we're taking out.

MS. RIDAO: Okay.

MR. BAZ: Mr. Chair --

CHAIR HOKAMA: Mr. Baz.

MR. BAZ: --Member Couch, the way that this Appendix is set up, the expenditures aren't on here, but we do for Fiscal Year 2015, they actually expended \$170,000. So, you know, it's showing the revenue of approximately 191, but it's not showing the corresponding revenue, expenditures. So, that's why you're seeing that total for Fiscal Year 2016 so high.

COUNCILMEMBER COUCH: Okay, I just wanted to make sure we're not overcharging our seniors for their activities.

MR. BAZ: Yes. Thank you.

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COUNCILMEMBER COUCH: Or, or we're, you know, spending this money as opposed to General Fund money to help do those activities. Thanks. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Ms. Cochran, questions?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. Just, I guess, a comment in regards to --

CHAIR HOKAMA: Questions, I want questions. I don't want comments, please.

COUNCILMEMBER COCHRAN: --oh, questions. No.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No comments at this time.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Nothing further at this time.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: No, thanks.

CHAIR HOKAMA: Anything else, Ms. Crivello?

COUNCILMEMBER CRIVELLO: No. Thank you.

CHAIR HOKAMA: Okay, and, Members, I'm just watching, you only have so much time left for submittals. Mr. Molina, you have something? Okay, all I can tell you with Kaunoa Services, it is a program that you should take pride in as appropriators. It is something nationally recognized and there's many counties looking at us as how we take care kupuna and health. I can tell you many people would like to see how they can duplicate what we provide. So, good job to the Director and to you, Members. So, as Ms. Ridao goes, we're gonna miss you, Ms. Ridao. We wish you well in your future retirement.

. . .*(applause)*. . .

MS. RIDAO: . . .*(inaudible)*. . . pleasure working with all of you.

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CHAIR HOKAMA: Thank you for your contributions to making us a better County. Boy, are we gonna miss her.

VICE-CHAIR WHITE: The question is, is she gonna miss us?

MS. RIDAO: I'll be around.

CHAIR HOKAMA: Her family will appreciate the time she has for them. Okay, any other questions for Kaunoa, Members? Okay, we have the Economic Development Fund. This was set up with one million. It's still one million. So, there's no new monies going in and I tell you the Chair will await till they come up with some revolving requests for consideration. There's also another fund that will be set up in the near future. Gosh. Mr. Molina will inform the Committee of the new fund that will eventually be established and placed in this addendum.

MR. MOLINA: Thank you, Mr. Chair. Yeah, there is a new fee being established relating to alarm systems, and that Code section requires this establishment of an Alarm System Fund. I believe the Budget Director mentioned that the fund is still in the process of becoming created, at which time it would be added to this list of special purpose revenues.

CHAIR HOKAMA: Okay, thank you. Also, in the submittal from Mr. Baz, we also do have the OPEB, Post-Employment Obligation Fund that established in 2007, but we do that through a different portion of the budget. Mr. Baz, any other comments on the OPEB?

MR. BAZ: Thank you, Mr. Chair. Yeah, the Post-Employment Obligations Fund from my understanding was established as a placeholder before we make payments to the State EUTF regarding our post-employment benefits accrued and liability. For the Fiscal Year 2016, because we've, you know, basically zeroed out the fund, my proposal was to have the amount go directly out of our Fringe Benefit Program to pay for those costs. So, when you look at the Countywide costs, you'll see a significant increase in the Fringe Benefits Program and a zero-out in the transfer to the OPEB Fund. The Department of Finance basically can do it either way. If we transfer it from the General Fund to the OPEB Fund and then make the payment from the OPEB Fund, it's just more transactions that they have to track, and another fund that they have to keep track of. So, it's really up to this body's purview if you want to have it transfer from the General Fund to the Revolving Fund, or to the Special Fund, and then from the Special Fund to the State as it was, or make that payment directly.

CHAIR HOKAMA: Okay, thank you. Your Chair's position is to maintain additional Council oversights. So, I'm gonna maintain the way we've been doing it and not go to the proposal. Okay. I want us to see. I can tell you that Mr. Agsalog has already transmitted the original 13 million in two payments to the State to gather interest as soon as possible on the County's behalf. So, I can report that to you that the Director has taken our advice and direction on how to take care of the payments very seriously, and he has submitted those \$13 million as of the beginning of this week, I believe.

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MR. BAZ: Yeah, Mr. Chair, the confirmation from the State came on Monday, Tuesday that they received the two payments.

CHAIR HOKAMA: Okay, thank you very much. Any questions on these funds, either the Emergency Fund or the OPEB Fund, for Mr. Baz? Okay, having none, we've done this. Is there any additional review, Staff? Pardon me, Mr. Couch? Well anyone has a question for me? Okay, at this time, I'm gonna ask Mr. Ueoka to give comment. I am planning to adjourn this meeting and leave the ability to you to submit your proposals up to 4:00 p.m. as a transmittal. And so, Mr. Ueoka, if you would share with the Members how Corporation Counsel is viewing this to ensure that we are within the legal parameters of law.

MR. UEOKA: Thank you, Chair. As I discussed with you earlier, I don't see a problem with the Members submitting their budget proposals to Staff for your consideration. Just wanted it to be clear with all the Members that no deliberations are to take place in this communication and also no solicitation for vote should be included anywhere in this communication. That would include niceties or formalities, like I thank you for your consideration of this, you know, just, I know, it seems rude, but just submit it. Thank you.

CHAIR HOKAMA: Okay, are we clear? Is there any questions for Mr. Ueoka? Okay, thank you for that, Mr. Ueoka. Is there any questions for the Chair on your deadline this afternoon, Members? Again, I gave you your general parameters. I'm looking at reduction of borrowing by 60 million. An additional 10 to 12 of cash since we already have a reduced property tax certification number. Please take into account fees and rates in your considerations. And other than that if unless you have questions, yes, Mr. Couch?

COUNCILMEMBER COUCH: Just as a point of procedure. Any Staff or do you have a specific Staff person you want us to give it to?

CHAIR HOKAMA: Who is the easiest one for it...is it you, Yvette, the Secretary? Or Michele? Okay, hand in all submittals to Michele and upon receiving it, she will time stamp it.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: Okay.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Just to say when it was received. Okay, nothing else. I don't need any cover letters, nothing. Just your exhibit and your transmittal. That's all that's required. Any other questions? If not, we are...your deadline is 4:00 p.m., and this meeting is adjourned. . . .(gavel). . .

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**ACTION: DEFER pending further discussion.**

ADJOURN: 12:28 p.m.

APPROVED:



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RIKI HOKAMA, Chair  
Budget and Finance Committee

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Transcribed by: Delfey Fernandez

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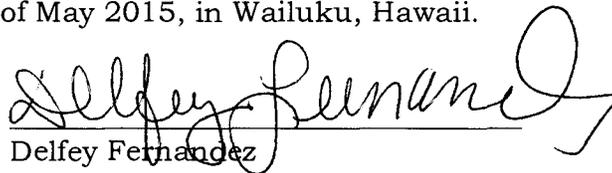
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CERTIFICATE

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

DATED this 18th day of May 2015, in Wailuku, Hawaii.

  
Delfey Fernandez