

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

May 4, 2015

Council Chamber

RECONVENE: 10:13 a.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Mike White, Vice-Chair
Councilmember Gladys C. Baisa, Member (out 2:20 p.m., in 2:32 p.m.)
Councilmember Robert Carroll, Member (out 12:44 p.m., in 2:58 p.m.)
Councilmember Elle Cochran, Member
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member
Councilmember Michael P. Victorino, Member

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

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation
Counsel

PRESS: Akaku: Maui Community Television, Inc.
Melissa Tanji, *The Maui News*

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

CORRECTIONS TO EXHIBIT "1" MATRIX

CHAIR HOKAMA: . . .(*gavel*). . . Okay. We shall bring this Committee meeting back to order. Staff is handing out to you the final draft which is now the Committee's draft or the Committee's proposal and we shall go through this quite quickly just to show you the adjustments the Committee has made and what is now currently before you. Okay. The, under Revenues, Members, the Chair is recommending the following Time Share from 15.07 to 14.55, Residential from 5.57 to 5.40, Apartment 6.20 to \$6.00, Commercial 6.83 to 6.60, Industrial 7.07 to 6.85, Agriculture 5.86 to 5.75,

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Conservation 6.06 to 5.90, Hotel/Resort 9.11 to 8.85, and Homeowner from 2.78 to 2.75. Let's see, and Commercial Residential from 4.46 to 4.35. With these numbers we shall be bringing in approximately \$255,584,150 as part of our main revenue stream. Okay. So these are the rates the Chair is proposing to you after you gave guidance before yesterday's recess. This is about a little over a 7 percent increase over the current year. Our community has asked for additional services and requests and so this Committee has added additional programs and expanded services as you saw fit and therefore there is a need for additional dollars to pay for those expansions or new requests that the Committee is proposing to be appropriated. Any questions on, to your Chair on the tax rates? It is still below what we originally expected. And the Chair feels this is a fair proposal, making adjustments and bringing additional fairness to the categories after hearing from all of you as well as testimony presented to the body. Any questions? If not, let's move on. We made some general adjustments as you can see under current charges, Solid Waste so our net estimated revenue from this area is 126,381,439 which is a reduction from the Mayor's 130,843,445. We left Transient Accommodations alone, everything else, we did make an adjustment in Licenses, Permits and Others. There was a restoration of 21 since we didn't incorporate that after your decision on the Rates and Fees section review where we increased for the license plate sales, the rate went from 5.00 to 5.75 so we made that adjustment. Intergovernmental we reduced the SRF, originally it was set for 42,865,000 we adjusted down 36,160,000 under SRF. We restored Iao at \$15 million we restored the Lahaina Wastewater Reclamation Project Stage 1A 12.5 million whereby the new revised estimate is 34,205,000. Interfund Transfers we made again adjustments after the certification of the Solid Waste budget. We reduced also to Operations and then we made a restoration. We reduced the transfers to the Golf Fund. We had to increase for the transfer of the C&D Commercial and Demolition Landfill due to the reports from the Department so this area has gone from 45,780,479 this has gone up to 46,473,347. On the Bond/Lapsed Bond the Mayor proposed 81,808,250, we had a reduction of projects of 55.9 million we restored 1.45. We reduced equipment bond for Public Works by 1.35 million, reduced CIP for Hana 1.1 million, we reduced Haleakala Highway/Makawao Avenue Project 500,000, Lower Main Street Project 150,000, and as well as the D8 Dozer for the Iao Flood Control that was restored. We also moved forward the Acquisition for the Kula Community Center and the Waiakoa or other known as the Kula Gym and we've put back 1.527 million for those two requests. Therefore our new Bond/Lapsed Bond estimated revenue is now at 25,782,372. Other than that we've made our adjustments regarding General Fund for certified funds, we had no adjustments or adjustments. So at the end of the day our now revised estimates for the Committee's proposal is at 620,723,460 which is a reduction from the Mayor's proposed 699,936,238 proposal. We had, Chair had originally reduced by \$113,564,160. The Committee restored \$34,351,382. Okay. Any questions in the Revenue side? If not, let's move on. Operating Budget you will see four columns; the Mayor's proposal, the revision that was made through the Chair's proposal, the restoration or action by the Committee, and then on the last column the number is what the Committee is currently recommending for Council action. So Office of the County Clerk after the revisions we're at 1,644,190, any questions in this area? Okay. Office of the County Clerk you

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see the adjustments including the restorations or increases and/or adjustments, the additional proviso whereby now the Council Services that recommendation is 5,473,759. Any questions? Down to the County Auditor Program, we made one adjustment no restoration, Auditor is now at \$1,150,450, questions? There was no change in Civil Defense, so just to be consistent in how I'm going down, let's see their net appropriation is 541,091, included also is an additional \$25,000 as a grant to American Red Cross. Any questions? Under the Department of Corporation Counsel we made the adjustments regarding the Compliant Officer, Law Technician. We did not support the relocation of three positions under Deputy Corporation Counsel heading, we made an adjustment, reduction of Operations, we are proposing an add of \$100,000 for the line item with a proviso that this shall be for contract services, for a professional negotiator to represent the County in any, in collection [sic] bargaining negotiations. So the new net for the Corporation Counsel is 3,342,021. Any questions? Okay. Under Environmental Management we did whatever adjustments we had to to the main key funds whether it be to Social Security, Retirement, Health, OPEB. Administrative Overhead charge we've had a slight adjustment on decrease for the E/P. Let's see what else we did in this area. Line 182 you will see the request for a Capital Improvement Reserve Fund for the County sewer replacement and related improvements that I had proposed to you and I thank you for having that consideration. So at this time after adjustments the net appropriation for this new Capital Reserve Fund would be started at \$1,868,567 and by first reading the Chair intends to have the enabling bills for an ordinance proposals ready also for Council to consider it. So if this moves and the enabling legislature goes we'll be able to implement a lot faster than not. Under Wastewater Operations you see the adjustments whether it be deletions as well as restorations. We have a proviso for Lanai's operations regarding the spoils vacuum equipment and their utility vehicle. So let's see, this one is under Waste Operations Sewer Fund, the new number is 21,242,882. Under Solid Waste Division we've adjusted, restored a position, we reduced salary for the Assistant Division Chief in response to the Department's communication and therefore for this Division we're at 1,174,882 then you see all of the regular administrative areas, Social Security, Retirement, Health, OPEB, Debt Service, Administrative overhead charge on lines 232, 233, and whatnot, you see adjustments regarding proviso's. On the next Page 12 you see additional deletions and additions of specific proviso's that the Committee has recommended regarding positions for equipment operator at Hana and Lanai. We also have added a proviso that \$126,000 shall be to continue Curbside Recycling Pilot project for the existing 1,750 customers in South Maui. We also have a proviso regarding Community Work Day for West Maui recycling events. Therefore this section the new appropriation number is \$4,550,414. Any questions? Okay. Department of Finance we made a slight adjustment to Operations. Under the Budget Program we did not support this. We have retained this in the Office of the Mayor and at that point I'll give more comment. We made adjustments in expansion positions. This one we have agreed for the Grants Manager as provided in comments by the independent auditor but the Committee is recommending that this be located in the Office of the Mayor under the budget program structure and to be under also Director Baz. Okay. Let's see, we made adjustments in A, B, C Accounts. Financial Services we made the adjustments

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to the expansion positions as well as the premium pay operations and but we did add, let's see, add expansion position for Real Property Tax, yes we provided a II Compliance Specialist I, Compliance Specialist II, on the understanding that they have the ability to bring in to the County and additional \$5 million for Compliance. Okay. We added for Operations an Assessment Analyst in this area. Under Treasury we restored an Account Clerk, made adjustments to their operations and restored some of their equipment. On Page 15 we made a reduction to the Supplemental Transfer to the Golf Fund. Line 309 under Countywide we made adjustments. We had to restore some money for the Fringe Benefits reimbursements so the new adjusted number is \$18,763,428. On Page 15 Supplemental Transfer to the Solid Waste Management Fund we made the adjustments or reductions and then we had to make adjustments to increase due to the reduction of the revenue that was originally told to us regarding the change in status of the C&D Landfill and the restoration of additional factors so there you see that has changed. And then I adjusted down Self Insurance to \$9 million but, to reduce the impact on the rate proposal. On the next page that was all adjustments due to the certification number that was given by Finance. On Line 347 once more we did make a slight adjustment regarding overhead reimbursement. I adjusted the Emergency Fund number and reduced that by 1 million. And so let's see, that's the changes to the Department of Finance in this area. Any questions? This is how I looked at the Budget. I tried to balance the rates for the cash, see what was in certain accounts and programs that we have reviewed and this is my recommendation to you how to approach the cash and adjustments whereby we can keep the rates within what the Chair feels is a reasonable recommendation to you this morning. Any questions in Finance? Okay. Under Fire and Public Safety this is what we went through after our reviews. Let's see, under Admin we are going to move the Secretary III right now. We adjusted Premium pay, Ops, and Equipment. Under Training we made the adjustments in overtime reduction. We restored the funding for the one-time request for the helmets. We made some other adjustments in equipment so under Training the new number is \$1,258,598. Fire Rescue we deleted three expansion positions, adjusted Premium pay. We restored monies for the Standardization project that they want to do regarding the replacement, then you also see the one-time increase for boots it's a ledger thing. Let's see and then we also put back money so we can definitely meet the 50/50 2-year phasing purchase that the Chief said was workable for his Department. So we made the adjustments to make sure it was 50/50 and then there is a proviso that the Committee wanted that is in the Operations that says the 252,160 shall be for the apparatus standardization plan. Under Fire Prevention we did not support the expansion, we made some ABC adjustments. Ocean Safety we left it currently as is since they are pretty much finalizing their new contract which will be sent to the employees for their review and ratification and also sent to us as employers for review and ratification. Any questions for Fire and Public Safety?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran.

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COUNCILMEMBER COCHRAN: Thank you. So I'm going back to Line 357. Did we restore that Secretary III?

CHAIR HOKAMA: Yes.

COUNCILMEMBER COCHRAN: Oh, okay just I thought I heard otherwise.

CHAIR HOKAMA: Yes.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: That was one of the ending decisions we've reached.

COUNCILMEMBER COCHRAN: Yes. Thank you, Chair.

CHAIR HOKAMA: Okay. Housing and Human Concerns. Housing Program we made a slight adjustment to Operations. Under Grants and disbursements for affordable housing rental we restored partial funding. Under let's see, Hale Makua we made a slight reduction. On Page 19 you will see for Line 417 we made a reduction for Early Childhood Resource Program and Equipment. The Committee I believe, wasn't last night so the other night wanted to support the frail and elderly component, specifically Kupuna Care. Since we have limitations on how we can fulfill the Committee's request it is now being placed under Human Concerns General. We have added the 200,000 the Committee wanted and this is the section where with the proviso specifically assigns it to the Kupuna Care Program. Any questions? Okay. Other than that we went through with good due diligence the grant requests in this program area and those Committee recommendations reflects after going through each project and having the members give their comments. We did add a proviso on Page 20, Line 449 regarding Molokai and their Head Start Summer Program. On the bottom of 20 the Committee supported a new request called Feed My Sheep and we gave them an adjusted consideration. On Page 21 after discussion the Committee is also recommending a matching grant to Hale Makua in the amount of \$200,000 for a one-to-one match which will assist them in their needs regarding a medical physician. Let's see, under Heritage Hall the Committee also took that same approach with this project. The Committee's providing 100,000 of matching funds. Okay. We asked them for a matching formula also for the Heritage Hall. Is this the right language for the proviso? Is this accurate what the Committee wants?

MR. MOLINA: Mr. Chair, yeah the...

CHAIR HOKAMA: Mr. Molina.

MR. MOLINA: Thank you. The Committee requested essentially a five-to-one match so it's a --

CHAIR HOKAMA: Yeah so maybe we--

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MR. MOLINA: --just for clarity.

CHAIR HOKAMA: --need to make that clear because, you know, like with Hale Makua we've already placed one to one. I would like that in case anyone questions we can say it's in the document it's five to one. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And because it looks like there that they have to receive a 100,000 before they get.

VICE-CHAIR WHITE: Right.

CHAIR HOKAMA: Yeah. I understand . . .*(inaudible)* . . .

COUNCILMEMBER COUCH: And if they only get 50,000 then it's five to one.

CHAIR HOKAMA: Yeah so we, I just wanted to so that there's no need to interpret. Whoever reads it, I know what they meant, it's simple. We usually get problems when somebody's interpreting things. Mr. White, any questions, sir?

VICE-CHAIR WHITE: No, Mr. Couch covered it. Thank you.

CHAIR HOKAMA: Okay. So we'll clean that up a little to make it, you know, more precise, the proviso language, but other than that there's no other adjustments. Okay. And then it goes down all the way through the various other agencies and this goes up to page, let's see, let me move it up and take you to Page 24, still in the same program area. You'll see the narrative description that just explained what we did from the initial placement of the Kupuna Care monies under Frail and Elderly, we moved it laterally. There is a proviso for Molokai regarding Special Olympics. Under Women Helping Women there is also a proviso, Line 571 that additional expansion amount of \$10,000 shall be for East Maui services. Let's see, down to Page 28 we have a proviso on Line 662 so again brings clarity regarding Project Graduation, and the proviso as proposed reads provided that no more than 5,300 shall be granted to each school that applied and that 50 percent of each school's grant shall subsidize graduates' participation based on economic need. So this will go to, be able for all our high schools in the County. There's also a proviso on Line 677, 678 Lanai animal Rescue 10,609, and Molokai Humane Society 81,954. Under Animal Enforcement on Page 29 Line 684...

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Yes?

COUNCILMEMBER COUCH: We had talked about and got consensus I believe on a 3 percent increase in salary. Is that located...okay, I'm sorry, I see it.

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CHAIR HOKAMA: It's on 676.

COUNCILMEMBER COUCH: Thank you. Thank you.

CHAIR HOKAMA: Okay, 679 we have an additional proviso, that County funds shall not be expended to operate pet cremation services, direct release quarantine services or any other earned-income activities not related to contractual obligations. Okay. Under Animal Enforcement we restored 3 percent. We made some reductions from the Special Revenue Revolving Fund 150,000. We have the same proviso in Animal Management that we have now in Animal Enforcement, and let's see, we restored monies to the Spay/Neuter Program. Those are the adjustments we made in Animal Management. Any questions? Okay. Let's move on, Department of Liquor no adjustments to the Chair's revisions so we still move that forward at 1,872,625 under Liquor Control. No changes to their Administrative area. Department of Management Page 30 we reduced E/P from 14 to 13. We deleted the expansion position and reduced some Premium pay and some Operations. So their net now is 1,451,958. Line 720 we put back the money for the Office of the Mayor regarding the Economic Development or the Energy Position so you see adjustments plus and minus so it's a wash. We did make some adjustments under Information Technology or IT. Let's see, we made a deletion of some of the expansion positions. We restored the position for General Management Project Manager and a .8 LTA position for Information Systems Analyst V, and we restored Operations. So the net appropriation for IT in Department of Management is \$9,071,548. No changes to GIS. Any questions? Office of the Mayor. Let's see, we restored monies for some Salaries and Wages. Under Salary Adjustments we are giving them a 3 percent increase. We've adjusted Operations, Equipment and this is where we have restored as a line item the Budget Program and the Budget Office that's headed by Mr. Baz and his employees and where we are also going to park a grant management position. So that number is now \$1,405,155. We made adjustments to the Akaku grant number, Line 150 you see is highlighted Budget Program so this is a program that we've created within the Office of the Mayor as it relates to Budget and Budget Staff. So those are the adjustments. We've added a proviso that disbursements for salaries and premium pay is not restricted by Section 5. That's regarding the E/P counts and it's the same way the Council does Council Services. So those two offices operate under the same ability without restrictions from Section 5. Under Economic Development Program we restored, that was the position for the Energy Czar that, as if they don't have the person they want at this time and the Committee also recommended a 3 percent for salary adjustments. So Economic Development General Program is \$1,203,498. Okay. Under grants we have one for Agriculture Promotion, we gave it a slight increase and we have three proviso's. One is for 15,000 Maui School Garden Network, one for 25,000 Maui Farmers Union, a mentoring program, and then a third one which is for \$10,000 shall be for the Maui Farmers Union to have an ability to do a contract for service to get a grant writing component. So this is for me, you know, we won't be seeing this request again. We adjusted County, Maui County Farm Bureau. We deleted the, on Line 787 the request to join the State in a State Department of Ag study, that has been deleted. We have restored the cut to CTAHR. Let's see, the rest is static, static. On Page 35

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under MEDB there is two provisos. 200,000 for a new business generation and new job creation program, and a second one, \$10,000 shall be for technology programs for Molokai schools. Let's see, Line 840 it's about MEDB's automotive program that we, that's based at the Maui High School Campus. 841 has a proviso that states that the efforts to expand the program to other high schools Countywide shall be demonstrated. We made some restoration to MEO's Microenterprise Program. We did add a proviso that funds are available to provide a full-time position for a Molokai Loan Fund Manager. On Page 36, Line 864 under Festivals of Aloha we continue to have a proviso that equal amounts are allocated to Maui, Molokai, Hana, and Lanai. On the bottom of 37 we have additional proviso's, 906, 35,000 for Hoaloha Aina South Maui Volunteers. We did add \$1.2 million on Line 920, Members, regarding Coqui Frog Eradication. MVB, Line 930 we reduce, restore, increase so it's now gone up to \$4 million for MVB. Under Grants disbursements for Economic Development we have some proviso's; 10,000 for the Maui Nui Canoe Race, \$10,000 for the Na Kamehameha Commemorative Pa'u Parade and Ho'olaule'a, and \$10,000 for Aunty Emma Farden Sharpe Hula Festival. Those are the components regarding Office of the Mayor. Any questions? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yes, yes. And yes, it needs deliberations under I believe that's Line No. 850 I requested a proviso.

CHAIR HOKAMA: Oh, that's right for your --

COUNCILMEMBER CRIVELLO: Events.

CHAIR HOKAMA: --events that you read through your amendment, yes.

COUNCILMEMBER CRIVELLO: Yes.

CHAIR HOKAMA: Thank you for that. We'll make sure that gets added, yes.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

CHAIR HOKAMA: Thank you for reminding, for reminding us.

COUNCILMEMBER CRIVELLO: Thank you, Chair.

CHAIR HOKAMA: Okay, yeah, we had consensus on that yesterday so let's please add that in for Ms. Crivello. Any other questions or comments in this area? Okay, let's move forward. We'll take care of that, Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair.

CHAIR HOKAMA: Parks and Recreation. Okay. Admin we made some adjustments regarding the Intern 0.8 positions, small adjustments to Ops and Premium pay. We made adjustments, a small reduction to Workline. Aquatics, Line 961, as we said

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earlier when we went through Fire we're getting close to making the transfer once the contracts are squared away. But in that area though we did restore a request to put money back for one ATV and one pick-up truck, that's on Line 967. We also added a proviso that 40,000 shall be for an ATV and pick-up truck and that we'll assign it to the West Maui Aquatics and Beaches program. We made some adjustments in Park Maintenance, and we restored the cut for the Arborist position. Planning and Development Program, we made some adjustments in the A and B Accounts. We added a proviso 200,000 for the Wells Park Master Plan. Okay. And then, yeah, we restored that half-time position. Let's see, Waiehu Golf Course, okay, that's it for Parks and Rec. Questions in Parks and Rec? Okay. Department of Personnel Services, we deleted the expansion position, made a few adjustments, so net appropriations is \$1,487,347. Any questions for DPS? Under Planning, we adjusted E/P count from 63 to 62, there was a deletion of an expansion request, we adjusted Premium pay, restored some money in Operations for Professional Services, and regarding the County needs assessment for the Zoning Code we put back 50 percent or 75,000 toward this future project. We also added language in this area regarding the Kahana Bay issue that was presented to the Committee for consideration and the proviso states that no funds are expended for erosion mitigation studies at Kahana Bay unless a one-to-one matching funds are received to access the County monies. Sea Grant, we restored the deletion, MRA we made some slight reductions, and that's Planning Department. Any questions regarding Department of Planning? Department of Police Admin we made a small reduction in Premium pay so this goes forward at \$4,814,935. Investigative Services we restored 50 percent of the Premium pay consideration so this is now at \$10,264,777. Uniformed Patrol Services we restored half of the original reduction in Premium pay, we restored two SUV vehicles for Molokai, and their now adjusted budget is \$27,877,178. There is no restoration to the revisions made for Technical and Support Services Program. So the Chair wants to thank the Chief. He was very surgical in his comments, he was very surgical in his requests for reconsideration. So Chief did a very good job in this Chair's opinion. Any questions for Police? Thank you. Under Prosecuting Attorney there was no changes in the Administration requests. We made an adjustment in General Prosecution Program. That request that we took about for the IT as we heard it was a grant funded position then now they're saying they still want to keep it but shift it to IT and then have IT pay for it. Well this is their request to keep their grant employee. The Chair is proposing that we take it out of Prosecuting Attorney's General Prosecution Program area to pay for the analyst they want to keep, maintain the LTA position classification, and if it still works that the employee be based in Prosecuting Attorney that's something that Mr. Kim and Mr. Verkerke can work out. But this is just the funding proposal for the position. Is there any questions? Okay. Thank you very much. So that's Prosecuting Attorney. Let's move to Public Works. Admin Program, we just had a slight reduction in Operations and I thank Mr. Goode for following and keeping up with the Committee. He was very quick to respond to Members so the Chair thanks him for that. Also, in our discussions with Mr. Goode or his appropriate personnel we made adjustments in the MS4 program. Under Special Maintenance this was great thinking out of the box on how to adjust and shift personnel instead of just adding positions regarding the requests of Environmental Management Solid Waste regarding

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their need for Equipment Mechanics, but at the end of the day we've, there will be no transfer and we shall keep the positions as is so if you can see it's a delete transfer and restoration process. We did not support the expansion position for a Labor Supervisor, and we moved, we've retained into the Bond Fund a D8 Dozer with Ripper Attachment and this is basically will be assigned to the Iao Flood Control project area. So Admin net is a \$3,069,867 request. Under DSA we made adjustment to Premium pay and that's it. Highway Administration - Highway Fund, we made some adjustments, a reduction, 2,976 to Premium pay. You see the adjustments we made regarding ERS, FICA, EUTF, OPEB where we had to add some monies due to increased costs. Also overhead on Page 47, Line 1146 we had to add a little more. We restored the expansion request that I had recommended deletion for Equipment Operator IV for West Maui that has been added. We have also added an expansion position, a Laborer II for West Maui. We reduced from the Bond Fund from this program area the Brush Cutter, Skid Steer equipment, Vacuum Street Sweeper, 950-J Loader, Front End Wheel Loader, and the Brush Cutter. We did add the proviso regarding the West Maui Equipment Operator and Laborer II positions. Traffic Management - Highway Fund we just made some adjustments in A and B Accounts, and that's that. So that is Public Works, Members. Any questions? Okay. Department of Transportation, we made a \$10,000 reduction in Operations under Public Transit, under Human Services General Fund we restored 750,000 for the Transit Center and reduced the MEO Transportation. We had also reduced in the Administrative Program of the Highway Fund, under Public Transit - Highway Fund we made a reduction of 10,000 to the Public Transit and a 100,000 reduction in the Maui Bus Paratransit program. Those are the adjustments in Department of Transportation. Any questions? Under Department of Water Supply under Administration we deleted the expansion position, we deleted an unfunded expansion position, positions five, and we brought this to \$7,503,616. Let's see, under Watersheds for Countywide the amount stays the same, East Maui stays the same, East Molokai is restored to the full 250, no change for West Maui, Leeward Haleakala is at full 220, Grant for Miconia at 263, we added 50,000 for Puu Kukui Watershed so now that will go to 250. We have added a new project, it is called the Honokowai/Wahikuli Watershed and we have placed \$75,000 for this program. There is also another capital reserve fund being proposed to you in this area. Right now it is under the heading of Reserve Fund for the Upcountry Water System Expansion and Related Improvements, the Committee's recommendation is for \$5 million to be placed in this fund. You see some adjustments in the overhead components of Employee Benefits, OPEB, Administrative Overhead which are reductions, thank goodness. And then under Water Operations Water Fund we restored the Premium pay, we gave some partial restoration to the Operations, and then we restored their Equipment requests in this program area. So that's a net of 31,859,591. So total Operating Appropriations, Members, our number is \$519,676,830 which is below the Mayor's proposed 533,205,897. In this area of Operations the Chair recommended a \$22.134 million adjustment and we have restored \$8.605 million. Any questions? Okay. Thank you. Let's go to Capital Improvements. General Fund East Maui this is areas by consensus. So Hana-Keanae Parks System would be 446,250; General Fund Parks System Paia-Haiku 450,000; Makawao-Pukalani-Kula-Ulupalakua 435,000. Let's see, General Funds, let's see, we

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deleted the Apparatus Shelter from the General Fund area, we have put for the project Wailuku Redevelopment Municipal Parking Lot and Expansion we had 31,387 at the end of the day so this is now at \$7,460,304. Parks and Rec Central Maui \$600,000; no change to Kepaniwai. Road Improvements General Fund we shifted the Central Maui Bike and Pedestrian project to the Bikeway Fund.

COUNCILMEMBER GUZMAN: Chair?

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: I have a question. When you shift the 150,000 to the Bikeway Fund does the actual description get transferred as well as a proviso? Like provided that 150,000 would be for the Central Maui Bike and Pedestrian study?

CHAIR HOKAMA: Yeah, you'll see it when we hit the Highway Fund.

COUNCILMEMBER GUZMAN: Oh, okay, okay. Thank you.

CHAIR HOKAMA: Yeah, thank you. Yeah, there should be, every place you see a plus or a minus there should be a corresponding, another place in the budget that has the exact opposite to balance out. Okay. DMV Satellite Expansion we've chose to defer that at this time. Under Parks and Rec at this time deferral of the South Maui Building Maintenance Baseyard. South Maui Parks General Fund Parks System 885,000, and we've, going to put forward for the Waipuilani Park Irrigation System 800,000. Let's see, General Fund West Maui, West Maui Parks System \$225,000. Lanai no change, 10,000 for the Fire Station Improvements, Lanai Parks System 262,500; Molokai 273,750. Okay. Under Countywide the Committee has this now at 300,000, we've restored the monies; Countywide Fuel Tanks 100,000; Countywide Police we're at 150 with a proviso that funds shall be used for improvements to the police cottages on Molokai. Highway Fund we have placed 150,000, the Kalepa Rock Fall Assessment, this was from the Bond Fund. We kept the Piilani Roadway and Embankment Repairs at Waiopai back to the Bond Fund and we also moved back the Waiopai Bridge Improvements to the Bond Fund. Highway Fund Makawao-Pukalani area move to Lapsed Bond Proceeds, we moved this project from Highway Fund \$1 million to the Lapsed Bond Fund component so that's where you'll see this project. Wailuku-Kahului area under Road Improvements Highway Fund we decided that this can wait. I thought we had a proviso for Mr. Guzman? I believe...

COUNCILMEMBER GUZMAN: Yeah, there should be.

CHAIR HOKAMA: Wasn't this about that existing lamp post or something?

COUNCILMEMBER GUZMAN: Yeah.

CHAIR HOKAMA: It just needed the light, Mr. Guzman?

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COUNCILMEMBER GUZMAN: Yeah.

CHAIR HOKAMA: Oh it's, yeah, okay we're having a different, I apologize. My error. It's been a long week for us. Give my apologies, we have it placed somewhere else, Mr. Guzman.

COUNCILMEMBER GUZMAN: Yes, thank you.

CHAIR HOKAMA: Okay. We also restored since we had a great update status from Ms. Cochran the Kamehameha Avenue at Maui Lani project has been restored \$1.4 million. And then we placed from Bond to Highway Fund the Lower Main Street Resurfacing project. The Namauu Place to Kulanihakoi we pushed that to the Bond Fund under the Kihei-Makena Road Improvements. Under Highway Fund Countywide on Line 1450 we had to make adjustments to the Road Resurfacing in balancing the Fund so right now the Fund grew a little it's now at \$6,018,028. Under Countywide Safety on Line 1454 you will see a proviso that has been recommended for \$10,000 for...okay this is yours, Mr. Guzman.

COUNCILMEMBER GUZMAN: Yeah.

CHAIR HOKAMA: For installation of a street light at the intersection of Kamehameha Avenue and Mahaolu Street. There is the proviso there. Okay. We also have a proviso under Countywide Traffic Calming that we are going to reduce as verified through the Department to provide funding for Equipment Operator IV and Laborer II positions for West Maui, so there is your proviso, Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: And then let's see, we made the adjustment for the FAP or Federal-Aid Primary roads program. Under Road Improvements here you will see on Line 1474 the Central Maui Bike and Pedestrian Study has been placed with the \$150,000. Okay. On Line 1488 we made adjustments to the Bikeway Fund, that's for the Countywide. At this time with input from Mr. Carroll we have decided to defer the Hana Ball Park Drainage project. Under Road Improvements you've followed with me already how we've shifted the Kalepa Rock Fall and project on this assessment, and at this time we are deferring for this year the Kanae Road Safety Improvements request of 500,000. Piilani Highway Roadway Embankment Repairs at Waiopai we've placed \$500,000 in this Fund. Also the Waiopai Bridge Improvements we placed in Bond Fund. Under Bond Fund we made a decrease to the Baldwin Avenue Bicycle Improvements. North Shore Greenway no adjustments, moving forward as is. Bond Fund Makawao-Pukalani-Kula Government Facilities you will see the add of two projects that the Committee's recommending; one Kula Community Center 307,000; Waiakoa (Kula) Gym Acquisition \$1,220,000. On Page 62 Bond Fund Wailuku-Kahului Kahekili Highway Culvert at Kamaile Street per the Department we are deferring this so it's deleted for this year. Under Government Facilities as we've gone through we've adjusted the Kalana O Maui Electrical Upgrades request, we deleted the Campus

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Expansion, we've deleted the baseyards at this time and on Page 63 by Department request we are also removing the \$2 million improvements for War Memorial Civic Complex. Road Improvements Bond Fund Kahekili Highway we've reduced to \$3 million, Lower Main Street we've moved it to the Highway Fund, we've deleted the Waiale Road Extension or deferred it at this time. We've adjusted South Kihei Road Culvert Replacement so that appropriation would be for \$1.6 million. We've adjusted and deferred for this year the additional 4 million for the South Maui Community Park but, Members, we all know we've already put in \$16-plus million into this project. We've shifted to General Fund the Waipuiani Park Irrigation so you see a zero there. Under Road Improvements we've made adjustments on the District Resurfacing program since we have that big Countywide pot of the six million plus. We moved from the Highway Fund to this program area 553,622 for the North South Collector Road project.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Yes, Mr. Couch.

COUNCILMEMBER COUCH: You were, we didn't take a vote on the Line 1605 'cause you were thinking of where you might be able to do something with that and to also preserve the pavement, the South Kihei Road.

CHAIR HOKAMA: Yeah, yeah so thank you for that question. After reviewing it, the best we found was \$12,000 to add to the \$6 million pot so I would say if I heard correct in our confidence with Mr. Goode to prioritize Countywide, the roads that he needs to do then that I was going to recommend that for you, Mr. Couch, trust in him as we are going to all put our trust in him that he knows how to deal with the \$6-plus million in the best priority. And again, Members, this is for ten months and we'll be back and we'll be making adjustments to this pot. So, Mr. White?

VICE-CHAIR WHITE: Yeah, my recollection was that we did take a vote on it because it was, this was a Federally funded project and that we didn't want to put it anywhere else because it was a, it was going to be subject to Federal funds. So I thought we had taken a vote.

COUNCILMEMBER COUCH: We had started to...Mr. Chair?

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: We had started to then Mr. Hokama says well let's wait and see if --

VICE-CHAIR WHITE: Oh, okay.

COUNCILMEMBER COUCH: -- he can move it.

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CHAIR HOKAMA: Yeah, yeah. So thank you for asking that question, Mr. Couch. Yeah. So what we did was just help grow the Countywide pot slightly bigger in that way for those projects that can access the Federal dollars, that much more leverage we are able to have. So sorry, Mr. Couch, that's how I approached it, Members. Any other questions in this area? Okay. Let's see, where was I, okay, you see adjustments to Kaunakakai Drainage B, Kaunakakai Police and Molokai Baseyard. Bond Fund Countywide we restored half the cuts for Drainage, Countywide Facilities is still at 750,000, we did restore some money for Bus Stops and Shelters. Under Countywide Equipment let's see we reduced, okay so I already brought up the Public Works Equipment, the main one is Line 1655 we added to Fire Rescue \$500,000, Pumper Truck for Pukoo Fire Station, and again by the Department of Police we did the adjustments for the Public Safety Radio Replacement. Okay. What else we need to. Bond/Lapsed Bond, the main one is that \$1 million amount. That is being placed only on one project, it's the Haleakala Highway Intersection Improvements at Makawao Avenue. Okay. We then deleted the Campus Expansion from Bonds/Lapsed Bonds. Since Ms. Cochran under Parks Assessment Funds still has some money we have 480,000 for her projects there. Mr. Couch, your District used to have a lot of park assessment money but that was used for --

COUNCILMEMBER COUCH: The park.

CHAIR HOKAMA: --the parks.

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: So I know people are asking you where is your park assessment money. Well, it was spent on their facilities.

COUNCILMEMBER COUCH: Yeah, the new park, yup.

CHAIR HOKAMA: So basically that's why it's almost either wiped out or few dollars remaining in your fund.

COUNCILMEMBER COUCH: Yup.

CHAIR HOKAMA: I know I had a question about why you didn't have park assessment monies.

COUNCILMEMBER COUCH: Right, I have to answer that too.

CHAIR HOKAMA: Yeah, they weren't around when we spent it. Okay. West Maui, Sewer Fund, West Maui we made those adjustments to the Pump Stations, to the Lift Stations, we made one big adjustment to No. 1721 West Maui Recycled Water System Expansion. Let's see, we did add on Page 69 a new project, it's called the Hana Landfill Makai Berm Waste Removal project. We have placed \$250,000 to move that and we did it by making adjustments that was run through the division for the

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remediation projects at Makani, Waikapu, Olowalu, and Kalamaula. So those adjustments was able to help fund the Hana Makai Berm project. Let's see, under State Revolving Fund we did restore and it's assigned now to the Iao Water Treatment Facility, \$15 million. That would be on Line 1780. Also under SRF we made adjustments to Kihei Pump No. 16 Pump project, we have decided to defer Kaanapali R-1 Water System Expansion, 7 million. We have restored \$12.5 million for the Lahaina Wastewater Reclamation Facility Modification Stage 1A. Let's see, okay we did that already so don't need to go through that. Water Fund, Unrestricted, Upcountry Fire Protection we made an adjustment, that net appropriation now at \$1.5 million. Here you will see on Page 72, Line 1826 Water Fund Unrestricted Makawao-Pukalani-Kula Community Plan there is under Water Supply Source Transmission and Storage for Upcountry Water System that is now at \$2,425,317. Water Fund, Unrestricted, Countywide we've deleted the Countywide Facility Improvement pot. Countywide Upgrades we have made some restoration where their net appropriation is \$2.5 million for the projects as discussed with the Committee. So our recommendation as a Committee has gone from the Mayor's \$166,730,341, we have reduced that to \$101,046,630. Therefore total appropriations Operating and Capital Improvement Projects from the original proposal that we received at \$699,936,238, the Committee's recommendation is now at \$620,723,460. Any questions on the CIP portion? Mr. Victorino?

COUNCILMEMBER VICTORINO: It's really not a question on CIP, it got by me and then I had, so should I bring it up now or should I bring it up later? Because if you go back to 1450 we hadn't gotten consensus on setting aside the 300,000 for the Eha Street Improvements should the agreement be reached with the landowners. So this would ensure that that agreement would be solidified and we could get the improvements necessary on Eha Street. But I see it's not there so I just wanted to make a reminder to you, Mr. Chair, and the Staff to make sure that's included.

CHAIR HOKAMA: Okay. Did we take action on that yesterday, Mr. Molina?

MR. MOLINA: Yes, Mr. Chair, that was an oversight on Staff. We'll add that back in.

CHAIR HOKAMA: Okay. My apologies.

COUNCILMEMBER VICTORINO: No, no, no. I just, you know, I missed it and then I had to go back and check.

CHAIR HOKAMA: No, no thank you. No, so thank you. You know like Mr. Couch gave us a good check and we appreciate you giving us a good check.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR HOKAMA: Yeah, sorry. A few things fell through late in the day.

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COUNCILMEMBER VICTORINO: No, Chair. You guys have done a terrific job. These little misses is not unusual considering all the changes that we've gone through over the last two weeks. So thank you very much, you and the Staff have done a yeoman's job.

CHAIR HOKAMA: Any other corrections or questions that we can assist the Committee with up to this point? Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, and sorry to go so far back --

CHAIR HOKAMA: No, no, no, no, no, no.

COUNCILMEMBER COCHRAN: --but it's in relation I think it's on Page 28.

CHAIR HOKAMA: Okay.

COUNCILMEMBER COCHRAN: And it's going back to Animal Management Program. If I'm not the total, or sorry Page 29 I guess the net appropriation would be the grand total for this entire section, is that the 402,000? Is that what I'm looking at? 'Cause for some reason I'm trying to look at my scribble scrabble notes and I come up with a figure of 536,091 there instead.

CHAIR HOKAMA: Okay. Yeah, so you gotta look at it, you know, this is a little bit different. Look at this in programs, so on Page 29, Ms. Cochran, under Animal Management after the reduction, adding the proviso's and whatnot, on Line 680 on the top of Page 29 that is their now net new revised number for Animal Management 930,675. For Animal Enforcement which is from Line 683 down the net appropriation is 402,482 which does not include the Spay/Neuter money.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: I think the confusion is that the 402 is General Funds.

CHAIR HOKAMA: Yes.

VICE-CHAIR WHITE: And to get to her 550-something you have to add back the --

CHAIR HOKAMA: Revolving Fund.

VICE-CHAIR WHITE: --150,000 in transfer from the Animal Management Fund.

CHAIR HOKAMA: Right, right.

VICE-CHAIR WHITE: And you get to the increased amount that we agreed on.

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CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: So, Chair?

CHAIR HOKAMA: Yes.

COUNCILMEMBER COCHRAN: So that, what Mr. White is saying that 100,000 is in that other Revolving Fund?

CHAIR HOKAMA: Okay. So you gotta add...

COUNCILMEMBER COCHRAN: Which we haven't come up on at.

CHAIR HOKAMA: So for Animal Enforcement you have to add the 402 General Fund with the 150 from the Revolving Fund and then you get that adjusted number and then the 100,000 for Spay/Neuter.

COUNCILMEMBER COCHRAN: Okay. Okay, thank you. Great. Just wanted to...

CHAIR HOKAMA: Yeah, we did something different this year.

COUNCILMEMBER COCHRAN: I just wanted to, yeah backtrack --

VICE-CHAIR WHITE: A little confusing.

COUNCILMEMBER COCHRAN: --just in case it was an oversight.

CHAIR HOKAMA: Yeah, yeah, no, no, no that's a great question.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR HOKAMA: Because we approached it differently this year.

COUNCILMEMBER COCHRAN: Yeah I guess my numbers...

CHAIR HOKAMA: Using the Revolving monies.

COUNCILMEMBER COCHRAN: Okay. Thank you, my numbers add up now. Thank you very much.

CHAIR HOKAMA: Okay. Anyone else up to this point? Okay. Great, thank you so much. Is there anything Appendix A we should go through, Staff?

MS. YOSHIMURA: Mr. Chair, in Appendix A Staff added the restriction to the A Account in the proviso along with the E/P numbers.

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CHAIR HOKAMA: Okay. Okay, yeah we've implemented a lot of, the adjustments is the implementation of A, B, C Accounts, Members.

MS. YOSHIMURA: Excuse me, Mr. Chair.

CHAIR HOKAMA: Ms. Yoshimura.

MS. YOSHIMURA: On Page 84, Line number 2125 we revised the proviso, took out the reference to Parcel 5 and its tennis courts in West Maui. It wasn't specific to the area, to any particular location in West Maui, and we also moved the Lifeguard Services from the Department of Fire and Public Safety to the Department of Parks and Recreation.

CHAIR HOKAMA: Okay. Thank you. Members, any questions for this appendix for the Chair or the Staff? Okay. Thank you very much. And again with your consensus we moved, carried over the current year's proviso's in to this year that as part of the instructions from the Committee.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: On behalf of the Planning Department I want to thank you for removing the Lifeguards from their purview.

CHAIR HOKAMA: Okay. What I would like to run through next with you is the rates and fees adjustments. So can we hand out for the Members please our most current revised proposal for them?

COUNCILMEMBER COUCH: Were we...Mr. Chair?

CHAIR HOKAMA: Yes?

COUNCILMEMBER COUCH: Were we going to go through the Open Space Fund and all those proviso's that we added?

CHAIR HOKAMA: Yeah, we're going to go through provisos and referrals later.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: Okay. Thank you, Staff. On the first page from the Staff it's about Highway Fund. So hearing your comments yesterday and whatnot, this is some of the adjustments that was made under Public Transit Fares. I have proposed to you a Low-income fare component for the month. General Boarding is or for the monthly pass is \$60 for all routes. I am recommending that we have a Low-income fare that's going to take some subsidy but it'll be half of the regular monthly fare. So the

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Low-income fare is \$30 for all routes, and this is the approach I am recommending for you to think about; applicants for the Low-income fare shall be required to register annually with the Department of Transportation or an entity designated by the Department of Transportation to qualify. So there is, would be some checks and balances that we are asking to be placed in whether they can work with Human Concerns, Section 8 components or what, there's lists of people who are already qualified under the Low-income category. So this is my consideration for you after hearing that this is something you folks would like to see if possible and so it's my proposal to you which is 50 percent less. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I want to thank you for this consideration. I think it's a good way to go and we can try it and if it turns out the way we hope that's great. And if it turns out that, you know, other things crop up that we haven't taken in to consideration, 'cause you know every time we change something there's always --

CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: --something that crops up. But I think this takes care of a lot of the things we thought about and I like the term low-income because it's broader. If you say only disabled or elderly or whatever it doesn't, it's not that inclusive and there are too many exceptions. So I am, I like your idea and I think this is wonderful. It'll help the people that need the help, and it'll also help us so that we can pay the bills.

CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR HOKAMA: No, thank you, Ms. Baisa. Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I just would, to ask the Committee's I guess indulgence for the Department of Transportation in some leeway interpreting what low-income means. So 'cause it's not clear in here so I'm sure there is some type of Federal standard that the Department of Transportation can adhere to but just I wanted the Committee to be on the same page I guess as what we would advise the Department. Thank you.

CHAIR HOKAMA: Okay. Thank you. Well we know it's got to meet the legal test also so we look for your guidance in that area, Mr. Ueoka. But I think you have the intent of where the Committee is going to, would like to go with this. So thank you. Anyone else on this proposal? Ms. Baisa?

COUNCILMEMBER BAISA: Just one more thing about the low-income thing. We all know that Hawaii is very unusual in terms of what is low-income and what isn't so we might and, you know, I'm sure our legal department will look into it, but we got to look at what applies to Hawaii --

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CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: --because we're unusual. Federal low-income guidelines are interesting compared to ours.

CHAIR HOKAMA: Yes, thank you for that reminder. Okay. Anything else in this area? If not, this is what the Chair is proposing. On the second page we had communications with the Water Department, and did we also pass out, can you pass out the comparison we did for the Water Rate Increase versus Flat Rate please? Okay. What Staff is handing out for you and let me just tell you how I approached it 'cause I wanted to share with you some of the challenges I had and with your additional guidance we can make the appropriate adjustment or retain what we have. I heard your directions yesterday and so we calculated if there was a rate increase on per thousand gallons regarding use, we estimated that the increase would generate \$1,445,997. So without the current increase, this is how we've placed those monies; 2,409,695 is currently in the Water Source, Transmission, and Storage Fund and we've placed \$5 million to the Capital Improvement Reserve Fund for Water. Now with the increase this is how the numbers would change. Basically nothing to your Capital Reserve Fund but would increase your Water Storage, Transmission, and Storage Fund. So my thing is this what you really want to do and if you do we can do it. We're showing you that the rate increase will be basically putting money into pots for future capital costs, and if...and so this why we are on the page of the rate handout. You see in very nice font's, Stage 1, 2, 3 and those numbers below. If we retain the rates then we will need to make the adjustments on water storage and you see the proposals if we retain the current rates. If we don't then the rates as proposed are already in the original is what the rates will be. So you can see the difference in the storages per stages and per thousand gallons. So, you know, it's all which way you folks want to go, I'm just giving you the two options, and again hearing that, you know, part of what Mr. Taylor has recommended that we do small increases annually. Do I'm sure this is what it would be and this is where in my understanding of your directions is where it would be placed and I'm just showing you the differences if we do or don't do it for your information. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And this is a technical thing on the sheet you just handed, not the sheet but the...

CHAIR HOKAMA: Yeah, the rates, yeah, that's a technical thing that if we go one way...

COUNCILMEMBER COUCH: Well no, no, no I'm just saying that if you look at this per meter per month it deletes in red the 17.50 of let's take the 5/8 on Page 39, 5/8 inch it deletes in red the 17.50 and then in blue you have 19.50 and that's crossed out, so in essence the way I read it the rate is now zero.

COUNCILMEMBER VICTORINO: If you want to get technical I guess.

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COUNCILMEMBER COUCH: I don't know, I mean if we're going to vote on that I...

CHAIR HOKAMA: Mr. Molina, can you explain? I know normally the bracket underscoring means one thing.

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: But we've, yeah I know, there was confusion for me too.

COUNCILMEMBER COUCH: I think you need to put lines through the brackets in red in my opinion.

CHAIR HOKAMA: Okay, so...

MR. MOLINA: Thank you, Mr. Chair. Yeah this was a handout provided by the Director of Water Supply so.

COUNCILMEMBER COUCH: This one?

MR. MOLINA: Yeah with the revised water shortage rates noted on the right-hand column.

COUNCILMEMBER COUCH: Okay.

MR. MOLINA: And so we hadn't adjusted. But yeah so basically they're trying to reflect what the Chair's proposal was which is to retain the current water rates and to provide corresponding water shortage rates based on the FY '15 rates.

COUNCILMEMBER COUCH: Okay. Well when we get to the vote we'll fix the...

CHAIR HOKAMA: So the numbers in red, Mr. Molina, means what for the Members?

MR. MOLINA: So this is taken off the Mayor's proposed rates and fees which indicate, which were indicated in Ramseyer format which is why they were initially presented to the Committee with the red bracketing and the blue text. So to mark up the Ramseyer'ing, you know, the, we would strike out the blue and also as Mr. Couch had indicated strike out the red brackets, so the red numbers would reflect what is being proposed by the Chair and also is the same numbers for FY '15 rates.

CHAIR HOKAMA: Okay. Thank you for the assistance. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair, and thank you very much, Mr. Molina, for the explanation. You know if we're going to publish this for the public or give people this I would really suggest if somebody could that we kind of mark this a little better so that everybody can understand it. If we're confused can you imagine the public?

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CHAIR HOKAMA: Yeah, we'll clean it up.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR HOKAMA: Whatever is the final.

COUNCILMEMBER BAISA: I understand.

CHAIR HOKAMA: Final proposal we'll clean it up yeah. So no, thank you.

COUNCILMEMBER BAISA: Yeah, 'cause, you know, we don't want people getting nervous misinterpreting things.

CHAIR HOKAMA: Yeah, thank you.

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Yeah, just to be clear that the 1,445,000 difference is based on both the water usage rates and the monthly meter charges correct?

CHAIR HOKAMA: Is that how we, yeah that's how we calculated it, Mr. White.

VICE-CHAIR WHITE: Okay. Thank you.

CHAIR HOKAMA: Any other questions? The Chair is open to your preference on either retain the current rate or go with the rate increase. I'm presenting you the information that I was able to get regarding both options. So I just need to be given the guidance and we'll make the appropriate final adjustments so we can do motions. Mr. Couch?

COUNCILMEMBER COUCH: Well thank you, Chair. The Committee knows my position but I just want to reiterate it is that I think we should go along with the Director's plan so that when it comes time to actually fund the big projects we will have the funds ready to go so as to opposed to a big huge increase at the end. So I would just support the Director's rate increases. Thank you.

CHAIR HOKAMA: Okay. Thank you. Any other questions or comments? Ms. Baisa?

COUNCILMEMBER BAISA: Mr. Chair, I share Mr. Couch's thoughts. You know no one wants to raise anything, certainly not us because we know that every time whether it's a penny or five cents we're in trouble. But I am more concerned about the water situation and I don't want people to say we couldn't do it 'cause we didn't have money. And so I think if we are clear to the public about why this is necessary and what we're going to do with the money and we produce the projects that we collect the money for I

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think everybody's okay. You know when, I've heard people say to me over and over and over if you want two cents more for gas tax fine but fix my road. You know people want to connect a collection to a project, to a benefit.

CHAIR HOKAMA: Right.

COUNCILMEMBER BAISA: And so I think it's our responsibility and I will share that that, you know, we monitor carefully cause if we're going to increase rates than we have to produce.

CHAIR HOKAMA: I agree.

COUNCILMEMBER BAISA: And I think everybody can live with that. Thank you.

CHAIR HOKAMA: Yeah. I agree, I agree. So let's see, anyone next? Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. The reason I'm comfortable not raising rates this year is that as I've stated before last years' rate went completely to cover the additional overhead charge. It's my feeling that the overhead charge needs to have a very serious look and if we were to reduce this overhead charge by 25 percent it would equate to exactly this rate increase. So I'm in favor of looking at the overhead charge and how we can justify that or looking at charging the General Fund for the fire hydrant servicing as is done on Kauai. But as I've shared with you all over the last couple of weeks, our overhead charge is huge compared to the other counties. So I have a very difficult time saying to our rate payers we have to increase your rate in order to cover an exorbitant overhead charge and I'm going to have to keep increasing rates just to get past that because it's now at \$6 million per year, and I just, I can't feel comfortable raising the rates when we have an overhead charge that is about, well on Kauai there's no overhead charge plus the Water Department gets paid \$1.9 million. So the difference between our water, our overhead is approximately \$7.9 million different from Kauai and I just can't see raising rates until we've worked that out. 'Cause that's a lot of money in that overhead charge that could be used for the very projects that both Mr. Victorino and Ms. Baisa and the rest of us feel are really critical. So thank you.

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

COUNCILMEMBER VICTORINO: Thank you, Chair. I can also, I empathize with what Mr. White is saying. And you use Kauai, and if you remember right last year an entire area of Koloa was without water because a well collapsed for a lack of maintenance, that's a mere fact. And nearly a quarter of that island, that end of the island had no water service. They had to truck in water. I don't know if I want to wait, you know, I'm all for investigating the Administrative, the what do you call that, the overhead expenses, yeah. And if we find it to be true we can make adjustments like you've said in the past, Mr. Chair. We can make adjustments. I don't want to hamstring the Department at this point. And small incremental raises, if we get to a point where we

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find these overhead charges are excessive or whatever hey, if that's that year I'll say okay fine then we don't need an increase. I'm willing to give at that point. I don't want to give when we know the need has been proven many, many times. I don't want to be like Oahu who constantly have main breaks all over the county, all over the City and County of Honolulu. We've been fortunate here in Maui County. Yes we have a challenge Upcountry and that's where a lot of focus has to be made yes I agree. However, the rest of the County has been in pretty good shape. But I will look at Mr. Guzman's area, I will look at Wailuku. Many of our subdivisions are hitting 50, 60 years of age. What happens, we're going to have problems if we don't have the money. Although I agree with Mr. White, I want to know more about this overhead and if it is excessive, Mr. White, I'll be the first to jump on that wagon and say put it back and we're not going to give you any more. So, but I still concur. A little rate increase each year prevents us from having big increases like we did in the 90s, 5 straight years no increases and since then we've been double digit almost every year. We let it slide for five years and now we're trying to play catch up. I don't want that catch up to be done ever again. So that's my take on it, Mr. Chair. Thank you very much.

CHAIR HOKAMA: Okay. Thank you very much. Anyone else? Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I think it's very important and I do understand clearly what Mr. White is saying. For the people that are going to read about this, you know, we're talking about rates and people have a lot of interest when we talk about raising rates. I think it's really important that everyone understands what we're talking about. It would help I think if the public understood what are we talking about when we talk about the overhead. Not everybody understands, to us it's second nature but I think to the public not everybody knows what we're talking about. What are we paying \$6 million for?

CHAIR HOKAMA: Thank you. Mr. Baz, you want to share any comment at this time? I'm happy to allow you a comment.

MR. BAZ: Thank you, Mr. Chair, I appreciate that. Just one note, the Fire Department does pay for fire hydrants. There's a fee on Page 40 of the Ramseyer version of \$3.50 per hydrant and \$2 per standpipe that is paid, and the Fire Administration program as a budget of around \$280,000 in that program to pay for those fire hydrants so that is a payment that's made.

VICE-CHAIR WHITE: Yeah. I was aware that we had a small amount but it just, it was dwarfed by what is paid to Kauai County.

MR. BAZ: So, one other thing to note, just I'll be very happy to discuss the overhead rates in your Committee in the future. The reason why the increase last year was so significant was because no rate study had been done since the 90s when they were semiautonomous, right? And when you compare the water departments from the other counties I believe especially like City and County of Honolulu their Board of Water Supply, they are semiautonomous still. All of the fringe benefit costs are paid

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directly from them as the employer versus it getting paid to the County and then the County paying it from there. So, you know, there is some differences and I would be happy to discuss those in your Committee in the future. You know the overhead study is a study and it provides recommendations which we provide to the Council for adoption and it's really, you know, up to the Council to set, you know, that policy if those costs that are incurred because of the activities of the Department are paid for or not, right? So that's really up to the purview if the Council.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Yes, Ms. Baisa?

COUNCILMEMBER BAISA: I can see where, you know, it's interesting when we're discussing something like this with our colleagues. We talk about overhead and all of us know what we're talking about. What I was trying to get somebody to say is what are we paying, what is overhead?

MR. BAZ: So the Administrative costs yeah our costs that are incurred for basically the running of the Department, right? So departments utilize services from other areas and so each one of those costs or examples of that are Corporation Counsel, Budget Office, the County Council. You know when they were a Board of Water Supply there was no oversight by the County Council so that's additional costs, right? Mayor's Office, IT Services, Risk Management, those kind of financial services, you know. Even though they have some fiscal staff in the department, in the Water Department they'll still process the contracts in the Department of Finance, and Payroll, you know, those kinds of things. So there is still process and costs in Finance as well. So that's why this determination, the study was done, and if you look at Department of Water Supply actually pays the least percentage in overhead of all of the Special Fund so.

COUNCILMEMBER BAISA: Thank you very much, and thank you, Chair. I think that helps a lot as we discuss this.

CHAIR HOKAMA: Thank you. Okay. Thank you, Mr. Baz.

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, Director. So is this also where monies get reimbursed or transferred back to other departments like Public Works who help assist Fire with their heavy equipment, they assist Parks, Water, and so on.

MR. BAZ: Right.

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COUNCILMEMBER COCHRAN: Is this kind of where that money gets transferred over from to other departments?

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Yeah thank you, Mr. Chair. No, those are other appropriations that are in the budget for those specific items. They're either appropriations where you'll see in the Department of Environmental Management Solid Waste Division for use of the Public Works Highways Division people, there's about, I think it was a \$100,000 appropriation or something in there for that transfer, and then the Garage Services, it's a reimbursement so for the actual expenditures they get reimbursed from those departments. So that's not included in the overhead study.

COUNCILMEMBER COCHRAN: Okay. So we've put in kind of a pot for them to take from when these arise because sometimes these are emergency cases, this isn't on the calendar we are going to be using so and so department for such a, you know, job.

MR. BAZ: Yes.

COUNCILMEMBER COCHRAN: There are things that just pop up sometimes.

MR. BAZ: Right. No yeah we understand and those costs and we also have a general budget provision that allows for the transfer should emergency come up they can pay for it out of their program budget.

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

CHAIR HOKAMA: Okay. Thank you. Anyone else? Okay. So anyone else wants to give comment on which route they prefer status quo or go with the increases? Okay. I don't believe we have consensus.

COUNCILMEMBER VICTORINO: Let's take a vote, please.

CHAIR HOKAMA: So those that vote aye is to. . .wait. The way we have it currently in the budget is without the increase, right? Okay. So if you vote aye it is to, for the status quo which is the rates stay the same if you vote aye. If you vote no, it means you want the increase and then we gonna need to make the adjustment. Okay. Any questions? No means increase. Yes means status quo.

COUNCILMEMBER COUCH: No means increase as per the Mayor's suggest.

CHAIR HOKAMA: As to the proposal, yeah, his proposal regarding those specifics. 'Cause I didn't support all of the rate increases.

COUNCILMEMBER COUCH: And this is just for the water and the water shortage...

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CHAIR HOKAMA: This is only water.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: Regarding the Water Fund.

COUNCILMEMBER COUCH: Okay.

COUNCILMEMBER CRIVELLO: Chair?

CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: You're talking about the handout that we just received?

CHAIR HOKAMA: Yes.

COUNCILMEMBER CRIVELLO: Not what you proposed?

CHAIR HOKAMA: No, no. Because this has with the input from the Department of Water regarding the adjustments on the shortage, the shortage areas too. Okay. So yes means status quo, no means increase. Okay. We understand...

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: And so you, the aye vote would support your recommendation, Chair's recommendation?

CHAIR HOKAMA: The way I have it now, yes. Aye means you support the current Chair's position which is status quo.

COUNCILMEMBER COCHRAN: And the handout is Mayor, per se, Department, Department, Mayor's...

CHAIR HOKAMA: So if you want the increase then, I mean without the increase. . .let's just make the call on the increase or no increase first, then we can explain the other numbers 'cause the other numbers are all dependent upon the first decision yes or no on the increase.

COUNCILMEMBER COCHRAN: Okay. Okay, fine.

CHAIR HOKAMA: Mr. White.

VICE-CHAIR WHITE: Thank you. Just to clarify, we're not voting on the Water Development Fees?

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COUNCILMEMBER VICTORINO: No, no.

CHAIR HOKAMA: No, there is no...

VICE-CHAIR WHITE: It's not on this sheet at all?

CHAIR HOKAMA: Yeah. There's nothing regarding water development in my proposal. I've left it the way it is. Okay. So, Mr. Carroll, no means you want the increase, okay. Yes means status quo.

COUNCILMEMBER CARROLL: I do not want an increase, yes.

CHAIR HOKAMA: Okay. Understood. Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Aye.

CHAIR HOKAMA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yes.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Aye.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Aye.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Okay. We have five affirmatives and four noes so the rate stays the same.

COUNCILMEMBER COUCH: What did you vote?

CHAIR HOKAMA: Yeah. I'm supporting my position.

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COUNCILMEMBER COUCH: So it'd be six-three then.

CHAIR HOKAMA: Yeah. I mean I gotta vote for my own proposition.

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

NOES: Councilmembers Baisa, Couch, and Victorino.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE.

CHAIR HOKAMA: Okay. So since we made that call then, Members, I need, the recommendation with the Water Department is to now put into the budget the blue numbers that they have recommended. Those blue numbers that you see under that half print, half script Stage 1, 2, 3 is their numbers if we remain the rates. So by this last action of remaining the rates we shall now place these new revised numbers into the rates and fees chart to reflect the more, the accurate numbers as provided by Water Department. Any questions? Mr. Couch.

COUNCILMEMBER COUCH: Just on the Water Shortage rates because on the meter...

CHAIR HOKAMA: Yes, just on the Water Shortage, just on the shortage rates.

COUNCILMEMBER COUCH: Right and the other stuff is the red numbers.

CHAIR HOKAMA: Yeah. That don't change. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you. So with that vote which primarily said stay the same.

CHAIR HOKAMA: The rates stay the same.

COUNCILMEMBER COCHRAN: And your, because the Water Shortage rates are new, a new addition to this entire fee schedule that's why these are now being incorporated --

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CHAIR HOKAMA: They're adjustments.

COUNCILMEMBER COCHRAN: --as written by department?

CHAIR HOKAMA: Yes. This is their now revised numbers with the rates remaining the same.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: Their proposal was based on the rate increase from the Mayor originally so that's why we making this adjustment. We've kept existing rates, we haven't moved the rates forward.

COUNCILMEMBER COCHRAN: Okay. But so this is, your Staff, your folk's calculations in reference to?

CHAIR HOKAMA: Not on the shortages. This is the Department's calculations.

COUNCILMEMBER COCHRAN: Strictly from Department?

CHAIR HOKAMA: Yes, as it relates to the rates.

COUNCILMEMBER COCHRAN: But it's based on increases of the overall...

CHAIR HOKAMA: They knew that I was proposing a no rate increase so this is why they recommended these new numbers for the shortages. It's based on my position of no rate increase.

COUNCILMEMBER COCHRAN: Okay. It's offsetting the --

CHAIR HOKAMA: Yes. Yep.

COUNCILMEMBER COCHRAN: --lack of increase.

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: Okay. So any further questions, Members? Do we have consensus on accepting the Department of Water's recommendations on storage [sic] rates as in regards to no rate increase?

VICE-CHAIR WHITE: Consensus.

CHAIR HOKAMA: Do we have consensus?

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COUNCILMEMBER CRIVELLO: Yeah.

CHAIR HOKAMA: Okay. Thank you. I believe that's the only thing we need to do, right? With Water 'cause we're not changing anything else.

COUNCILMEMBER COCHRAN: And so Chair? Chair?

CHAIR HOKAMA: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: With this type of decision are we able to adjust as the year progresses or this is the only time to, this is only time, I mean it's this way for ten months until we come back?

CHAIR HOKAMA: This is under, the Charter allows Mr. White, as our chief administrator or Procurement Officer and the Mayor the only two people who can propose amendments within their respective budgets that they have jurisdiction over. So regarding this, this is an administrative fund, unless the Mayor sends in a proposal we cannot initiate changes unless we're at the budget, the annual budget when we can have limitations, descriptions, and other things that the Charter allows the Council to do in enacting a budget by ordinance, that's the only time. Other than that we depend on the Mayor to initiate those revisions and amendments. If it's in our budget, Mr. White at any time can initiate an amendment if it was in Council's jurisdiction.

COUNCILMEMBER COCHRAN: Okay. Very good. I mean it's one of those things, Chair, where I guess we need to roll it out to see the repercussions if any negative or positive. So, I just...

CHAIR HOKAMA: Yeah. So we'll hear it, I mean, you know, as we always do. We'll get the phone calls and the texts and the letters and whatnot so.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Yeah, thank you. Okay. Mr. Molina, are we done with this exhibit? I think we took care all the shortages. We took care of the low-income fare component for Transportation. Is there anything else?

MR. MOLINA: Yeah, thank you, Mr. Chair. We have the language for the 3 Can Plan fee.

CHAIR HOKAMA: If you can share that with the Committee, please, so they know what's in it. Okay. Members, being handed to you is a proposal that the Committee worked up following your parameters regarding the Curbside Recycling Pilot Program that would be on page, that would be placed on Page 32 of Appendix B. It is on the bottom of Page 32 under the heading at the top "SOLID WASTE MANAGEMENT FUND." In the middle is the rate increases on fees as proposed by the Mayor so you see it going from 18 to 22 and 9 to 11. On the bottom of the page under new heading you see "Fees -

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Curbside Recycling Pilot Program”. And the proposed language is all existing and I highlight the word “existing” participants shall pay an additional \$6 per account per month when recycling, curbside recycling services are provided. And if you note it says the word is “shall pay.” This is not an option. This is not for new customers, it is to only take care of the existing base and it is a requirement to be in the program, and their additional monthly will be \$6 per month, per account. Is there any questions? Clarifications? Mr. Couch?

COUNCILMEMBER COUCH: Thank you. The only minor concern I might have is that if somebody on the route decides they don't want to do it, they don't become a participant, so I'm not sure if that would restrict them to saying no if you're on the route, you are a participant no matter what.

CHAIR HOKAMA: Mr. Ueoka, if you could give some guidance because the way it is, is you have no choice, if you have the cans you are in it until we take the cans away.

MR. UEOKA: Thank you, Chair. My understanding was everyone on the route, well I guess currently no one is participating at all, but my understanding was when it was going on as the pilot program everyone on the route was a participant.

COUNCILMEMBER COUCH: Whether or not they wanted to do it or not. right?

MR. UEOKA: That was my understanding.

COUNCILMEMBER COUCH: Okay, yup. Okay. I just want to make sure.

MR. UEOKA: Okay.

CHAIR HOKAMA: Okay. Thank you. Are there any other questions on this addition under Rates and Fees Exhibit B, Members? Do we have...

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: I'm not talking against it. Chair, thank you. So just to clarify so everyone knows and it, this is added to the existing fee structure --

CHAIR HOKAMA: Correct.

COUNCILMEMBER COCHRAN: --fee collection?

CHAIR HOKAMA: Correct.

COUNCILMEMBER COCHRAN: Right? So 'cause that's been raised, increased also.

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CHAIR HOKAMA: Yeah, yeah the proposal is to raise it, so if it does get raised, it moves forward then it'll be \$28, 22 plus 6.

COUNCILMEMBER COCHRAN: Right, okay. Just so...

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR HOKAMA: No, thank you. Anyone else has a question or clarification? If not, do we have consensus, Members?

COUNCILMEMBERS: Consensus.

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

COUNCILMEMBER COCHRAN: And, Chair?

CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Before we move out of Solid Waste, above and this is I'm sure you've looked at this but in regards to the Lanai Landfill and the Castle & Cooke verbiage?

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: Is that okay to stay that way knowing that it's no longer, per se, Castle & Cooke? MOU, the little footnote there on the far right-hand side too? Is that all...

CHAIR HOKAMA: Yeah we can change it to Palama Lanai.

COUNCILMEMBER COCHRAN: Okay. Just to be consistent, and --

CHAIR HOKAMA: Yeah, yeah thank you for that.

COUNCILMEMBER COCHRAN: --we all weren't here, at least people understand.

CHAIR HOKAMA: Yeah, no thank you.

COUNCILMEMBER COCHRAN: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Thank you for that. Yeah, we'll list the current.

COUNCILMEMBER COCHRAN: Yeah.

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CHAIR HOKAMA: Because they accept all past assignments and obligations. So, thank you for that. One thing I wanted to say and the Chair was requested, so under Page 36, you don't have this in front of you, I apologize, is it being handed out now? Thank you. Under Appendix B, Page 36, Golf Fund, it was asked to consider so I am going to propose a daily student rate for our young junior golfers 18 years and under at \$2 _____ fee per day. Again, you know, I think any junior program is good stuff. They're in a positive environment, there's some discipline, there's training, you're learning of rules, courtesies to one another, etiquette within the sport's discipline. So, you know, I think it's great organized athletics. So I can support, allowing, you know, if they want to be there out on the golf course I think that's a positive place than someplace else. Mr. Guzman, I am handing out a proposal. We looked at the annual rate and it wasn't that much advantage but I am proposing a \$2 student rate, daily rate at the course for students 18 years and younger for your folks' consideration.

COUNCILMEMBER GUZMAN: Thank you, Chair.

CHAIR HOKAMA: Okay. Any questions on this new addition which is to give our students a \$2 daily rate besides their opportunity to have a monthly card? If no questions, do we have consensus?

COUNCILMEMBERS: Consensus.

CHAIR HOKAMA: Okay. Thank you. One more thing that I'm going to propose to you under the Solid Waste Fund tipping fees, commercial tipping, okay this would be on Page 31 of your Appendix B. I'm sorry I don't have a revised printout for you. But under, on Page 31, under Tipping Fees the Mayor had proposed an increase I believe from \$67 to \$80 and, you know, looking at the historics and whatnot, I felt that that was a real big jump in one year and again I truly believe, while some indicators have shown great growth, evaluations in property is one. But I really haven't been convinced that that same percentages has gone in to our people's pocketbooks as businesses and residents. So I am proposing, and this is what the calcs are, we've don't the calcs on is I have based it and our proposal that I'm going to share with you that I have reduced the Tipping Fees increase. Instead of the Mayor's \$80 per ton proposal, I am asking them to pay more but I've reduced that \$80 figure to \$76 per ton. So instead of \$.04 a pound it'll go to \$.038 a pound. There is about you know every dollar is more or less I would say maybe about close to \$100,000, maybe 97 closer but. So this is about a \$400,000 adjustment in revenues. We recalculated the cash and adjustments to Countywide Funds but I am having you consider the Commercial Fee to be increased to \$76 instead of \$80, and I think this is a fair increase to ask our people that go this route and so I'm proposing it to you that I think it's still very responsible. The adjustment is very doable and it is my recommendations to you at this time. Any questions? Do we have consensus?

COUNCILMEMBERS: Consensus.

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CHAIR HOKAMA: Okay. Thank you very much. Thank you for that support. Is there anything else on Rates and Fees, Staff?

MR. MOLINA: Yes, Mr. Chair, just wanted to confirm yesterday we walked through your handout with the proposed changes --

CHAIR HOKAMA: Okay.

MR. MOLINA: --and wasn't clear whether we had gotten consensus on all the changes or not, and I know particularly, Member Victorino had asked to revisit the Alarm Systems Fees to address the Residential Rates for False Alarm Responses.

CHAIR HOKAMA: Okay. When we had that discussion, my recollection is I requested to Mr. Victorino I know under the residential side he had some concerns when it is not the resident's fault or responsibility for the false alarm that they shouldn't be penalized and be paying the additional penalty fees. What I had asked Mr. Victorino to consider for this first year is to allow the Department and their personnel to make those type of discretionary calls. They would report back during the next review and then upon that feedback the Committee will make its appropriate adjustments. That is my recollection of our conversation yesterday. Mr. Victorino, are you okay with how my understanding is that we would give the program ten months and we'll review and adjust accordingly?

COUNCILMEMBER VICTORINO: That's fine, Mr. Chair. For the sake of allowing them, although in speaking with some of them they didn't feel that that was a real issue but that's okay. Fine, I'll live with that for this year. I just hope that the public understands what we're trying to accomplish here. Thank you.

CHAIR HOKAMA: Okay. Thank you. Okay. Anything else, Mr. Molina? That was it from the Rates and Fees. Anything else, Mr. Couch?

COUNCILMEMBER COUCH: I think Mr. Molina asked if we had consensus on all the other stuff and I certainly, we've never...

CHAIR HOKAMA: No, no, so yeah I understand what he say. So, we have consensus on the things that I have proposed different from the Mayor. And then of course what I didn't change is still the Mayor's proposal. So is there any request to make additional adjustments under Rates and Fees, Mr. Couch?

COUNCILMEMBER COUCH: Yeah, Page 49 --

CHAIR HOKAMA: Okay.

COUNCILMEMBER COUCH: --it's the System Development Fee, we just kind of glossed over that and moved on, didn't get consensus or whatever on that and, you know, it was mentioned yesterday or the day before or whatever, I think it was yesterday, that, you

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know, we didn't want the rates to skyrocket overnight. The only problem is, is that they actually dropped overnight a tremendous amount last year way off the Chair's, not the Chair's plan but the Director's plan. I'm just cautioning everybody that if we don't start putting these rates where they belong then we're just going to, as Mr. Victorino said it's just going to be a really big catch up at the end. So, I know maybe we can go half, half the distance between you and the Mayor's proposal but to leave them the same is just I think it's kicking the can down the road and I don't think we want to do that. Thank you.

CHAIR HOKAMA: Okay. Thank you. Any other comments? Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. I support your position for two reasons. Number one, only 28 water meters were handed out last year and so it's not going to generate a big amount of money right off the bat. I would be supportive of Mr. Couch's position if we had gotten the response from the Department on our request for a comparison between the rates in other counties and maybe we'll get that by first reading. But at this point I just, I don't feel comfortable increasing a rate that looks to me like it's already higher than the other three counties.

CHAIR HOKAMA: Okay. Thank you very much. Other thoughts, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. So is this in reference also the changes in your CORA Permit Fees?

COUNCILMEMBER COUCH: No. . . .*(inaudible)*. . .

COUNCILMEMBER COCHRAN: Oh, okay, okay. Oh we're just on water, okay.

CHAIR HOKAMA: Yeah, just water, water, yeah. I'm open to, you know, I mean I got my own thoughts. But I'm not on the system, I would rather hear the Members who either live with or has, you know, a lot of constituents that are on the system.

COUNCILMEMBER CRIVELLO: Chair, I support --

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: --your proposal on the basis that, but also, you know, we just had it for one fiscal year, but, you know again I go back to the mantra of affordable homes, affordable housing, young people, how we going get them on the lands, get, you know, da, da ,da. So, for that reason I support your proposal to see how much more of our young people can afford to start their adventures of their homes. Thank you.

CHAIR HOKAMA: Okay. Thank you. Anyone else, Members? Mr. Victorino?

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COUNCILMEMBER VICTORINO: Chair, you know, my battle has been with the rates more than anything else at this point. So I can support this aspect, you know. Until Mr. Taylor can come in and show us, you know, exactly, you know, he shows us plans but he hasn't shown us what he's accomplished, and like Mr. White said, 28 meter or 24 meters or whatever the number is extremely low numbers for what we need to get. So this area I've never been a strong proponent of, the other side which I felt was for operations, maintenance, and repairs I still hold strong on that. But my Members feel differently and that's fine. You know, and we'll work it as it comes, we'll work it out as it comes. Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I am pretty much in the same situation that Mr. Victorino is in. You know I really was hoping that we could kind of start inching up the rates because at some point we're going to have to and I'd rather do it by pennies than by dollars. In the case of the meters, I think that we still are not clear as to how we're going to deal with that meter situation. We have a lot of talking yet to do in Water Resources Committee. I do know that at some point, you know, you have to have the money to do this and we have to figure out is it I think again we're back to philosophy. Do we feel that the individual owners should bear the cost of that? Or is it something that the Department and everybody should look at a broader, everybody's sharing in the cost of providing meters and I don't think we're there. So for the short time I'm okay.

CHAIR HOKAMA: Okay. Thank you, Ms. Baisa. Anyone else, Members? Do we have consensus?

COUNCILMEMBERS: Consensus.

CHAIR HOKAMA: Okay. Thank you very much, thank you for bringing it up. It's a very meaty that we need very detailed discussion, so thank you, Members. Mr. Molina, anything else in Rates and Fees? Members, anything else you would like to bring up under Rates and Fees Appendix B?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: I guess this is where the CORA Permit Fees --

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: --can be discussed?

CHAIR HOKAMA: Right.

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COUNCILMEMBER COCHRAN: So your, 'cause currently it's at 500 per park activity and then you want to raise it up to --

CHAIR HOKAMA: I've recommended 3,000.

COUNCILMEMBER COCHRAN: --3,000.

CHAIR HOKAMA: Correct.

COUNCILMEMBER COCHRAN: Yeah, so having spoken to few people in the community in regards to this, and I understand, yeah it needs to be raised. But I think that jump is extremely drastic at this time. And no one's really aware of what we're doing, unfortunately that's lack of participation in our community efforts with us. But I think 1,000 would be a good number to start with and just see what type of feedback and things we'll be getting and how it affects. It's kind of the wait and see what are the repercussions of our raising of such a fee on the businesses out there currently. 'Cause as stated, you have three activities off one beach that'd be, you know, charged per activity or one single activity at three beaches again that's three different charges. So that adds up, I mean \$9,000 if you're doing three. So anyways that's just my recommendation to sort of yeah raise but not to that extreme limit at this point. So, you know, I appreciate your efforts to want to recoup things that we feel is fair, I mean in the sense that they're profiting off our County public resources and they need to pay for it. So that's just my thoughts at this time. So I really don't want to, I can't support that drastic increase at this time.

CHAIR HOKAMA: Okay. Thank you. No, you gave us an alternative which I appreciate. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I understand what Ms. Cochran is saying, that is pretty high. I do like it, but if you talk to the small guys, that's going to hurt them. Right now, I'm guessing that this is a temporary kind of fix until we get through the, Mr. Guzman's Committee, because as I think you mentioned or somebody mentioned that sometimes they have a per student fee in Oahu.

CHAIR HOKAMA: Other programs charge a head fee . . . *(inaudible)* . . .

COUNCILMEMBER COUCH: Right. That might be good 'cause that way the small guys have the same...

CHAIR HOKAMA: The ratio is . . . *(inaudible)* . . . --

COUNCILMEMBER COUCH: The ratio is good. Right.

CHAIR HOKAMA: --participation.

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COUNCILMEMBER COUCH: So but this is a good compromise. Ms. Cochran's 1,000 might be just a little too low, if Ms. Cochran's okay with 1,500 to give it a shot, it might be something worth looking at?

COUNCILMEMBER COCHRAN: Thank you, Mr. Couch. Actually thanks for reminding me in regards to the per person fee which you expressed, Chair, Hulupoe Bay currently does that.

CHAIR HOKAMA: Yeah, we used to operate the commercial visitor's \$5 per person per day. So you brought 500 people you owe the company \$500 for that one day.

COUNCILMEMBER COCHRAN: Such as like when Trilogy does the Lanai trip from Lahaina to there.

CHAIR HOKAMA: Trilogy or yeah, we had Windjammer, we had like three contractual providers.

COUNCILMEMBER COCHRAN: Yeah.

CHAIR HOKAMA: Then we had a staff, you know, staff personnel and every day at the end they collect the head count slips and then we would do the billing, and then at the end of the month we said that you had, you brought in 2,000 visitors on our park in 1 month. So 2,000 times \$5, it was \$10,000 in for that month.

COUNCILMEMBER COCHRAN: Right. So thank you. So we meaning the County had a person?

CHAIR HOKAMA: No, no. This was, the land management company for Castle & Cooke, we were in charge of everything that was not pineapple; commercial properties, housing, conservation lands, game management, beach parks, you know, conservation, it was all under that entities jurisdiction. So when we ran the parks because we had the beef, why are the residents being pushed out of commercial operations from their park, their beach? So before it got uglier, 'cause it was getting nasty. Then we implemented a green table, yellow table so locals could have use of any colored table at any time. Visitors could only use yellow tables . . . *(inaudible)* . . . specific times. That was just to keep the peace on Lanai.

COUNCILMEMBER COCHRAN: Right.

CHAIR HOKAMA: Police would have been there every day. And then we started charging and then we showed the community that they're paying for some of the improvements in the beach park, cleaner restrooms, further plantings, irrigations, you know, that was specifically paid by the visitors who gave us the money.

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COUNCILMEMBER COCHRAN: Right, and I, that's a great concept and is there a way to propose something of that nature here or would that be a huge undertaking in trying to...

CHAIR HOKAMA: I am, I currently have an RFP, so all the Members I am happy to be very open to address the Code whereby departments, _____ can get authorization from Council to do enterprise activities such as that.

COUNCILMEMBER COCHRAN: Okay. Very good.

CHAIR HOKAMA: So we're creating, I'm creating the enabling legislation including pouring rights and other opportunities for financing Parks and Recs.

COUNCILMEMBER COCHRAN: Okay. Well very good, I appreciate that you're still, you know, going to continue the discussion on this and I'm very supportive of seeing the outcome, but like the idea that Lanai has already put forth and seems and works quite well as I can see --

CHAIR HOKAMA: Well it kept the peace --

COUNCILMEMBER COCHRAN: --so far. Right.

CHAIR HOKAMA: --commercial versus residential use.

COUNCILMEMBER COCHRAN: Yes.

CHAIR HOKAMA: 'Cause it was getting very --

COUNCILMEMBER COCHRAN: And...yes.

CHAIR HOKAMA: --uncomfortable.

COUNCILMEMBER COCHRAN: Yes, and that's important. And for me, you know, I'm, I still not quite 100 percent comfortable with the 1,500 but I can, you know, I mean that's what this is about here.

CHAIR HOKAMA: Yeah, we give and a take. A little give and take.

COUNCILMEMBER COCHRAN: And I'm okay with that. But, you know, I think bottom line is enforcement. We need to beef that up. I don't care what is up or down on this fee.

CHAIR HOKAMA: You're right.

COUNCILMEMBER COCHRAN: Currently, it's lacking. Bottom line. And so to go ahead and try and think we're going to weed out the good from the bad or what have you. People are still going to try and, you know, work the system. And unless we get the eyes and

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ears on, you know, on the ground, on the beaches and what have you enforcing, you know, it's going to continue. So, you know, I appreciate you looking at this and I understand why. So we'll just see how it goes and we'll get the calls as you say.

CHAIR HOKAMA: Yeah, and thank you for your comments. And I can tell you the Lanai program worked because every day an entity that brought guests to the beach, there was a company, an employee watching and doing a count verification also. So besides getting the tag that said 100, our employee was also doing the, with the clicker te-te-te it goes, accurate. So we could do verification and everything else and it worked, it worked for us.

COUNCILMEMBER COCHRAN: Right, yeah.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. And I appreciate Ms. Cochran's concerns but I just want to remind everyone that the purpose of this fee was to provide funding, or one of the purposes was to provide funding for the enforcement and I believe it's only covering somewhere around a quarter of the enforcement cost and probably not even that much. But the other reason I'm comfortable with your proposal is that the amount that I charge the contractor that is operating on our beach and yeah, they've got a 400 square foot building that is part of the deal. But we're asking to go from \$600 to \$3,000 and the equivalent on my property is \$112,000 a year. So this is a really small amount of money in the overall scope of things. The other thing that I think this will do, I think Mr. Guzman's aware of this and I believe some of the rest of you are aware of it is that the many of the CORA Permits have been bought up from the initial licensees or permittees. So basically we have a situation where the current holders of those permits and they may be multiple, you know, there are multiples of those permits are inaccessible to anyone else who wants to get in to the business and that's not the purpose for which it was intended. It was supposed to control but open access to, you know, people that want to provide additional activities to visitors and residents. So if this increase, I mean this increase is substantial, but it also may prove to serve as a winnowing out of the permittees and if that's the result then I think that's probably a good thing for the overall operation and I'll look forward to Mr. Guzman's review of the CORA setup in the upcoming year. Thank you, Chair.

CHAIR HOKAMA: Thank you. Anyone else? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Oh sorry, Mr. Guzman?

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Yeah, I've had this in my Committee for quite some time and I just requested my office to bring the file. So I'd like to get a copy to the Members indicating who the vendors are, and Mr. White is correct, there is a situation where the permits are capped and there are a lot of vendors that have

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various categories and what they would do at some point would almost as if they're assigning these categories to the smaller guys. And so there is some type of smaller guy there but we don't know who they are because they're assigning these categories off. So, I don't know how to go about correcting the situation but we do know, we did calculations, they are making quite a bit of money for these permits in comparison to what we charge, and I just text my staff to bring that file in. So we might...this is something that it's going to be quite an extensive review and I've held off putting it in my Committee on the agenda because of the request from the Parks Department, they wanted to clear up their permitting process altogether through the ordinance and I believe that's right now being reviewed by Corp. Counsel, their permitting process as overall in the entirety of the whole permitting of their parks. So until that point is completed then I've given them leeway to not address it until they've cleaned up their overall permitting. But yeah, it's a huge issue and we definitely are losing a lot of revenue from it. Thank you.

CHAIR HOKAMA: Thank you. Anyone else? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I know we'll get more further discussion in more detailed aspects via Councilmember Guzman's Committee, but I'm just wondering in regards to like umbrellas, not beach umbrellas, but the people who have the big permit and then under their company heading they have many different activities under it. So, you know, jet ski, parasail, banana boating, water wakeboarding whatever, perhaps one company does it all but they have that one beach permit. So does each individual activity under the one main umbrella now get the \$1,500 charge kind of thing? But I don't know if that needs to be determined in Committee to really vet those details out right now.

CHAIR HOKAMA: Well the key thing is what is the definition of activity because we are having this fee per park per activity. So whatever is either in Admin Rules or the enabling ordinance that defines activity, that's how we're charging it at this time. So I would say if there's concern and need to be revisions I guess Mr. Ueoka can give recommendations on the changing of the definition or the assignment by ordinance on how the money goes to what purpose. So, you know, there's multiple ways to address it but the way we've structured it in this appendix it's for activity, the fee is per activity. So again I don't know what is the rules or whatnot defining activity. But this is something we're not going to solve today.

COUNCILMEMBER COCHRAN: Right. No, no, you're right.

CHAIR HOKAMA: Today is only, the only question before us today is what do you feel is the right fee now to charge for this permit per activity per park. Okay. We have the current 500, the Chair recommended 3,000 and there is a proposal currently on the floor at \$1,500. Okay. Mr. Couch?

COUNCILMEMBER COUCH: What was the current proposal again?

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CHAIR HOKAMA: Fifteen, that's what I heard you and Ms. [sic] --

COUNCILMEMBER COUCH: Mine.

CHAIR HOKAMA: --Couch going back and forth that that's what you would have her, ask her to consider. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I'm wondering if Mr. Couch would be supportive of let's say 1,250.

CHAIR HOKAMA: Well, you've gotta convince five people.

COUNCILMEMBER COCHRAN: Or okay or just to re, to amend Mr. Couch's proposal.

CHAIR HOKAMA: You can throw out any proposal.

COUNCILMEMBER COCHRAN: So 12, so yeah at 1,250.

COUNCILMEMBER COUCH: I'm fine with that, Mr. Chair.

COUNCILMEMBER COCHRAN: So then Members can chime in if they support or not I guess.

CHAIR HOKAMA: Okay. Mr. White?

VICE-CHAIR WHITE: Yeah, I won't support the proposal because I feel that if we have permit holders who are subletting their permits, we have no idea how much they're subletting for and I'm just, you know, I find it a little bit concerning that we've got the same kind of situation in our, in this permit category as we see in some of the small boat harbors where the slip owners or lessee's, I'm not sure, they can't, they don't give up their thing but they'll sell a boat that goes with that. And so a permit that they've gotten at no charge they can then sell for about 4 to 5, I don't know \$400,000 or \$500,000, this is like 15 years ago so I don't know what the rate is now. But that's not the purpose for which we make these permits available.

CHAIR HOKAMA: Understood.

VICE-CHAIR WHITE: So thank you, Chair.

CHAIR HOKAMA: Maybe we need to do a comprehensive 'cause that's how the bars, you know, the bar industry with bar licenses. Anything that has a cap tends to get slowly in to this controlling thing on the top and who gets the things on the bottom. I mean it comes a racket, so maybe we need to be, take it on a broader perspective, not just CORA but anything with permits and caps tend to have this gravitation to have it stray from the original intent and purpose. So I am happy to allow Mr. Guzman have a

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chance to review and provide recommendations. But this morning...okay, I'm going to ask is there any consensus on the 1,250 amount?

COUNCILMEMBER COUCH: Consensus.

COUNCILMEMBER COCHRAN: Consensus.

CHAIR HOKAMA: Twelve fifty.

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR WHITE: No.

CHAIR HOKAMA: Okay. We don't have consensus on 1,250.

COUNCILMEMBER VICTORINO: Take a vote.

CHAIR HOKAMA: I would say we know we don't have consensus on 1,250. So vote on the Chair's recommendation up or down on 3,000. Up, yes means you support the Chair's 3,000 and no means you willing to keep it at 500. Mr. Carroll?

COUNCILMEMBER CARROLL: Chair, I'm not clear what we're asking.

CHAIR HOKAMA: This is on the commercial permits in the, for use of our...

COUNCILMEMBER CARROLL: Yeah. I mean the amount though.

CHAIR HOKAMA: Okay. The amount is do you, the current amount is \$500 per activity. You've heard the discussion, Mr. Carroll. The Chair is recommending \$3,000 per permit per activity. So I'm asking do you support the Chair's 3,000 or you want status quo 500?

COUNCILMEMBER CARROLL: No.

CHAIR HOKAMA: Okay. Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Yes.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: No.

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

COUNCILMEMBER COUCH: No.

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CHAIR HOKAMA: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yes.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Aye.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Aye.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Aye.

CHAIR HOKAMA: The Chair votes aye. Okay. Moves forward at 3,000 with six supporting.

VOTE: AYES: Chair Hokama, Vice-Chair White, and Councilmembers Baisa, Crivello, Guzman, and Victorino.

NOES: Councilmembers Carroll, Cochran, and Couch.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE.

CHAIR HOKAMA: Okay. Anything else, Members, you wanna bring up under Rates and Fees Appendix B? If not we're gonna stop here, take a break, and then we'll come back and finish up the provisos and then we'll show a new Appendix C which is the exhibit for all the A, B, C Accounts. So you want one hour or one hour fifteen minutes?

COUNCILMEMBER VICTORINO: Hour fifteen.

COUNCILMEMBER COUCH: Hour fifteen.

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CHAIR HOKAMA: Okay. We'll return at 2:00 p.m. Recess until 2:00 p.m. . . .(gavel). . .

RECESS: 12:44 p.m.
RECONVENE: 2:10 p.m.

CHAIR HOKAMA: . . .(gavel). . . Okay. Let's return to order. The Staff is handing out for you a copy of I believe an analysis that was, is being provided to you by Mr. Guzman, and so we are handing this out at this time as reference for you from Mr. Guzman's submittal. So it's regarding CORA vendors and we thank him for sharing this information with this Committee. Okay. Back to Exhibit 1, Mr. Molina, if you can take us through some of the funds that we still need to have a review of. Give us the page and line number.

MR. MOLINA: The first revision is on Page 93, Line 2362 and here we included the, in line with the A, B, C Accounts to put a dollar amount towards the salaries under the Plan Review Revolving Fund.

CHAIR HOKAMA: Okay. Thank you.

VICE-CHAIR WHITE: Page number again?

CHAIR HOKAMA: Ninety three.

VICE-CHAIR WHITE: Thank you.

CHAIR HOKAMA: This comes under the program of the Plan Review, Permit Processing, and Inspection Revolving Fund. What the Staff did is we've broken up the grant revenues or Revolving Funds into the categories that we're making everybody else do regarding A, B, C's so we appropriate, the Staff is making those recommended adjustments. Is there any questions regarding 2363? Okay. Mr. Molina, if you can inform the Committee of the next area.

MR. MOLINA: The next add of, similar type add is on 2367 for the Environmental Protection Sustainability Program.

CHAIR HOKAMA: Okay. Thank you for that. So we see the 97,085 as regards to the 2.0 E/Ps. Okay. Next.

MR. BAZ: Mr. Chair?

CHAIR HOKAMA: Mr. Baz.

MR. BAZ: Yeah, thank you. For the Highway Beautification Fund, the 2367, the \$97,000 that's listed in there was actually, did the Staff remove that from Line 2368? 'Cause that was originally the operations and salaries.

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CHAIR HOKAMA: Okay. Let us check. Ms. Yoshimura?

MS. YOSHIMURA: Mr. Chair, yes Line No. 2367 reflects just the salaries, 2368 would be just the disbursements for operations and services. So combined we should get the total that they had appropriated last year.

MR. BAZ: Okay. Thank you.

CHAIR HOKAMA: Okay. Thank you for that request, Mr. Baz. Okay. Anything else from the Members? Mr. Victorino, did you have something?

COUNCILMEMBER VICTORINO: No, no.

CHAIR HOKAMA: Oh, okay I saw this...

COUNCILMEMBER VICTORINO: Just trying to stay awake, that's why I was...sorry, sir.

CHAIR HOKAMA: Okay. Thank you. Mr. Molina, our next area, please?

MR. MOLINA: Thank you, Mr. Chair. Page 94 at the top of the page 2379 and 2380 similarly here for the salaries and operations.

CHAIR HOKAMA: Okay. Thank you very much. And this in regards to the Construction Plan Revolving Fund, Members. Okay.

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you. I see that it says provided that disbursements for premium pay is limited to 6,000 but it doesn't say how much is for, oh so you're saying so 4,000 is operations and there's no equipment?

CHAIR HOKAMA: It's operations or services, Mr. Couch, so in the grant some of them have it in their Professional Services areas or whatnot.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Molina, next area, please.

MR. MOLINA: Line 2391, or excuse me 2392 and 2393, provisos under Animal Management Revolving Fund.

CHAIR HOKAMA: Okay. Thank you. Any questions, Members? Okay. Next area please, Mr. Molina.

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MR. MOLINA: Twenty three ninety-seven, 98, and 99 for the Fire Review, Plan Review Revolving Fund.

CHAIR HOKAMA: Okay. Thank you. Any questions, Members? The format is the same through the various funds, the Staff is being, is presenting in a consistent manner. Mr. Molina, next?

MR. MOLINA: I believe we had consensus on all the open space items.

CHAIR HOKAMA: That's correct.

MR. MOLINA: So then the next revision would be under 2447 for the Capital Improvement Reserve Fund, the sewer related improvements.

CHAIR HOKAMA: Okay. We already ran through that with the revised number that it was lowered to 1,868,567 so that's the reduction of the original amount for the transfer. Okay. And then also 2443 you see the line that was inserted to deal with the Alarm System Revolving Fund. Okay. That's it, Members. Any questions on what was being presented by Mr. Molina for Committee review, any questions? Do we have consensus? Mr. White?

VICE-CHAIR WHITE: On the changes or...

CHAIR HOKAMA: On those items that Mr. Molina just presented.

COUNCILMEMBERS: Consensus.

CHAIR HOKAMA: Okay. We have consensus on only those items that Mr. Molina just shared with us from as we reconvened. Is there anything else anyone would like to bring up? Mr. White?

VICE-CHAIR WHITE: Chair, you know, after going through all of this, one thing that sticks out at me, I just have a concern. In the Department of Planning we had the request for an Office Operations Assistant and we all know that in that Department we have the challenges with the Zoning Enforcement Division with the TVRs and STR licensing and enforcement issues and there are a lot of those types of issues. And it just struck me that we've provided a secretary or assistant to the Department of Fire and Public Safety and I'm not asking for a change in, I'm not making any fiscal change. But, you know, as we sit here and as you know, I'm not in favor of adding positions but this is simply a situation where I feel there's maybe a little bit of an imbalance because it's, and I'm happy to hear others feelings but I think that there's certainly more of a demand for this kind of help in the Planning Department. So I would propose for the Committee's consideration that we move both the E/P and the 28,456 to the Department of Planning to take care of their needs and maybe wait until next year to take care of the Deputy Fire Chief.

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CHAIR HOKAMA: Okay. Mr. White is proposing to do a lateral movement, taking the position we just granted to Fire and shifting that over to Department of Planning, and I guess that would be under their Administration and Planning Program along with the correspondence [sic] E/P count and funding.

VICE-CHAIR WHITE: And if I could just add one more thing?

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: I think one of the reasons for the request was that the Deputy Fire Chief is the only person that doesn't have a, the only deputy position that doesn't have a secretarial or assistant position. And I don't believe there's one in the Department of Personnel Services for their Deputy Director and I don't believe Mr. Walker, the Deputy Finance Director has a secretary either, and there may be others that I'm not aware of. But I just put that out for the Committee's consideration.

CHAIR HOKAMA: Okay. Thank you very much. Questions? Comments? Ms. Crivello?

COUNCILMEMBER CRIVELLO: I think the Secretary III for the Fire, this is also independent of support for the BC's, the Battalion Chief's, also that's required in all defense to the Public Safety and Fire.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I would support actually both being in there but if I had to choose between one then I would think I would go with the Planning because of the enforcement issues that we need to really step up on.

CHAIR HOKAMA: Okay. Thank you. Anyone else? Mr. Guzman?

COUNCILMEMBER GUZMAN: Chair, have both positions, have they, were they brought up for a request in the last budget and which one is the newer of the requests? Because I know that Fire has requested at least two other budgets that I've been on for that position, and when did Planning request their position?

CHAIR HOKAMA: Hold on one second please, Mr. Guzman. We're working on that response. As we work on getting Mr. Guzman his response, is there any other questions that you would like to ask at this time, Members?

MR. BAZ: Mr. Chair?

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Yeah, thank you. The Planning Department did request an Office Operations Assistant in last year's budget request but they did not in the Fiscal Year 2014 budget request. I don't know if they requested it from the Administration, it was denied

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similar to how the Fire Department's one was. But from my recollection the Fire Department one has been asked for, every year that I've been here, they've asked for that position.

CHAIR HOKAMA: Okay. Thank you for that. Mr. Guzman?

COUNCILMEMBER GUZMAN: I don't have any further questions.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: I just wanted to say that we have a secretary and we have 300-something employees or fire fighters that takes care of 1,2,3, all of our islands. But with that, if you want to call them the Assistant Chiefs, it's not specified just for the Deputy, it's for the Assistant Chiefs that have lots of paperwork that if I recall Chief saying that and that's why he's, this is hana hou he's come back for quite frequently to ask for his secretary. I can, I agree with Mr. White that Planning, we should take into consideration what they need. But I hope our colleagues will take into full consideration as to some of the major cuts we've had on the Fire Department and Public Safety and perhaps this will help to meet the needs that they have at least for the reporting part for the Administration.

CHAIR HOKAMA: Okay. Thank you. Anyone else at this time, Members? Comments? Ms. Baisa?

COUNCILMEMBER BAISA: Thank you. Thank you very much, Chair. This is a tough one. Both functions of course as we know are extremely important. We all know that Planning is overloaded with tasks. In fact I'm beginning to wonder if, I mean they've become so varied and we have all these things that we want them to do and we keep assigning more and more things for them to monitor and watch and approve and people apply and they have to make visits and do all these things. So they have a lot of work going on. I don't know if, it's kind of hard to compare to the Fire Chief and his operation 'cause I kind of heard something else. I remembered having him say that he and his deputy were doing a lot of paperwork 'cause they don't have help and I don't know if that's a good use of that kind of executive doing paperwork. So it's very hard to make a choice because both of them are doing very important work. So it's a really tough, I mean its half a dozen of one and six of the other. It's a tough choice.

CHAIR HOKAMA: Yes it is. Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Yeah, on the secretarial staff for the Planning, the specific purpose, would that be for enforcement or is it just an all-around general duties?

CHAIR HOKAMA: I'm sorry, Mr. Guzman...

COUNCILMEMBER GUZMAN: Oh yeah, maybe Mr. Baz can answer that.

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CHAIR HOKAMA: Mr. Baz?

COUNCILMEMBER GUZMAN: What specifically are they going to utilize the position for?

MR. BAZ: Thank you, Mr. Chair and Member Guzman. My recollection is that it's to relieve the Planning staff from doing clerical work. They spend a lot of time processing letters and things like that which, you know, could be done by a clerk instead of the actual planners themselves. I'm looking right now as we're speaking through for the Department's request to see if there's any more items in that budget justification. But yeah that was from my recollection, their request.

COUNCILMEMBER GUZMAN: This is in addition to another clerical or secretary that is doing the job right now? Or those various --

MR. BAZ: No.

COUNCILMEMBER GUZMAN: --duties? This is a...

MR. BAZ: Yeah, I'm sorry.

COUNCILMEMBER GUZMAN: This is a support staff to --

MR. BAZ: Yes.

COUNCILMEMBER GUZMAN: --support an initial person that is, the primary person that is doing the job right now?

MR. BAZ: So as, yeah, it says the personnel noted above have, you know, this is in the zoning, the ZAED Division right, Zoning Administration and they are performing clerical duties in addition to this more substantive duties to their position descriptions, additional clerical support would love them to spend all of their time reviewing building plans, conducting investigations, processing various permit applications and reviews, and responding to public inquiries for information. And they anticipate that complaints and requests for service especially for short-term rental homes will be handled more expeditiously, building plan examiners will be able to complete their initial reviews within the required 30 days. So basically it'd be helping the Planning Department to become more efficient.

CHAIR HOKAMA: Okay. Thank you, Mr. Baz.

COUNCILMEMBER GUZMAN: Is it possible to do part time for both? Like a part time for the Fire Department and then a part time for the Planning?

CHAIR HOKAMA: Mr. Baz?

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MR. BAZ: Mr. Chair, the Committee can provide a half E/P to the Fire Department and a half E/P to the Planning Department, that's a possible solution. Having one person do both jobs I think would be problematic but having a half E/P for each I think is something that could be possible.

COUNCILMEMBER GUZMAN: Maybe we can ask both departments whether they want a half E/P or they want to wait for the next year and get their full E/P and whichever one they agree on we can support, but they have to take their turn.

CHAIR HOKAMA: Well, we're going to be locking this document up real shortly so there's no time. Okay. I will just tell you that currently as our specs share with us, Fire Administration currently has a private secretary that is, which was increased on the transition in compensation. There's an Administrative Assistant II. They have a Personnel Assistant I. Operations, Office Operations Assistant II, two Office Operations Assistant IIs, an Account Clerk III for administrative support in Fire. Planning Department Administration has a Secretary I and that's it. And that's it. Mr. White.

VICE-CHAIR WHITE: Just the last thing I would say is that my recollection is in his testimony mister, or in his presentation Mr. Spence mentioned that this person would be dealing with the clerical tasks of about 20 people. I don't know if I'm remembering the number correctly, but thank you.

CHAIR HOKAMA: Okay. Thank you. Any other questions, Members? Okay. Is there consensus?

VICE-CHAIR WHITE: Consensus.

COUNCILMEMBER COUCH: Consensus.

COUNCILMEMBER CRIVELLO: No.

CHAIR HOKAMA: Okay. We'll move forward. Ms. Cochran, yes means you're okay with the transfer. No means it stays where it is in Fire.

COUNCILMEMBER COCHRAN: No.

CHAIR HOKAMA: Okay. Mr. Couch?

COUNCILMEMBER COUCH: Aye.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: No.

CHAIR HOKAMA: Okay. Mr. White?

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VICE-CHAIR WHITE: Aye.

CHAIR HOKAMA: Okay. Mr. Guzman?

COUNCILMEMBER GUZMAN: Aye.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Okay. It doesn't move forward, there's not enough for either way. So it stays as it is and we're not gonna reconsider this. We're moving on.

VOTE: AYES: Chair Hokama, Vice-Chair White, and Councilmembers Couch, and Guzman.

NOES: Councilmembers Cochran, Crivello, and Victorino.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmembers Baisa and Carroll.

MOTION FAILED.

VICE-CHAIR WHITE: No, that's fine. Thank you, Chair.

CHAIR HOKAMA: Yeah, thank you. Anything else, Members? Okay.

VICE-CHAIR WHITE: Just...

CHAIR HOKAMA: Yes?

VICE-CHAIR WHITE: And I'm okay just distributing this and maybe if we can discuss it on the 15th, but this is an amendment to Section 16 in the budget description or budget instructions under Encumbered and Unencumbered Funds. And it would be an addition to that section that states for any contract for services within the category of use (b) (operations or service, Section 7) having a term exceeding one year, no funds may be encumbered for more than the actual amount appropriated and used, or anticipated in good faith to be used, in that fiscal year. And I'm not asking for a vote on this today but because I think it is going to require a little bit more discussion so

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that everyone understands the impact. But if you wouldn't mind adding this to your list of items for consideration on the 15th I would appreciate it, Chair.

CHAIR HOKAMA: Okay. We can do so. Let me see. So the new language you want us to consider at the...

VICE-CHAIR WHITE: You know the purpose of this is --

CHAIR HOKAMA: Is the A...

VICE-CHAIR WHITE: --that when we went through Solid Waste we came across the concern that a lot of money is being extracted from the current fiscal year by contracting for two to three years, and so the money has to be drawn out of this fiscal year and committed to future years. And so this change in, or this added wording would simply say we don't want you as much as possible to commit to funds out of future years and that should help us make it much simpler to do our budgeting and keep track of the actual expenditures.

CHAIR HOKAMA: Okay. Thank you for that. Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just a comment, currently there are Charter provisions talking about service contracts or multiple terms and there is a section in the Hawaii Revised Statutes which does touch on multi-term contracts, and typically for these multi-term contracts the contract's usually for one year, that's the amount encumbered. I don't know the specifics of the Solid Waste Contract, Mr. White's speaking about, I'm just speaking generally and what my understanding of the Hawaii, is administrative rules pertaining to procurement, state, and the funds are for the first year of the multi-term contract and the second and third or fourth or fifth or however many years it is, those subsequent years are subject to appropriation by the Council.

VICE-CHAIR WHITE: But the practice is by the County to encumber the entire amount if it's a, except in service contracts they, I don't believe they encumber beyond a year. But there are examples of contracts that have been encumbered for a longer period of time, and the, and I don't want to get, that's why I wanted to discuss it on the 15th because it's, there's a little bit more to it, but there's in Section 9-12, Payments and Obligations there's also a provision that says any such contractor lease requiring the payment of funds from appropriations of more than one year, one fiscal year, shall be approved by ordinance. So if that's the case, the Anaergia contract requires payments over a, you know, over more than one year. A couple of the contracts that were entered in to by Solid Waste made required payments over multiple years. So should those not have been approved by the Council? And I know that you're probably going to say that well as long as the appropriation is there for some sort of an expense then it's okay. But this says that the contracts must be approved by ordinance. And if you look at one of the, at least one of the contracts that was entered into by Solid Waste, it's, it clearly would've required action by this Council because they did a \$640,000 contract on a \$200,000 line item. So what was appropriated by us was \$200,000, what was

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expended was \$640,000. So I think it clearly says something's got to come back to us. So anyway, Chair, I don't want to, I know you need to wrap this up but I'd like this to be opened for discussion at a later date.

CHAIR HOKAMA: We can have more discussion on another day plus we'll be posting additional agendas prior to first and second reading of the budget document with Council. So there are some additional opportunities, but for this Committee and today we need to be finished in 40 minutes. I need to get these documents, the appropriate documents to Clerks by 4:00 p.m. today, 4:00 pm today. So please I ask for your indulgence to work with the Chair and Staff, we've got a pending deadline shortly. But we can have those additional discussions regarding Mr. White's proposal but it won't be this afternoon, Members. Okay. Is there anything else you folks want to bring up under Revolving Funds at this time, Members? Okay. If not, Mr. Molina, what is the next item we need to review as a Committee?

MR. MOLINA: Thank you, Mr. Chair. We'll be distributing an additional exhibit for the A, B, C Accounts --

CHAIR HOKAMA: Okay.

MR. MOLINA: --and the amounts appropriated to each account.

CHAIR HOKAMA: Is this our C?

MR. MOLINA: Yes.

CHAIR HOKAMA: Yeah. Being handed out to you at this time, Members is a new appendix we've, it's entitled Appendix C. Appendix C is the exhibit regarding all the A, B, and C Accounts and it goes by program areas. So from the top regarding Office of the County Clerk, you see the proposal from the Mayor, the Council's revision, and then the net appropriations by accounts. City and County of Honolulu does theirs a little differently, they actually go straight to the bill for an ordinance. I am recommending to you that we do this through an attachment called Appendix C to the budget ordinance. Both encompasses the same thing by I feel this is a pretty straightforward and simplified approach to deal with the accounts and the categories and we presented it in that manner. Plus it'll also assist Mr. Baz by knowing exactly what dollar amounts we will decide on and what accounts it will be placed in. So this will also assist him in seeing how we allocated the funding. Ms. Yoshimura, you have anything you want to share with Exhibit C as far as anything else that I may have not been able to remember?

MS. YOSHIMURA: Mr. Chair, Staff would just like to ask or request that we be allowed to make nonsubstantive changes to the exhibit as it is broken down to A, B, and C Accounts and matched up with the Budget Details and Exhibit 1.

CHAIR HOKAMA: Okay. Thank you.

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COUNCILMEMBER COCHRAN: No objections.

CHAIR HOKAMA: Any objections to the need for Staff to do nonsubstantive changes?

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Thank you very much. So ordered. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I was noticing on, starting on Page 7, Human Concerns Program, and they have all the grants are all B Accounts, that's just the Department of the Housing and Human Concerns --

CHAIR HOKAMA: It's always...

COUNCILMEMBER COUCH: --gives to whomever and then they can use it.

CHAIR HOKAMA: It's always in OED with grants.

COUNCILMEMBER COUCH: Yep.

CHAIR HOKAMA: Grants we've placed in a separate...

COUNCILMEMBER COUCH: But the restriction isn't on the grantee it's just on the Housing and Human Concerns, right, the A, B, C Account?

CHAIR HOKAMA: Yes.

COUNCILMEMBER COUCH: Okay. Thank you. I just wanted to clarify that.

CHAIR HOKAMA: Yes, yes. We're not trying to make it more difficult for --

COUNCILMEMBER COUCH: Yeah, I know.

CHAIR HOKAMA: -- those that we don't need to impact at all, no.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Are there any other questions, Members? If I can, the Chair would like to ask for consensus on this Exhibit C?

COUNCILMEMBERS: Consensus.

CHAIR HOKAMA: Okay. Thank you very much. Okay. Ms. Yoshimura, next.

MS. YOSHIMURA: Mr. Chair, I think that was the last document that Staff had to distribute.

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CHAIR HOKAMA: Are there any outstanding provisos that we need to run with, through the, with the Committee, please?

...*(silence)*...

CHAIR HOKAMA: That's it, okay. Mr. Couch.

COUNCILMEMBER COUCH: I know there were, we had talked about fixing some and I think Ms. Crivello's proviso didn't make it. Are we getting all that or...

COUNCILMEMBER CRIVELLO: Yeah.

CHAIR HOKAMA: Yeah, yeah, we're working on it. That is to me is nonsubstantive because we made the decision already --

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: --we have it and not only that but Ms. Crivello had it in a written form.

COUNCILMEMBER COUCH: Yup.

CHAIR HOKAMA: So we have it in our records that written form that lists every single project she has spoke of. So that will be included. Anything else?

REFERRALS TO COMMITTEE

CHAIR HOKAMA: Yeah, okay, at this time you will be receiving from the Staff a list of referrals so I'll run that by you right now. That's part of Exhibit No. "2" heading "Referrals". So, Members, what you're receiving is a multiple Page, three of four pages. Page 1 you will see to the Budget and Finance Committee four proposed referrals to be sent, one, matter relating to the reporting of unpermitted building improvements, two, matter relating to penalties for violations of home exemption requirements, three, relating to the County's investment policy, and four, relating to tax classifications for transient accommodations. To our Economic Development, Energy, Agriculture, and Recreation Committee: the following for referral recommendation, an audit of the Maui Interscholastic League's use of County park facilities, two, relating to agricultural inspectors, and three, relating to Waiehu Golf Course rates and revenues. To our Housing, Human Services, and Transportation Committee we have three recommendations for referrals, one, relating to an audit of subsidies for public transit services provided by the Department of Transportation, two, an audit on the Department of Transportation's Federal reporting requirements, and three, relating to community partnership grants. To our Infrastructure and Environmental Management Committee we have two items, one, relating to green waste services, and two, relating to the Waiale Road Extension project. To our Planning Committee, two

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items for consideration, one is relating to seawall construction, and number two relating to fee structure for after-the-fact permits. To our Policy and Intergovernmental Affairs Committee, we have four items, one relating to records management and electronic documents, two, relating to a performance audit of the Council, Office of Council Services, three, relating to an audit of the Department of Fire and Public Safety, and four, relating to the Office of the Mayor's Public Information Office and standards for media statements issued there from. And finally to our Water Resources Committee, two items for consideration, one, relating to watershed protection grants, and two, relating to electronic billing statements. That is the recommendations for referrals to various standing committees of the Council. Any questions? Comments? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And how does one go about wanting to look into like an entity that receives a particular grant like in the Housing and Human Concerns Department? How would those items get, is there a referral process?

CHAIR HOKAMA: I would say that you could just have a letter sent to Council Chair, you know, the current Council Chair requesting that you want this subject matter referred to the appropriate standing committee for review and then it'll be on the Council agenda and Council will refer your item to the appropriate committee. And then it would be under that committee's chairmanship that you would need to work with. That's the basic process.

COUNCILMEMBER COCHRAN: So it wouldn't be done through this?

CHAIR HOKAMA: If you have it you can present it and if the Committee supports this then we could include it now. But if you at any time, any Member can just send a transmittal letter to the Chair, the Chair's Office for consideration for posting and referral. But if you have something now, it's got to be now.

COUNCILMEMBER COCHRAN: Well, so, Chair, my thought is I wanted a little more in-depth somehow measureable, tangible thing in regards to Maui Visitors Bureau, one, and number two, the other entity is the Maui County Farm Bureau because I'm seeing more and more of another entity, a willingness to grow and a lot more participation in the community in its goals and visions. So I'm just wanting to get clear, concise reasoning why and the amount of funding that goes to one or the other, and somehow I mean can it be combined or can, you know, there's something happening here and it needs to be I believe vetted in a lot more detailed fashion within a community, a committee's scope.

CHAIR HOKAMA: Yeah, if it's multiple subject areas or jurisdictions our rules recommend it goes to Policy Committee. So, you know, you could send something to Mr. Victorino. I would also ask you first, you may want to send a letter to the business research library operation, ask them if they have comments on what information do you use to analyze and put into the annual Maui County Data Book. And you may have the information already accessible in that documents to make an assessment at least and

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if not then you at least know what you should be asking for that's not available. But either DBEDT has additional stats, our business research library should have stats, Office of Economic Development should have stats, MEDB should have stats, I mean there's a duck load of stats out there.

COUNCILMEMBER COCHRAN: Right, and possibly you were around then, but as I understand there was a report being asked from the Maui Visitors Bureau and monies expended but no such report had transpired is what I've been told from people who have been here before so.

CHAIR HOKAMA: Then I would say the first thing you might want to consider is a formal correspondence and request to MVB for that study or report. If it was used with public money they have to account for it. So that would be my suggestion and then we can, I'd be happy to, you know, give you some suggestions you might wanna consider if you wanna take it to the next step or your discussions with Mr. Victorino with his Committee or the Chair since he'll take care referral and disposition of your communication request. So you have time, and like I said I'm happy to work with you Ms. Cochran.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: Mr. White.

COUNCILMEMBER COCHRAN: Thank you, Chair.

VICE-CHAIR WHITE: Yeah, Chair, I'd just like to say I'd be, you know, after her initial review of both of those items, she can send me a letter and we'll refer 'em to the proper committee, so she doesn't need to feel like she's gotta put it together today 'cause we can certainly approach it through a regular referral matter and I'd be happy to help her with that.

CHAIR HOKAMA: Okay. We'll be happy to work with you, Ms. Cochran.

COUNCILMEMBER COCHRAN: Okay. Very good. I appreciate that, thank you.

CHAIR HOKAMA: Anyone else at this time, Members? If there's no questions, can I have consensus on the referrals recommendations?

COUNCILMEMBERS: Consensus.

CHAIR HOKAMA: Okay. Thank you. Anything else before we move to motions? Staff, is there anything else I may have missed? Okay.

MS. YOSHIMURA: No, Mr. Chair, I think that would be the last before the motions on the bills.

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CHAIR HOKAMA: Okay. Thank you very much. Again, Members, we are blessed with very good Staff. Their dedication to you and this Committee is outstanding.

COUNCILMEMBERS: . . . *(applause)* . . .

CHAIR HOKAMA: And I also wanna thank Mr. Ueoka and Mr. Baz. They have contributed a lot and we all know Mr. Baz has additional challenges than just being here with us, so we appreciate his dedication to the people of this County. So, gentlemen, we thank you for your service. Okay. Members, I'm gonna...

COUNCILMEMBER COUCH: Mr. Chair?

CHAIR HOKAMA: Yes, Mr. Couch.

COUNCILMEMBER COUCH: I know we talked about but I didn't mark down that we got consensus on the bike tour rates and the daily pass rates for the bus. I don't recall getting consensus on those 'cause I'd like to increase the bike tour rates.

CHAIR HOKAMA: Okay. When we went through and I offered the motion and you folks _____ consensus as it also included the low-income rate proposal I took that as the consensus for everything else --

COUNCILMEMBER COUCH: . . . *(inaudible)* . . .

CHAIR HOKAMA: --'cause that's how I had presented on that page, I presented the page. So if you have something you wanna bring up right now, you know, you can.

COUNCILMEMBER COUCH: Sure it was the bike tour one.

CHAIR HOKAMA: Right.

COUNCILMEMBER COUCH: I wanted to go to 500 on that.

CHAIR HOKAMA: Okay. Mr. Couch, if you could just again restate what is the current amount and the...

COUNCILMEMBER COUCH: The amount is your suggested, oh, I'm sorry the...is that yours or the Mayor's suggested rate of \$250 to \$500?

CHAIR HOKAMA: Okay. Mr. Molina, is that the, 250 was from?

MR. MOLINA: Mr. Chair, the 250 is your proposal.

CHAIR HOKAMA: Okay. That's my recommended proposal that we have consensus, but we have a new, last proposal. Mr. Couch is asking to move it to \$500. Mr. Couch.

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COUNCILMEMBER COUCH: And the reasoning for that is that if we move CORA from 100 to 3,000 at least 500 for that and I'm open to more.

CHAIR HOKAMA: Okay. Thank you. You heard Mr. Couch's comments on why he would like us to consider \$500. Is there any other questions or comments regarding Mr. Couch's request? Okay. The request is to go from 250 which is what I had recommended and you supported, and the new number that is being proposed is double, \$500. Okay. Is there consensus?

COUNCILMEMBER VICTORINO: No.

UNIDENTIFIED SPEAKER: Consensus.

CHAIR HOKAMA: No. Okay. We don't have consensus. Ms. Baisa?

COUNCILMEMBER BAISA: Yes.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Aye.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Aye.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Yes.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Aye.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Aye.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Okay. Thank you. We have seven supporting, one not supporting, and one who is excused. So the recommendation to Council would be for \$500.

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

NOES: **Councilmember Victorino.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Carroll.**

MOTION CARRIED.

ACTION: APPROVE.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Thank you. Do we need to make adjustments now on revs or anything? No, we're okay right?

COUNCILMEMBER VICTORINO: 'Cause I, you know, Mr. Chair?

CHAIR HOKAMA: Yes, sir?

COUNCILMEMBER VICTORINO: I don't think you have to worry too much 'cause I think there's only four companies left on Maui.

CHAIR HOKAMA: Okay. Thank you, Mr. Victorino. Thank you. Okay. So we'll make that final adjustment and my understanding is we don't need to take a recess to make any additional adjustments regarding that decision, so thank you. Okay. We're going to start with the motions, okay, Members. So at this time I'm recommending passage of the following bills for first reading, number one, a proposed bill entitled A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS FOR LOANS FROM THE STATE OF HAWAII'S WATER POLLUTION CONTROL REVOLVING FUND FOR VARIOUS WASTEWATER PROJECTS, FISCAL YEAR 2016 BUDGET ORDINANCE.

VICE-CHAIR WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Okay. You have a motion from Mr. White and seconded by Mr. Victorino. Members, for your understanding the purpose of this proposed bill is to allow the Mayor to enter into an intergovernmental agreement to finance the following, Kihei

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Number 16 Pump Station Rehabilitation and Force Main Replacement, with funds not to exceed \$5,500,000; Hawaiian Homes Force Main Replacement, with funds not to exceed \$2,800,000; Lahaina Wastewater Reclamation Facility Modifications, Stage 1A, with funds not to exceed \$12,500,000; and Kaanapali Resort R-1 Water Distribution System Expansion, with funds not to exceed \$7,000,000. The proposed bill will be revised to reduce the funding for Kihei Number 16 Pump Rehabilitation and Force Main Replacement, with funds not to exceed \$4,400,000; Hawaiian Homes Force Main Replacement, with funds not to exceed \$2,240,000; and to delete the project for Kaanapali Resort R-1 Water Distribution System Expansion. That is what is before you, Members, and reflects accurately the adjustments, restorations, and the deletions that the Committee has recommended. Any further discussion? Having none, all in favor of the motion, please say "aye".

COUNCILMEMBERS: "Aye."

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

VOTE:	AYES:	Chair Hokama, Vice-Chair White, and Councilmembers Baisa, Cochran, Couch, Crivello, Guzman, and Victorino.
	NOES:	None.
	ABSTAIN:	None.
	ABSENT:	None.
	EXC.:	Councilmember Carroll.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill.

CHAIR HOKAMA: The next I'm open for motion as it regards to a proposed bill entitled A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT REVOLVING LOAN FUND FOR THE IAO WATER TREATMENT FACILITY REPLACEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, FISCAL YEAR 2016 BUDGET ORDINANCE.

VICE-CHAIR WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

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CHAIR HOKAMA: We have a motion and a seconded made by mister's White and Victorino. The purpose of this proposed bill, Members, is to authorize the Mayor to enter into an agreement to finance the Iao Water Treatment Facility Replacement projects, with funds not to exceed \$15,000,000. Any further discussion?

COUNCILMEMBER VICTORINO: You know, Chair.

CHAIR HOKAMA: Mr. Victorino.

COUNCILMEMBER VICTORINO: Real quickly. I know you mentioned Community Planned Area Wailuku-Kahului and I understand that is the community planned area. The unfortunate part it leaves out really the really biggest district of all as far as usage is concerned which is South Maui and of course Paia is also included. But that's a conversation we can have at another date. I'm looking to something of that how we can make that more applicable because this treatment plant serves four --

CHAIR HOKAMA: A lot of people, yes.

COUNCILMEMBER VICTORINO: --distinct districts. Almost two thirds of the entire island's population is served by this water system. So anyhow, enough, I don't want to go too long. Thank you very much.

CHAIR HOKAMA: No. Thank you. It's an important point to understand so we thank you for that. Any further discussion? If not, all in favor of the motion, please say "aye".

COUNCILMEMBERS: "Aye."

CHAIR HOKAMA: Oppose, say "no". Motion passes with eight ayes, one excused. Thank you.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Carroll.

MOTION CARRIED.

ACTION: Recommending FIRST READING of bill.

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CHAIR HOKAMA: The next is I'm open to a motion regarding a proposed bill entitled A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF EIGHTY MILLION EIGHT HUNDRED EIGHT THOUSAND TWO HUNDRED FIFTY DOLLARS (\$80,808,250) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI FOR THE PURPOSE OF PROVIDING FUNDS TO PAY ALL OR A PART OF THE COST OF APPROPRIATIONS FOR PUBLIC IMPROVEMENTS OF AND FOR THE COUNTY OF MAUI; FIXING THE FORM, DENOMINATIONS AND CERTAIN OTHER FEATURES OF SUCH BONDS AND PROVIDING FOR THEIR SALE; AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN DETAILS OF THE BONDS; AUTHORIZING THE ISSUANCE AND SALE OF A BOND-LIKE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS; AND PROVIDING FOR OTHER ACTIONS RELATED TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS.

VICE-CHAIR WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Motion made by Mr. White, seconded by Mr. Victorino. The purpose of this proposed bill is to authorize the issuance of general obligation bonds for the various Capital Improvement Projects. Also, Members, the proposed bill will be revised to incorporate the changes recommended by the Committee, including the change in the amount of general obligation bonds in the title and text of the bill. Any further discussion, Members? Having none, all in favor of the motion, please say "aye".

COUNCILMEMBERS: "Aye."

CHAIR HOKAMA: Opposed, say "no". Motion passed with all nine Members voting aye. Thank you.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

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

May 4, 2015

ACTION: Recommending FIRST READING of bill.

CHAIR HOKAMA: Next, I'm open to a motion as regards to a proposed bill entitled A BILL FOR AN ORDINANCE DETERMINING THAT PART OF THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI HERETOFORE ISSUED IS IN EXCESS OF THE AMOUNTS REQUIRED FOR THE PURPOSE FOR WHICH SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING SUCH PROCEEDS TO OTHER PUBLIC IMPROVEMENTS OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI.

VICE-CHAIR WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Okay. Thank you. A motion by Mr. White, seconded by Mr. Victorino. The purpose of the proposed bill is to reauthorize the use of \$1,000,000 in lapsed bond proceeds for the Kalana O Maui Campus Expansion project. The proposed revised bill is to incorporate the changes recommended by the Committee, including the change in the project authorized. The project authorized is the Haleakala Highway Intersection Improvements at Makawao Avenue. Any further discussion? If not, all in favor of the motion, please say "aye".

COUNCILMEMBERS: "Aye."

CHAIR HOKAMA: Oppose, say "no". Motion passes with all nine voting affirmative.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill.

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

May 4, 2015

CHAIR HOKAMA: Next, the Chair is open to a motion for a proposed bill entitled A BILL FOR AN ORDINANCE RELATING TO THE CAPITAL PROGRAM FOR THE FISCAL YEAR ENDING JUNE 30, 2016.

COUNCILMEMBER VICTORINO: So move, Mr. Chair.

VICE-CHAIR WHITE: Second.

CHAIR HOKAMA: I have motion by Mr. Victorino, seconded by Mr. White. Excuse me. Okay. Let's see, the purpose of the proposed bill is to set forth the Capital Program for FY 2016 through 2021. Incorporated within the proposed bills are Appendix A-1, a report entitled COUNTY OF MAUI, CAPITAL IMPROVEMENT PROJECTS REPORT, AS OF DECEMBER 31, 2014, which lists all pending Capital Improvement Projects and appropriations, except for Water Fund projects, as of December 31, 2014; Appendix A-2, a report entitled County of Maui, Statement of Appropriations and Expenditures, Capital Improvement Program by District, Fiscal Year Ending 6/30/2015 as of 12/31/2014, which includes pending Water Fund Capital Improvement Projects and appropriations as of December 31, 2014; and Appendix B, which is the proposed Capital Program for Fiscal Year 2016 through 2021. The proposed bill revised is to incorporate the changes recommended by the Committee, including updating appendices to the most recent reporting period. Is there further discussion on the motion? If not, all in favor of the motion, please say "aye".

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed, say "no". Motion passes with nine ayes.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised Capital Improvement Project (CIP) bill.

BUDGET AND FINANCE COMMITTEE MINUTES
Council of the County of Maui

May 4, 2015

CHAIR HOKAMA: The next I'm open to a motion for a proposed bill entitled A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016.

VICE-CHAIR WHITE: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Okay. Thank you. Motion made by Mr. White, seconded by Mr. Victorino. The purpose of the proposed bill is to approximate [sic] estimated revenues for the operating and capital improvement budget. Incorporated within the proposed bill are Appendix A, which lists Grant Revenues and Special Purpose Revenues; Appendix B, which is the Schedule of Fees, Rates, Assessments, and Taxes; and Attachment B-1, which lists the County's concessions, leases, and licenses by department. The proposed bill is being revised to incorporate the changes recommended by the Committee, including updated General Budget Provisions, an updated Attachment B-1, and likely a new Appendix C, consisting of the breakdown of A, B, and C Accounts, which was distributed to you at today's meeting and is based on information provided by the Office of the Mayor. So, Members, since we have this new breakdown of the A, B, C Accounts I would like to ask, with no objections from you, to allow, to give the Staff flexibility in how best to incorporate the breakdown if adjustments are needed in the Budget bill.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay. Thank you very much for that. And also we already went through the recommended referral for each of the following things previously so that's done. So is there any further discussion on the motion before you? Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I wanna thank you and the Staff for tremendous work. We went through it, we did a lot of stuff, and I agree with everything that's in the budget except for the A, B, C. And the A, B, C I think is big enough that we need to have the discussion with the departments first, and, you know, unfortunately it's all lumped into one big chunk and. . .but I think it is big enough, Mr. Chair, that I can't support the budget at this time. Thank you.

CHAIR HOKAMA: Okay. Thank you for your comments. Any other discussions, Members? If not, all in favor of the motion, please say "aye".

COUNCILMEMBERS: "Aye."

CHAIR HOKAMA: Opposed, say "no".

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: Motion passes with eight ayes and one no Mr. Couch. Thank you, sir.

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

NOES: Councilmember Couch.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised Budget bill.

CHAIR HOKAMA: Members, I will entertain a motion that will be recommending filing of the following County Communications. The motion would be so that we could file County Communication 15-41, from Council Chair Mike White, relating to the matter of the proposed budget for Fiscal Year 2016, as well as, two, filing of County Communication 15-103, from Mayor Alan M. Arakawa, relating to the proposed Fiscal Year 2016 Budget for the County of Maui.

VICE-CHAIR WHITE: So moved, Chair.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR HOKAMA: Motion made by Mr. White, seconded by Mr. Victorino. Any discussion on this motion Members? None. All in favor of the motion, please say aye.

COUNCILMEMBERS: "Aye."

CHAIR HOKAMA: Oppose, say "no". Thank you. Motion passes with nine ayes.

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

NOES: None.

ABSTAIN: None.

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ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: **FILING of communications.**

VICE-CHAIR WHITE: Chair?

CHAIR HOKAMA: Mr. White.

VICE-CHAIR WHITE: Without objection, I think it would be important that we give the Staff to be able to make technical and nonsubstantive changes on all the measures that we've reviewed.

CHAIR HOKAMA: Okay. Thank you. No objections, Members?

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay. Thank you for allowing the Staff to make, to be able to make those adjustments. Anything else, Staff? Ms. Yoshimura, anything else we need for the Members this afternoon? Any questions from the Members? If not, the Chair just wants to thank you very much for your dedication. I know it was a different budget review session, but I believe we've made some great adjustments and corrective measures that I think the taxpayers and our residents will see the benefits in the near future. So thank you very much. Please prepare whatever comments you would like. When Mr. White has scheduled this for first reading, I would be very happy to hear your comments as well, Members, but I thank you for your cooperation and hard work on this proposal. So there being no further discussion we are adjourned. . . .(gavel). . .

ADJOURN: 3:09 p.m.

BUDGET AND FINANCE COMMITTEE MINUTES
Council of the County of Maui

May 4, 2015

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:150504_r:mt

Transcribed by: Marie Tesoro

BUDGET AND FINANCE COMMITTEE MINUTES
Council of the County of Maui

May 4, 2015

CERTIFICATE

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

DATED the 28th of May 2014, in Wailuku, Hawaii

A handwritten signature in cursive script, appearing to read "Marie Tesoro", is written over a horizontal line.

Marie Tesoro