

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 7, 2016

Council Chamber

CONVENE: 9:01 a.m.

PRESENT: Councilmember Riki Hokama, Chair (out 4:51 p.m.)
Councilmember Mike White, Vice-Chair (Temporary Chair, 6:21 to 8:48 p.m.)
Councilmember Gladys C. Baisa, Member
Councilmember Robert Carroll, Member (out 7:04 p.m.)
Councilmember Elle Cochran, Member
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (in 10:27 a.m.)
Councilmember Michael P. Victorino, Member

STAFF: Michele Yoshimura, Legislative Analyst
Steve Selee, Legislative Analyst
Shelly Espeleta, Legislative Analyst
Yvette Bouthillier, Committee Secretary

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

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

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor
Lance Hiromoto, Director, Department of Personnel Services
David Underwood, Deputy Director, Department of Personnel Services
David Goode, Director, Department of Public Works
Rowena Dagdag-Andaya, Deputy Director, Department of Public Works
David Taylor, Director, Department of Water Supply
Paul Meyer, Deputy Director, Department of Water Supply
Holly Ho, Waterworks Fiscal Officer, Fiscal/Customer Service Division, Department of Water Supply
Helene Kau, Assistant Waterworks Fiscal Officer, Fiscal/Customer Service Division, Department of Water Supply
Eva Blumenstein, Planning Program Manager, Water Resources Planning, Department of Planning
Robert Vida, Chief, Field Operations Division, Department of Water Supply
Dean Tanimoto, Chief, Water Plant Division, Department of Water Supply
John (Tony) Linder, Chief, Water Treatment Plants Division, Department of Water Supply
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

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OTHERS: Dan Eisenberg, Program Manager, East Maui Watershed Partnership
Nick Dudley, Senior Forest Scientist, Hawaii Ag Research Center
Kimberly Thayer, West Maui Mountains Watershed Partnership
Pomaikai Kaniaupio-Crozier, Manager, Puu Kukui Watershed Preserve
Others (5)

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

CHAIR HOKAMA: . . .*(gavel)*. . . Budget and Finance shall come to order. We are continuing our march on the Fiscal Year '17 Budget proposal. This is April 7, 2016. Everybody shall either take off your phones on silent mode or off at this time, or you will be requested to leave the Chamber. Present in this meeting for today is our Vice-Chairman Mr. White.

VICE-CHAIR WHITE: Good morning, Chair.

CHAIR HOKAMA: Good morning. Committee Members Mr. Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR HOKAMA: Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha and good morning, Chair.

CHAIR HOKAMA: Mr. Couch.

COUNCILMEMBER COUCH: Aloha, good morning, Chair.

CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Good morning, Chair.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Good morning, aloha, Chair.

CHAIR HOKAMA: Mr. Guzman is excused. Before we start the review of our next department which will be Personnel Services, we shall take public testimony. We offer those interested in providing testimony before the Committee on the proposed Budget three minutes, and three minutes only. You do not have additional time to conclude by rules of this Committee. State your name, if you represent an entity to...we request

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you state that entity, organization you're representing, and we'll assist you with timing. Green light means keep speaking, yellow means you have 30 seconds, and red means you shall stop.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR HOKAMA: With that, we shall ask the first person to testify, Dan Eisenberg.

MR. EISENBERG: Good morning, Councilmembers --

CHAIR HOKAMA: Good morning.

MR. EISENBERG: --Chair Hokama. I'm Dan Eisenberg, and I'm speaking for the East Maui Watershed Partnership. Thank you for this opportunity to show my support for the Department of Water Supply's Source Protection Grants Program, and to thank you for that support in the past. East Maui Watershed Partnership is celebrating its 25th anniversary this year. This means our project has worked since 1991 with a diverse group of landowners and stakeholders to manage the 100,000-acre East Maui Watershed. With our limited resources, we target the highest priority threats to the health and sustainability of the watershed. This has resulted in the construction of over 15 miles of fencing to keep feral animals out of the most fragile...

. . .(voice from a cell phone is heard). . .

COUNCILMEMBER VICTORINO: Oh, that's always five dollars.

MR. EISENBERG: ...the most fragile parts of the watershed, and those areas that most directly impact water collection infrastructure and aquifer recharge. Our efforts this year have focused on maintaining these fences and removing isolated populations of invasive plants in remote parts of the watershed before those plants displace more native forest and become too abundant to remove. The reliable funding from Maui County has obviously enabled East Maui Watershed Partnership to carry out a lot of on-the-ground management, but one of the most important aspects of this funding is our ability to leverage it as match to raise other funding. Last year EMWP matched our DWS grant with a National Fish and Wildlife Foundation grant that resulted in enough funds for us to remove all invasive Himalayan ginger from a nearly 100,000-acre management unit. Department of Water Supply staff was very helpful in providing the required match documentation that was required for this Federal grant. The recipients of this grant program acknowledged that the Department of Water Supply as a user fee funded utility, and for this reason we're extremely grateful for the forethought and long-term planning that it takes for DWS to devote a part of their budget to protection of the mauka watersheds. For many years, we have respected this by proposing projects for this grant which most directly a threat...sorry, which most directly address the threats to the sustainability of the municipal water supply. With your continued generous support of the DWS Source Protection Grants Program,

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we'll do our part to help DWS have as much water as possible to deliver to this generation and future generations of Maui County. Thank you.

CHAIR HOKAMA: Thank you for your testimony. Members, any questions on the gentleman on...to clarify his testimony? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. Good morning, thank you for being here. Did you folks expand your acreage?

MR. EISENBERG: The...we expanded our acreage this year by taking on some responsibility in a project that is a little more accessible for public outreach and education. We're gonna be doing some service-based learning through outplanting of native plants. And we also are assisting with ungulate removal above Hana. We're assisting Department of Land and Natural Resources with a 3,000-acre watershed protection project up there that DWS did help fund some of the fence construction in the past. But I don't think that they funded any ungulate removal at that project site last year.

COUNCILMEMBER COCHRAN: I only ask 'cause there's a jump in your amount, so I noticed there's several other watershed protection programs that have increased acreage, and have stated it. But your description does not actually state, you know, X amount of acreage we now have kuleana on, so thereby we need more funds.

MR. EISENBERG: Yeah, yeah.

COUNCILMEMBER COCHRAN: I was just looking for a number, that's all.

MR. EISENBERG: Okay, well, yes, there is a 750-acre management unit that we have...that DWS has not provided any funding for in the past.

COUNCILMEMBER COCHRAN: Okay, all right. Thank you very much for all your hard work.

MR. EISENBERG: Okay, thank you.

CHAIR HOKAMA: Any other questions? Having none, Mr. Eisenberg, thank you very much for being here.

MR. EISENBERG: Thank you.

CHAIR HOKAMA: Nick Dudley. Following Mr. Dudley is Kimberly Thayer.

MR. DUDLEY: Good morning, Chair --

CHAIR HOKAMA: Good morning.

MR. DUDLEY: --and honorable Councilmembers. My name is Nick Dudley. I am a Senior Forest Scientist with the Hawaii Ag Research Center. I'm here to testify in support of

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the Water Department's budget, which supports a koa program that I manage here on Maui. And our goal is to develop improved disease-resistant koa for landowners and land managers around the island. And we've developed three populations. We've developed the West Maui population. We've developed the Windward-Haleakala population, and we're working on a Leeward population currently. And it goes through our screening process to segregate the populations between wilt resistant and susceptible koa. So over the...for the past four years now, we've gotten support from the Department of Water Supply, and we're quite appreciative of that. That's allowed us to establish seed farms that are genetically diverse, and robust, and ecoregion-specific. And with that support, we've been able to now move from small seed farms to several...to scale to several dozen acres, particularly at Haleakala Ranch. And we do have other landowners and other land managers who are quite interested in replacing low-value pastureland, evasive forest with using disease-resistant koa at a landscape level to improve watershed, you know, to restore and improve our watersheds. So I wanna thank you very much for your support, and I'm happy to entertain any questions you might have now. Thank you very much.

COUNCILMEMBER VICTORINO: Chair? Chair?

CHAIR HOKAMA: Thank you very much, Mr. Dudley.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, and how...Mr. Dudley, thank you very much for being here, and thank you for the information. How many acres are you presently producing with this disease-resistant...resisting koa? Resistant.

MR. DUDLEY: So the quick answer is we have about ten acres of seed farms now.

COUNCILMEMBER VICTORINO: So this is strictly seed?

MR. DUDLEY: So let me explain that.

COUNCILMEMBER VICTORINO: Okay, please?

MR. DUDLEY: Okay, so as an example, we believe that there's genetic differences between West Maui koa, Windward-Haleakala koa, and Leeward-Haleakala koa. So we go into that specific ecoregion and we collect from 80 to 100 mother trees. Those mother trees, we screen for susceptibility, and we segregate the populations between susceptible mothers and resistant mothers. Those resistant mothers then go into seed farms that are located in several locations. Windward-Haleakala, Ulupalakua Ranch, and there'll be another site that's going in on the Leeward side, as well as a West Side partnership with Maui Land and Pine. So those seed farms produce seed that then go into restoration and reforestation projects. So we're now producing some seed, and we have planted...so some of the seeds from one of the farms have contributed to a

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ten-acre planting last year. We're anticipating the ability to scale up over time as these orchards become mature, and we are able to harvest seed, good quality seed, from them.

COUNCILMEMBER VICTORINO: Oh, thank you. And what is the approximate growing time, so the public knows what koa, you know, matured koa, what is the...

MR. DUDLEY: So in terms of from the time you plant --

COUNCILMEMBER VICTORINO: Plant.

MR. DUDLEY: --to time you harvest it?

COUNCILMEMBER VICTORINO: Yes.

MR. DUDLEY: So there's pretty good evidence in a managed stand that you can get acceptable koa in 25 to 30 years.

COUNCILMEMBER VICTORINO: Twenty five to 30 years.

MR. DUDLEY: And it varies by elevation. Lower elevation sites are likely to mature faster. Higher elevation sites, a little slower. So we have in some test plots, we've harvested high-quality, appearance-grade koa at 20 years. Haleakala Ranch did a recent harvest with 30-year material that's going into appearance-grade...

COUNCILMEMBER VICTORINO: Can you stand next to the mic? You keep running away from the mic.

MR. DUDLEY: Oh, sorry. Yeah, sorry, sorry about that.

COUNCILMEMBER VICTORINO: Yeah.

MR. DUDLEY: So roughly 25 to 30 years, and you can...so the wood is of high quality. So it's going into guitars and ukuleles and, you know, things of that nature.

COUNCILMEMBER VICTORINO: Okay, thank you. Thank you, Chair, for allowing me to ask those questions.

CHAIR HOKAMA: Okay, thank you. So Hawaii Ag Research Center, is this a private nonprofit?

MR. DUDLEY: Yes.

CHAIR HOKAMA: You get State funding from DLNR?

MR. DUDLEY: So yes, and that's...and so we're able to leverage the funding that we get. So we're also, this project is also in partnership with the U.S. Forest Service, Division of

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Forestry or DLNR, and the contribution you folks make help us to leverage those funding sources, as well as there is contributions from private landowners and individuals also. So we're appreciative of the support.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and good morning, thank you. And so you said that DWS, Department of Water Supply, has provided funds for the past four years?

MR. DUDLEY: Yes.

COUNCILMEMBER COCHRAN: What...it doesn't show that in our Budget list here so what, how much have you been receiving?

MR. DUDLEY: So initially we received 50,000.

COUNCILMEMBER COCHRAN: Four years back? Twenty fourteen?

MR. DUDLEY: From 2012...I mean, anyway, I'm just recalling. So from 2012 forward, and then last year we expanded our program a little bit, and we were given another \$20,000. So roughly...so our budget currently is at \$70,000.

COUNCILMEMBER COCHRAN: And initially...sorry, initially you said 40?

MR. DUDLEY: Fifty.

COUNCILMEMBER COCHRAN: Fifty, fifty. Okay, and so this is in regards to koa only? 'Cause it says wilt resistant. I know I've been hearing more about the ohia?

MR. DUDLEY: Right, so...

COUNCILMEMBER COCHRAN: Will...that seems to be --

MR. DUDLEY: So the...

COUNCILMEMBER COCHRAN: --heavier impact so you folks are looking maybe to venture into that, or are you just only focusing on koa?

MR. DUDLEY: So the back story is I've been working with koa most of my professional career. And the...so the sudden ohia death syndrome is kind of a recent occurrence, and the...so there's several issues that are still being worked out with that, is how does...you know, first of all, they know now what the pathogen is. It's Ceratocystis, and it appears to be vectored, among other things, by boring beetles. And it's likely that the model that we've developed for koa will serve as a template for assessing resistance in ohia. And so it's kind of early days in the rapid ohia death, you know, so hopefully...so right now it's on the Big Island and it's spreading, and it's...

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COUNCILMEMBER COCHRAN: Right, thank you. I think you answered my question at this point.

MR. DUDLEY: Okay.

COUNCILMEMBER COCHRAN: So thank you very much.

MR. DUDLEY: Okay.

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

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

COUNCILMEMBER CRIVELLO: Thank you.

CHAIR HOKAMA: Members, I will like you to stay on questions on, for clarification of testimony given. If he didn't talk about it, don't ask about it. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. So the work that you're doing is specifically for koa?

MR. DUDLEY: Yes.

COUNCILMEMBER CRIVELLO: Is that the same kind of work that has helped the reforestation that's happening on the Big Island? You know, I don't know if you're familiar, but is that the same type of process?

MR. DUDLEY: So our program is Statewide, and we do have...we do some work on the Big Island. And so there's a number of entities that reforest with koa in a number of places. So I am not involved in all of the koa reforestation activities on the Big Island, but we do have several sites there that...

COUNCILMEMBER CRIVELLO: This is the same process? Your seedling...

MR. DUDLEY: Yeah, right.

COUNCILMEMBER CRIVELLO: Okay.

MR. DUDLEY: So we go into, like, anyway, the Big Island we treat...there's three sort of zones you work in, Windward, South Slope, and Kona side. And we have sites in Kapapala there. We have...we're going to deploy a site on Hamakua Coast, and then depending on budget and time, the following year we'll have a Kona site.

COUNCILMEMBER CRIVELLO: Okay, thank you. I just wanted to know if that was the same sort of seedling --

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MR. DUDLEY: Right, right.

COUNCILMEMBER CRIVELLO: --project that you're doing there 'cause the reforestation on the Big Island for the koa is just taking off --

MR. DUDLEY: Right, so there's a number of --

COUNCILMEMBER CRIVELLO: --because of that kind of process.

MR. DUDLEY: --groups and agencies that are looking at and...

COUNCILMEMBER CRIVELLO: Right, thank you.

MR. DUDLEY: Okay, you're welcome. Thank you very much.

CHAIR HOKAMA: Ms. Thayer?

MS. THAYER: Okay, aloha, Chair Hokama and Committee Members. I am Kimberly Thayer, speaking for the West Maui Mountains Watershed Partnership. First and foremost, oh, testifying in support of the watershed protection funding in the Department of Water Supply budget. So first and foremost, mahalo nui loa for your ongoing support of watershed protection in Maui County. Funds from the Department of Water Supply program support our partnership as well as East Maui, Leeward-Haleakala, Puu Kukui, East Molokai, and the Maui Invasive Species Committee. And altogether we protect well over 200,000 acres of upland forests and watersheds to safeguard our freshwater resources as well as natural, cultural, and economic resources. With the Department of Water Supply funds comprising a significant portion of our budgets, we leverage these funds for matching State, Federal and private funds several times over, which is a superb return on your investment. Looking towards the future, it takes about 20 to 25 years for a raindrop on the mountain to filter down into our aquifers, which is something to think about when a lot of our water comes from groundwater resources. So insuring the health of our watersheds now becomes all the more important when we are faced with a growing population which brings ever-increasing demand in the face of dwindling rainfall and unyielding threats like feral ungulates, invasive weeds, human disturbances, and others. So the healthier our forests now, the more water we have for our future. So freshwater produced by the West Maui Mountains, our Mauna Kahalawai supplies about 76 percent, or over three-quarters of Department of Water Supply customers. So water from Mauna Kahalawai serves all of West Maui, all of South Maui, and all of Central Maui all the way to Paia. So fortunately, the funding from the Department of Water Supply enables us to protect the native forests in our 50,000-acre management area by supporting programs like fence building. To date, we've constructed over 22 miles of fence and counting to protect over 60 percent of our watershed. We control invasive species like strawberry guava that blanket thousands of acres of forest in West Maui alone that severely comprises aquifer recharge. We do water quality monitoring. We network with other organizations to share new technologies and new methods to improve our work. We've continued a partnership with the Maui Economic Development Board on an outreach

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and education project called Water Story, which teaches residents about supply and demand, watershed protection, and then planning for the future. And we're very happy to continue that with Department funding. So we have nine men and women who dedicate their lives basically to this. They spend days away from their families, all in the name of protecting our forests because they sustain and care for us. So with your continued support, we can build more fence, we can expand our weed and animal control areas, we can engage more volunteers, and we can increase more community awareness. So Maui County is a leader in nurturing its watershed partnerships with the Department of Water Supply going well beyond any other Department of Water Supply in the State. So for that we are both proud and grateful, and we hope that this continues well into the future. Thank you.

CHAIR HOKAMA: Thank you. That extra minute costed you \$10,000. Any questions for Ms. Thayer? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And it looks like you folks are getting an increase also, and it says due to, I guess, DWS' recommendation for expansion on acreage. So the expansion has happened? They're suggesting to you folks we give you X amount of dollars, you expand X amount of acres?

MS. THAYER: Well, in our proposal...we've built more fences, and we are in the process of building more fences as we speak. We're also trying to expand our weed control area, so like I mentioned strawberry guava covers like thousands of acres. In one of the projects we have going on is in partnership with Dr. James Leary of UH, so he has a new method called HBT, herbicide ballistics technology, which basically allows us to treat, or basically kill strawberry guava trees that are otherwise inaccessible. So that's one thing that this grant supports that is very much appreciated 'cause otherwise it's growing on cliff faces that we couldn't control, and it'll just spread if we don't do new things like this.

COUNCILMEMBER COCHRAN: So it's more not so much in the land itself. It's in your program --

MS. THAYER: Within the...

COUNCILMEMBER COCHRAN: --that you're expanding.

MS. THAYER: We'll expand the area that we can protect within our management area.

COUNCILMEMBER COCHRAN: Okay, and lastly, Chair, you mentioned you folks cover 200,000...over 200,000, yet our description in our binder says 47,000.

MS. THAYER: The 200,000 is all the watershed partnerships on Maui combined.

COUNCILMEMBER COCHRAN: Okay.

MS. THAYER: So we are 50,000 of that.

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COUNCILMEMBER COCHRAN: Thank you.

MS. THAYER: Yeah.

CHAIR HOKAMA: Any other questions? Okay, thank you for being here.

MS. THAYER: Thank you.

CHAIR HOKAMA: Let's see, next is Pomaikai Kaniaupio-Crozier.

MR. KANIAUPIO-CROZIER: . . .*(Spoke in Hawaiian)*. . . Aloha.

COUNCILMEMBERS: Aloha.

MR. KANIAUPIO-CROZIER: My name is Pomaikai Kaniaupio-Crozier, and I'm the Puu Kukui Watershed Preserve Manager. And ditto, ditto, ditto to all the great testimonies provided, and I know you guys have a long day, so I just wanna share a little bit about Puu Kukui Watershed Preserve. We've been working with Department of Water Supply and the County of Maui for a couple years now. And has been getting tremendous support from you folks and wanted to thank you folks. You know, we can stand proud as conservationists and watershed protection efforts when we know our leaders have that commitment, demonstrate that commitment, you know. And that starts with you folks to our Director Dave Taylor, Paul Meyer, Eva Blumenstein, right down to Robert De Robles, and Edna Manzano. Everybody always being a telephone call away and e-mail away. A request that we really take the work orders, you know. In this trying time of drought, we need to capture every inch. And I know you guys are tasked with how water's gonna be divided. People want water meters. People want development, "Show Me the Water" Bill. But we gotta capture it first. Before we can divvy it up, we gotta capture it, and it's getting harder and harder. NOAA predicted that we're gonna get 50 percent less water this year. January, we could see the summit of Puu Kukui every day. Our guys are going like gangbusters, which is a good thing for high-elevation operations, but we know that window will close at some point. Last year in March, we had nearly 60 inches of rain in Puu Kukui in one month. We wanna capture 60 inches, you know. The collaboration that we've been having with the Department of Water Supply has been terrific, you know, with Mahinahina Water Treatment Plant servicing all the houses and water on the West Side of Maui, as well as new wells, Kahana. We really appreciate the efforts. Puu Kukui protects about 8,961 acres, and as the second wettest spot on earth. When it's dry, can you imagine what Omaopio or Kihei is like? We hope we're capturing as much as we can in higher water recharge areas. So we're requesting additional funds this upcoming year. And there're new threats like the rapid ohia death that was asked about earlier. Puu Kukui Watershed is already being collecting seed, putting that into seed storage. We assisted in the establishment of newly-formed Hawaii Seed Bank partnership in collaboration with all the other partners, and the State. I sit on the committee for...oh, that was it.

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CHAIR HOKAMA: Okay, questions on testimony given? Having none, thank you very much for being here.

MR. KANIAUPIO-CROZIER: Mahalo.

CHAIR HOKAMA: Mr. Kaniaupio-Crozier was the last one to ask for testimony in the Chambers. We shall go to our District Offices. Lanai, Ms. Fernandez, anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you. Ms. Alcon, anyone on Molokai would like to present testimony?

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

CHAIR HOKAMA: Thank you, ladies. Members, with no objections, we shall close testimony for today's meeting.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay, thank you.

. . .END OF PUBLIC TESTIMONY. . .

**ITEM 1: PROPOSED FISCAL YEAR 2017 BUDGET FOR THE COUNTY
 OF MAUI (CC 16-29)**

CHAIR HOKAMA: Today, what we have planned, Members, is we are going to have three departments come before us. We'll start with Personnel Services this morning, followed by Public Works, and then we're gonna end the day with Water Supply. And hopefully we'll do it in a reasonable time factor, but we will take our regular breaks for both Staff and Members' requirements. So stating that, we'll start with Personnel Services and ask Mr. Baz if he has any opening comments he'd like to share regarding the Department of Personnel Services.

DEPARTMENT OF PERSONNEL SERVICES

MR. BAZ: Good morning, Chair and Members. We are discussing Department of Personnel Services. We have our Personnel Director Lance Hiromoto for his final time in front of you as a Director. Well, he hopes, at least. Anyway, and then our Deputy Director Mr. David Underwood. We are starting on Page 513 in the Mayor's Proposed Budget. Department of Personnel Services is the central service agency that provides services

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to all of the County agencies as well as anybody wishing to apply, so they are a critical factor to our operations. Thank you, Mr. Chair.

CHAIR HOKAMA: Thank you. Mr. Hiromoto, Mr. Underwood, thank you for being with us this morning. Why don't you give us your opening comments, please?

MR. HIROMOTO: Thank you, Chair. Thank you, Committee Members. Good morning, everyone. Just a little background on the Department of Personnel Services. Department of Personnel Services is the central personnel agency for the County of Maui. We currently have 18 equivalent personnel. We have one program, and we have five primary functional areas. First, we have our position classification and compensation administration. We have recruitment and examinations. Thirdly, we have employee training and development. Fourth, labor relations which includes grievance handling and collective bargaining negotiations. And fifth, we have a human resource strategic support. So going into the position classification and compensation administration, this is a method of where we place positions in an appropriate class, and an appropriate pay grade. We've completed 154 classification audits in FY '15, and that breaks down to 30 initial classifications and 124 reallocations. In our recruitment and examination side, in fiscal year...just for an example, in FY 2014, we had 138 recruitments. In FY 2015, last year we had 153. The number of applications submitted for jobs with the County also continued to rise, and is very high. In FY 2014, for example, we received 6,533 applications. In FY '15, we received 7,047 applications. This high number of applications through the County continues to, as you can imagine, tax our resources, our staff. And again, we oftentimes have to accommodate this high number of applications by having multiple examinations and multiple test sites for each single recruitment. And as we've done in the past few years, we've also, in order to accommodate applicants who are already in the outside workforce, we've continued to administer written examinations during the evening...early evening. Third functional area is our employee training and development. We scheduled 193 training classes in FY 2015. This was an average of about 16 training classes per month for our employees. We also, as you recall, introduced our supervisor/manager training academy in 2012, and so far we've had over...well, we've had 423 employees participate in at least one or more of the classes in the academy. And we graduated 43 of our supervisors from the supervisor academy. Training is held throughout the fiscal year. Year-to-date in FY '16, we have sponsored so far 116 classes with little over 1,162 employee participants. Our numbers have dropped only because we no longer include equal employment opportunity mandatory training. As you recall, that function was transferred to the Office of Management at the beginning of Fiscal Year 2015. Collective bargaining and labor relations, this year our activity was focused on the establishment of a new collective bargaining agreement for Bargaining Unit 14, and we just recently began negotiations with Bargaining Unit 11 which is the Hawaii Fire Fighters Association. And it's important to note that all eight collective bargaining agreements that the County's a party to will expire at the end of Fiscal Year '17, so June 30, 2017. So negotiations will be ramping up shortly, and because of this we've requested additional funds related to collective bargaining. We've also received and processed 15 grievances this fiscal...excuse me, in Fiscal Year 2015. In our last functional area that

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I wanna report on is our human resources strategic support. In Fiscal Year 2015, we've processed again 8,619 personnel transactions, and again this large number of transactions can be attributed to mass pay changes that were negotiated with several of our bargaining units that occur every six months. Since these collective bargaining agreements will expire at the end of 2017, we can anticipate processing this high number of personnel transactions again for the next year. For our Fiscal Year 2017 Budget request, it represents a 7 percent increase over our Fiscal Year 2016 Budget, dollar-wise the increase total is 103,455. The majority of that, 92,955, is in Salaries and Wages in the A Account, primarily due to collective bargaining increases. Fifteen thousand increase that we're asking for...or the remaining 15,000 increase in Operations B Account due to, again, the projected increase in collective bargaining costs. Thank you very much, Chair, happy to answer any questions that you or the Committee may have.

CHAIR HOKAMA: Thank you, Director. Mr. Underwood, would you care to share any comment at this time?

MR. UNDERWOOD: No, thank you, Chair.

CHAIR HOKAMA: Okay, thank you very much, gentlemen. And thank you for giving us statuses on the various moving parts that you continue need to be on, especially I guess, preparing to go through eight contract talks. So that we have a good understanding, let me just focus on the contract side right now. As we were understanding with some of the other contracts, with the upcoming negotiations, does the County of Maui in any unit or contract, take the lead role in the negotiations?

MR. HIROMOTO: We have done that in the past, but what...it's generally...the way that it's done is we...the employer group gets together and parcels out the leadership, what we call spokesperson role, and by majority vote we decide who that person would be. And we've done that in the past. We've taken the lead on, I believe, I think Deputy Underwood was the spokesperson in a Fire negotiations.

CHAIR HOKAMA: What is the opportunity for Maui to be a lead negotiator in the upcoming contract talks?

MR. HIROMOTO: Generally, we...generally, the vote would go towards the State because the State, or City, because they have a majority of employees. And again, all matters that are related to negotiations according to HRS 89-6 have to go to a majority vote. And as you are familiar with, the State always has an equal number of vote. For example, for Unit 1, 2, 3, 4, I believe, 13, 14, we have the State who has six votes. We have the county, the four counties, we have the Judiciary, and HHSC, having one vote each.

CHAIR HOKAMA: So there's 12 votes.

MR. HIROMOTO: So there's 12 votes in those areas. State has six.

CHAIR HOKAMA: Why?

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MR. HIROMOTO: That's the law, 89-6, HRS 89-6 states that. For even Fire which is probably...

CHAIR HOKAMA: It's interesting because as employers, we're all viewed as one, individual employers. The State isn't six employers. It's just one employer --

MR. HIROMOTO: True.

CHAIR HOKAMA: --the State of Hawaii.

MR. HIROMOTO: True.

CHAIR HOKAMA: So as an employer, we all get one vote.

MR. HIROMOTO: True.

CHAIR HOKAMA: I find it interesting that...but they get six votes.

MR. HIROMOTO: Correct. What may even excite you more, is that for Fire, HFFA, State has only Airport Crash...Airport Firefighters, they have four votes in that, and each county has one. For SHOPO, Unit 12, State does not have any SHOPO personnel. They have four votes, each county has one. And again, this is in accordance with 89-6 of HRS.

CHAIR HOKAMA: So Counselor, what is our chances if we go court regarding discrimination of weighted vote on...regarding employers and representation? Why don't we have equal representation if we have equal vote...as an employer, why wouldn't we have equal representation in negotiation? You wanna punt?

MR. UEOKA: Love to. Thank you, Chair. I'm...it's, I guess, the law is what it is. As in any ordinance or law you guys passed, it's, on its face, constitutional upon passing. I guess you could enter into further discussions with our office if you would like to further pursue this. Thank you, Chair.

CHAIR HOKAMA: Good punt. I bring it up, Mr. Hiromoto, because it seems if we're relying upon the State to be the lead with their amount of votes to sign contracts to employers, I feel that over the last 20 years this County has had the short side of the benefits as an employer. And maybe it's because maybe your points of view get lost against six votes on the table when one guy speaks. Every time that one guy speaks, he knows he has six votes in his pocket. You have one. So more than likely, you not only gonna need to convince every single other employee rep, you gotta convince the guy with the six votes too, or nothing moves forward from the neighbor islands, nothing. And yet we're major components of the system. Without the counties, the retirement system would be questionable. Their health system would be questionable. Their deferred comp system would be questionable. They cannot survive without the other employees, with our members. And I hope you folks keep bringing that up because we're having a hard time with these new contracts. One-time payments, step

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movements across the board. I mean, I don't know where they think the tax base is, but they're feeling it. We can go outside and say, how many of you had 7 percent increases? You know how many hands going up? Not too many. Again, it is our challenge, and I just ask you to please communicate to your peers that we need better results. And we need to have something fairer whereby we don't always go into arbitration and get our butts kicked. I find it kinda difficult that we always lose our arbitration, and I'm thinking we should hire then the unions' negotiator, because obviously the guy knows what he's doing 'cause they're winning all the time on their side.

MR. HIROMOTO: Chair?

CHAIR HOKAMA: And so one thing before I ask the Members, Director, this additional money you mentioned, you're requesting for contract requirements, what would that be for, please?

MR. HIROMOTO: Chair, that's primarily travel expenses.

CHAIR HOKAMA: That wouldn't be for any expert witnesses to support the County's position, or more in-depth detailed analysis of cost factors regarding...

MR. HIROMOTO: No, Chair.

CHAIR HOKAMA: That wouldn't be it?

MR. HIROMOTO: No, Chair.

CHAIR HOKAMA: Just travel?

MR. HIROMOTO: Correct, Chair.

CHAIR HOKAMA: Interesting. Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. Have there been discussions amongst the counties regarding reviewing the structure and possibly taking a look at restructuring how the collective bargaining process works between the counties and the State?

MR. HIROMOTO: I think we've always put forth the County's position, and I think there is a general frustration oftentimes with the other jurisdictions. But I have not seen any, you know, legislation put forth in trying to change the votes. Another thing that I would like to mention also is that oftentimes we find that when we go to negotiation, what may be a priority for our jurisdiction is not a priority for a jurisdiction like the State. For example...and that's primarily because the State's operation and our operation is oftentimes very different. I can give you one example, is our...we had recently a standby issue. For the County of Maui, standby is a big, big deal. We incur a lot of standby because of the way that we operate. Whereas the State, and even the City and County of Honolulu, oftentimes with regard to standby, have night shifts. So

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they have...their operations are a little different because of their large scale, that when we put forth our ideas, you know, it oftentimes just gets outvoted.

VICE-CHAIR WHITE: Well, they're...that's why the six vote majority all resting with one entity is just simply not right. I'm a little surprised that no...and with all the frustration, we're not the only ones that are frustrated with it. I'm surprised that there's been no attempt at legislation to, you know, try to correct it and provide a little more balance. What do you think it would take for legislation to be generated?

CHAIR HOKAMA: Director, you have any thoughts?

MR. HIROMOTO: Yeah, we just...we need to propose a bill to change that ratio. I see that it may be difficult to pass that bill because the State Legislature is gonna look at the State government and look at its huge workforce compared to a County jurisdiction. But that, you know, it doesn't preclude us from presenting a bill to change that ratio.

VICE-CHAIR WHITE: Has there ever been any discussion about the County's units being negotiated with...separately from Oahu, or the State? Not Oahu, the State.

MR. HIROMOTO: There have been some discussion with regard to that home rule type of concept.

VICE-CHAIR WHITE: Yeah, I mean I understand that brings its own set of challenges because we got people, you know, working one building on one side of the street who might be in the County unit, and others on the other side of the street in the State unit doing the same job. So I realize it's much easier to do it all at one level, but it still, I think, irritates most of the counties that we have very little...or seem to have very little control, and especially in the negotiations with respect to the units in which the State has very little participation. So those to me should be changed without much fuss. But I'm just surprised, Chair, that the, you know, there's been no legislation put forward. Maybe it's time for HSAC to take a look at that. Thank you.

CHAIR HOKAMA: Maybe it's time for another Constitutional Convention. And have the people work on the people's document 'cause the State will always protect its turf. And when we heard from the Director, he mentioned Judiciary and the other component was, he said teachers, but is that University?

MR. HIROMOTO: No, Chair, Hawaii Hospital.

CHAIR HOKAMA: Hawaii Hospital.

MR. HIROMOTO: Yeah, HHSC.

CHAIR HOKAMA: Okay.

MR. HIROMOTO: Hawaii Health Care System.

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CHAIR HOKAMA: So that's actually four, five, six, seven, right, actually components. The State has six, right, you said?

MR. HIROMOTO: Correct.

CHAIR HOKAMA: Judiciary, but that's still yet State and legislative control. Hospital is still under legislative control. So actually they control 8 out of the 12. Two-thirds, because they all depend on 76 individuals at the Capitol to ratify cost. So we know which way they're gonna go, those 8 votes. And our only strength or power is veto of our one vote as an employer on cost items. Is that correct? Any county, that's the only option each county has regarding the contract, the right to veto, and not approve cost items. 'Cause as we understand it, if it...one employer does not agree, the whole thing doesn't move forward on the cost items.

MR. HIROMOTO: Chair, that is definitely true for ratified contracts. I didn't read thoroughly the memo from Corporation Counsel but, we had at least up to this point felt that if a contract went through the process of arbitration that it was a different result, meaning that if it was an arbitrated award that the legislative bodies in any...in both event, whether it's a ratified contract or a arbitrated decision, has the powers entitled to accept or reject the cost item. However, we had been of the position, the Maui County only, or DPS, has been of the position that if it is an arbitrated award, that the award is final and binding, and that we would need to effectuate it in any way even though the one legislative body rejected the cost items. However, as I had mentioned when we came here for the Bargaining Unit 14 cost items, we discovered AG opinions that were contrary to our position. So I think that's why you asked for a clarification from Corporation Counsel. And...

CHAIR HOKAMA: Well, my thing is as long you have to ask Council for the money, Council makes the decision, not the Department, not the Administration. It is all employers' appropriating bodies that have the final say 'cause we don't appropriate, there's no money to put out on July 1st. And that's fact.

MR. HIROMOTO: Correct, Chair.

CHAIR HOKAMA: And by, again, by documents, law, this Council is not required to fund.

MR. HIROMOTO: Correct, Chair.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. It's very interesting discussion. I agree with you that...

CHAIR HOKAMA: And I just bring it up because...Mr. Victorino, I just wanna share one thing that I find interesting that is impacting my thoughts this morning, is House Bill 1735, House Draft 2. If you haven't had the chance, Members, please look at it. The Legislature says they're finding that because of Statewide low property tax rates,

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it's impacting the ability of...to, for us to deal with certain issues and challenges before each of us. I find it interesting 'cause Constitution is clear on whose jurisdiction property tax is. But yet the Legislature is again trying to delve into our area of jurisdiction as Constitution has placed parameters on it. And so if they're so interested in our property taxes, then maybe the counties need to get together and have HSAC...well, maybe we should make an assessment then on the impact of not raising personal income tax or GET in the State of Hawaii. And I know that they're gonna tell us that's not your kuleana, stay out of it. Our property tax is our kuleana. They should stay out of it.

COUNCILMEMBER VICTORINO: Interesting, yeah?

CHAIR HOKAMA: And that again, is by Constitution it is set. State has no say in real property taxation in Hawaii. We worked hard in 1970 to get that all settled.

COUNCILMEMBER VICTORINO: Right.

CHAIR HOKAMA: So I'm sorry to interrupt, but, Mr. Victorino --

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: --your thoughts, your questions?

COUNCILMEMBER VICTORINO: My first thought on your comments is, isn't it wonderful that the goose can tell the gander what to do, but the gander has no say? So, if you wanna use that term, and that's maybe where we're at. And you know another part of this, and I don't wanna stray too far because we have a lot of things to accomplish today, but you're well aware of the...right now discussion and working with the State Legislature after a year-long working group on our TAT, and still going back to where we were instead of where we should be, and not even then getting our fair share. And again, you know, they wanna tell us that we're too low on our real property tax, well, there's that side. Our visitor and this County is the second largest contributor in TAT tax in the entire State, outside of Oahu. And you can put the Big Island, and you can put the island...the County of Kauai together, and we still exceed them. But, you know, it's not the neighbor islands or even the City and County of Honolulu that I'm blaming on all that, it's the State and their attitude towards giving us our fair share. And I'll leave it at that. I don't wanna go any further. But going back to what...to Mr. Hiromoto, since it's your last rodeo, and, you know, I know how it feels because Ms. Baisa and I are on our last rodeo, so we're gonna give 'em the gas, right. I told you, you can tell me anything you want. You call me any name you wanted, I would not be offended by it, you know. But you're such a nice guy. The question I have in this bargaining issue, and real quick like, a State Constitution probably be the only way we could get this changed because it doesn't seem like the Legislature is willing to work on it. And the counties are locked in because we can't...I mean we have one vote. And even when I was on the Board of Education with the Department of Education, and I spent some time on the negotiating team, again, it was always weighted towards the State versus the rest of the counties. And so it really makes it

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difficult to come up with a good resolve to be fair to all parties. The other question I have for you is, when was the last time Fire, Police, any of these bargaining units, actually had a agreement without going to arbitration? Can you remember? 'Cause I know you've been around for a little while. Can you remember the last time that we actually had a negotiated settlement without going to arbitration?

CHAIR HOKAMA: Director?

MR. HIROMOTO: Chair, I cannot recall --

COUNCILMEMBER VICTORINO: Okay.

MR. HIROMOTO: --at this time.

COUNCILMEMBER VICTORINO: That's a direct answer, and that's all I need to hear because...go ahead, Lance.

MR. HIROMOTO: That's true. I cannot recall any at this time.

COUNCILMEMBER VICTORINO: How many years have you been doing this, Lance?

MR. HIROMOTO: No, I'm not saying that we didn't have one.

COUNCILMEMBER VICTORINO: Oh, yeah, but...

MR. HIROMOTO: Well, I'll be with the County for 28 years, yeah.

COUNCILMEMBER VICTORINO: Okay, and I think you would...and you can go double check and, you know, maybe that's a question I'd like to have answered, when was the last time a negotiated settlement without going to arbitration. But with that being said, I'll end with this, I still say when it comes to our essential services, Fire, Police, emergency services, those in particular, there is not enough pay in this world for when they put their lives on the line. When I want them there at an accident, when I'm out there, you know, lost, or when I'm out there in the middle of the Pacific Ocean needing some help, and it's the Fire Department's and/or the Police or whoever else is out there, Ocean Safety, they're there for us, and for our visitors. There's really not a lot of money that I would not put on the table for that. What is a life worth, Mr. Chair? I'll put it in that manner. No offense to anybody about bargaining, but this is something I will say emphatically, that these people are out there, and we have lost some of our fellow Mauians while they were trying to save somebody else's life. And of course, we all have people that don't think twice and do dumb things, and then we have to go out and put them in harm's way. So with that being said, I'll let others ask question. I really don't have a lot of problems in this area, Mr. Chair.

CHAIR HOKAMA: Okay.

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COUNCILMEMBER VICTORINO: I understand the idea about a Constitutional Convention, and maybe it's time we really seriously think about it. I mean we talk about it all the time, maybe it's time that we do this because we do Charter amendments every ten years. Why not a State Constitution review? I don't know.

CHAIR HOKAMA: The State is required by Constitution to pose the question to the electorate every ten years. So the next required question on the ballot for the residents to say yes or no to a Constitutional Convention is 2018.

COUNCILMEMBER VICTORINO: Was there one in 2008?

CHAIR HOKAMA: Yes.

COUNCILMEMBER VICTORINO: There was. Okay, I, you know --

CHAIR HOKAMA: And there was a big --

COUNCILMEMBER VICTORINO: I cannot remember that far back.

CHAIR HOKAMA: --advertising campaign --

COUNCILMEMBER VICTORINO: Okay.

CHAIR HOKAMA: --against it.

COUNCILMEMBER VICTORINO: Okay.

CHAIR HOKAMA: And the last official convention we held was 1978.

COUNCILMEMBER VICTORINO: Yeah, I remember that. We were all much younger at that time too. Right, Mr. Chair?

CHAIR HOKAMA: Yes, yes.

COUNCILMEMBER VICTORINO: Okay, thank you, Mr. Chair, for allowing me to pontificate a little bit, and also get an answer. And I would like to see if you can, in writing, Mr. Chair, forward it to the Department, when was the last non-arbitrated settlement?

CHAIR HOKAMA: Mr. Director?

MR. HIROMOTO: Chair, Councilmember Victorino, I just recalled.

COUNCILMEMBER VICTORINO: Oh, okay, thank you.

MR. HIROMOTO: UPW's last contract was...we went through mediation, but there's no...they did not...there was no arbitration because UPW does not...if you look at HRS, they

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don't have the option for arbitration. They can strike. But we were able to come to an agreement without the union having to go that far.

COUNCILMEMBER VICTORINO: Well, then my question still remains. When was the last time, with arbitration as part of the package, was a settlement without arbitration? So I'd still like that question answered, Mr. Chair, if I may, please?

CHAIR HOKAMA: Okay, we'll forward that request to the Department and allow the Director and Deputy time to respond to us.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions for Personnel Services, our Director or Deputy? Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair, and a very interesting discussion about this whole salary, the negotiation thing. It was interesting, but it's been brought up in the recent meetings we've been having with the House Finance Committee.

CHAIR HOKAMA: Yes, and thank you for all your good work, Mr. Victorino's good work, and Chair White's good work. We know you're representing our people's interest well in Honolulu, so we thank you for your good work.

COUNCILMEMBER BAISA: Well, thank you, Chair. You know, we had a lot of people lay the groundwork for us, and we're just, you know, trying to follow through. But it was interesting because it was brought up, this subject of, you know, the expenses that we have to deal with that really we have very little to say about. And I think that they understand. They're not gonna do anything about it unless we force them. But, you know, they're aware of it, and they talk about it. I just had one...are we ready to get into --

CHAIR HOKAMA: You can ask...

COUNCILMEMBER BAISA: --budget question?

CHAIR HOKAMA: Yes, ma'am.

COUNCILMEMBER BAISA: Okay. I'm just kinda curious 'cause I don't really understand how this system works. You know, I'm still lost in how civil service works. It's very different from what I'm used to. I'm looking at Page 13-3, Budget Details, and we know that our Director is leaving. And there's a couple of salaries listed there for the Director and the Deputy Director. Does the Deputy automatically get the Director's salary if he gets promoted? Or how does this work? Does he get a little bump up? Or how does it work?

CHAIR HOKAMA: Mr. Hiromoto?

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MR. HIROMOTO: Chair, Member Baisa, salaries for the Director and Deputy Director are set by the Salary Commission.

COUNCILMEMBER BAISA: Yes.

MR. HIROMOTO: So if Mr. Underwood takes over my position as Director, he would get the Director's pay.

COUNCILMEMBER BAISA: I'm sorry, I can't hear you.

MR. HIROMOTO: If Mr. Underwood takes over the position as Director, he would get that pay that's listed there on your chart. So it's...

COUNCILMEMBER BAISA: So it's set. It's just set by Salary Commission, and you just slide into it?

MR. HIROMOTO: Correct.

COUNCILMEMBER BAISA: Okay, thank you very much. I just wondered if it affected the budget in any way. Thank you.

CHAIR HOKAMA: Thank you. And I believe selection of a new DPS Director is given to the authority of the Civil Service Commission?

MR. HIROMOTO: That's correct, Chair.

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

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Mr. Hiromoto, for your services to this County. Looking in...Page 516, External Factors Description, towards the bottom, it says, some of Department's technology systems, are no longer in line with current business practices, failure to update these systems la, la, la, may negatively impact Department's ability to carry out its mission. So with that comment, how...have you been working with IT at all, or is it in line with upgrades via that particular Department, or what does this mean here?

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Hiromoto?

MR. HIROMOTO: Member Cochran, I'll turn this over to Deputy Director Underwood. We have initiated several projects in our Department, and he's more familiar with it. He was the lead on these projects, so I'll have him explain to you a couple of the projects that we've initiated.

COUNCILMEMBER COCHRAN: Okay.

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MR. HIROMOTO: With regard to technology.

COUNCILMEMBER COCHRAN: Sure, very good, thank you. Chair, if you don't mind?

CHAIR HOKAMA: Yeah. Mr. Underwood?

MR. UNDERWOOD: Thank you, Chair. Thank you, Member Cochran. There were...we've had our existing technology solutions in place for quite some time. Our existing HR system, we're on our 12th year. And so I believe Chief Technology Officer Verkerke relayed some of our frustrations to you in his presentation. The vendor has not exactly kept up with the times or been very responsive. We have a lot of challenges in getting support and quality updates from this particular vendor, so we do identify that as a major risk. So we've...last year we looked at trying to replace the applicant tracking system because we knew that was one place that that particular product was very weak, and we had gotten very bad support in the past. We knew that was a major risk, and it turned out that was actually true, because it broke. And we still have not got a satisfactory fix from the vendor, so we actually did replace that system with another modern system. So we've got that off the table. We still have some major doubts about our existing HR system. We may have some pretty severe compliance challenges coming down the road in 2020, which could result in some fairly large fines and penalties. So we have been working with IT very closely, I know Mr. Verkerke brought that to your attention. It's on his radar. So we are looking to replace those systems as soon as possible.

COUNCILMEMBER COCHRAN: Okay, well, very good. I'm so happy that you are well-aware. I mean unfortunately, you are aware of these issues, but also looking for ways to find solutions to take care of it 'cause as you state, if we don't, possibly fines and what have you may come down the pipeline. So at this point though, I can't relate exactly what Mr. Verkerke mentioned, but he's...is his Department asking for things to help assist you here? Or is it your Department gonna be asking for some funds?

MR. UNDERWOOD: Mr. Chair?

CHAIR HOKAMA: Mr. Underwood?

MR. UNDERWOOD: There is actually a request in Mr. Verkerke's budget for a new, a replacement of the HR and payroll systems --

COUNCILMEMBER COCHRAN: Okay.

MR. UNDERWOOD: --combining them back into one system. So that would address our concerns.

COUNCILMEMBER COCHRAN: Okay, okay, very good. Okay, thank you.

CHAIR HOKAMA: Who is the vendor who gave us issues?

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MR. UNDERWOOD: Our current vendor for the human resources system is a Canadian vendor called High Line Corporation.

CHAIR HOKAMA: And you mentioned their non-responsiveness. And are you still using them?

MR. UNDERWOOD: We are. We have them for our main HR system.

CHAIR HOKAMA: Until we replace them?

MR. UNDERWOOD: Correct.

CHAIR HOKAMA: I guess I have to reprioritize that request 'cause I don't appreciate non-service to your requirements. You know, you folks have very critical information, privileged information. I find it difficult, a vendor's mentality in that manner, so I have no problem replacing that vendors. And I have no problem blackballing vendors like that.

MR. UNDERWOOD: Thank you very much, Mr. Chair.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. I just wanted to add that Department of Finances had similar problems with ADP. ADP is our vendor for our payroll system, and customer service is significantly lacking on that as well. We're small fish in their huge pond so it makes...

CHAIR HOKAMA: Yeah, I understand the size of us as a client into a big entity like that.

MR. BAZ: And we have, you know, our HR and payroll systems are incredibly complicated because of the eight different...or now, what, nine different, or eight different now collective bargaining units that we deal with and the four...you know, each one of them have hundreds of different codes that we have to get into the system, and pay based on all of these rules and very, very challenging. So we would appreciate the support in that request for sure.

CHAIR HOKAMA: Well, for those of us that have been around have had issues with payroll for a while, so you're aware of it, Mr. Baz.

COUNCILMEMBER COCHRAN: Thank you, and...

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, and thank you very much for that. It does shed light on prioritizing what needs to be taken care of. Jumping over...can we do Goals and Objectives --

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CHAIR HOKAMA: Yeah, why don't --

COUNCILMEMBER COCHRAN: --for Department?

CHAIR HOKAMA: --you ask your question.

COUNCILMEMBER COCHRAN: Five one nine.

CHAIR HOKAMA: One question in this and then we'll move on.

COUNCILMEMBER COCHRAN: Yeah, it's Goal 3, 51...on Page 519, No. 1, maintaining a pool of qualified, trained employees. So basically you like to...you tend to want to fill from within if possible? Is that kinda your philosophy in filling vacancies normally?

CHAIR HOKAMA: Director?

MR. HIROMOTO: Chair, Member Cochran, in civil...to an extent, we like to promote from within, retain the knowledge that we have within the County. That does not preclude us from going outside and looking for talent outside. But, yes, the goal would be to retain our current talent pool, and promote from within.

COUNCILMEMBER COCHRAN: But...and this isn't just focusing in your own Personnel Department. This is Countywide?

MR. HIROMOTO: This is Countywide.

COUNCILMEMBER COCHRAN: A Countywide practice. Okay, so such as, say, Solid Waste then, they would send you an application...or send the person to apply, and then you would see if, you know, of course qualified, what have you. But then move within, or if need, you would seek outside applicants to fill? Is that kinda how it works in a simplified form, I guess? I'm sure it's that not easy.

MR. HIROMOTO: I think that's...it's a little different from private sector, with civil service. We would, for example, if a department has a vacancy in any position, we would...the department would have the option, and we would...I would approve it whether it was done within the department, which means that it was only limited to employees of that department. The other...another larger step is whether we limit the applicant pool...applications to employees within the County government, and then the other, third one is opening it up to outside of the County government. So there's different, I guess, levels of applicants. So we would...if it was one of these, what we call intra, only within a department, inter is within the County government, and open is open to anybody in the County...anybody in the world, actually, we would advertise that recruitment. We would...my Department would take in applications, and there's a set period that you need to file your application within. My Department would screen the applications, matching it up with the minimum qualifications of that class of work. We would give an exam, or score the applications. We would rank them, and the

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department then requests to fill the position. That request goes up to Managing Director, Budget Director, to check if there's funds. If it's appropriate, comes down to us, we would certify names to the department. Currently, we certify ten names, up to ten names to the department for regular vacancies, and 20...up to 50 names for the unskilled labor class work.

COUNCILMEMBER COCHRAN: Okay.

MR. HIROMOTO: And then the department would conduct its interview. You know, contact the applicants that were sent down, contact them and schedule interviews for them.

COUNCILMEMBER COCHRAN: Okay.

MR. HIROMOTO: And make the selection.

COUNCILMEMBER COCHRAN: Okay. I guess it's...yeah, a lot more complicated than my couple step that I mentioned. I only ask, Chair and Department, because, I guess, in particular Hana Landfill, for example. I guess, you know, they moved somebody up into a position, but then that now created a vacancy from that movement from within. So at any given moment, they're still short a body to have full, you know, to fill the entire section. So that's kinda why I'm, like, that's like something you wanna stick to, for me it kinda defeats the purpose in having a full workforce going if you constantly are trying to take this person from this level into this upper, but then now you have this blank down here. And you're trying to...you know what I mean? You're just always...so I now that's not always the case. But in this particular example, I'm thinking that is the case, and it's a hardship, you know, over I think for the area, the department, the community, just because of how this hiring from within is used. But that's just my comment and, you know, oversight on that.

MR. HIROMOTO: Chair, can I just add to that?

CHAIR HOKAMA: Director?

MR. HIROMOTO: As part of the recruitment process, you know, screening applications, establishing a list, so we establish a list. The list is good for at least, up to a year, at least a year. So anytime we...in other departments, or if that same department has a same vacancy in that class of work, we have a list established that we can send down to the department. So all of the recruitment process that I had just spoken about, that part is all eliminated. We have a list, we have viable names, and we can send that down to the department.

COUNCILMEMBER COCHRAN: Okay, all right. Well, thank you very much. Again, thank you for your service to the County.

MR. HIROMOTO: Thank you.

CHAIR HOKAMA: Mr. Couch?

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COUNCILMEMBER COUCH: Thank you, Mr. Chair. And thank you for all you've done for Maui County. The question I have is we...when we talk to the other departments, they are always concerned with the amount of time it takes to get somebody. You know, they have an opening, and a lot of times it takes a very long time. I know you're trying to do...your goals are percent of positions allocated within 60 days. Does that mean that if there's an opening, you have to make sure that they've got the proper position description? Or I guess I don't understand what within the 60 days happens, because it's my understanding that it's at least three, or four, or five months before somebody gets hired into an open position.

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Director?

MR. HIROMOTO: Member Couch, are you referring to Goal No. 1?

COUNCILMEMBER COUCH: Correct. Goal 1, Item 1, and maybe even 2.

MR. HIROMOTO: Okay, for Item 1, that's a classification action. So what we are saying is that when we get a request to classify a position, either initial classification, meaning that it could be an expansion position, and the department has gone through the process of going through Budget Director, Managing Director, the request comes down to us. We look at it, and do a classification audit on it. Some positions are easy to classify, some positions are not, especially if it's one that the County does not have. I can give you an example where it does take a while, is the Fire...recently we had the Fire Department up here with the Battalion Chief for Ocean Safety. Council approved that expansion position. It went up to Budget and Managing Director, and was approved. It came down to us. When we looked at the position and conducted the audit on that position, the department was looking for a Battalion Chief. And one of the, well, several...some concerns that we had that came out in that audit was that, and I'm just saying this because that's why it may take a while, is that the department was looking for a uniformed person at the EM-05 level. Well, when we looked at it, the current person that was doing the work and, in fact, that position that was overseeing the Ocean Safety was also overseeing pools. That position was a civilian, and was at EM-04 pay grade. Department comes in again at an EM-05 pay grade and a uniformed position. So initially we spoke to the department and pretty much told them that we would either reject their request or classify it as a civilian and maybe even lower than an EM-03 pay grade. But we went through some discussions, and department came up, you know, at one point we even suggested that rescue function be given to that position, then we can justify a uniformed Firefighter, and maybe at that EM-05 rate. They came back and said that, you know, rescue is a 24-hour operation. This position that they wanted for Ocean Safety was only an 8-hour-a-day position. Finally, we agreed that if the department were to assign training bureau under this position, that it could be a uniformed position and at the EM-05 rate. And that whole process took, you know, took months to resolve. So that's why some classification actions take a long time. And that's for No. 1. No. 2...

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COUNCILMEMBER COUCH: Yeah.

MR. HIROMOTO: No. 2, again as I had mentioned earlier, if we have a list available for that particular class of work, we can send it down quickly in a few days. However, if it's a position that we don't have a list for, then it goes through this recruitment process. We have to, again, after we get the okay from Budget and Managing Director, we have to post a recruitment announcement. We do that in *The Maui News*, and on our website. We normally give 17 days for it, the recruitment period filing deadline. And then we have to screen the applications. We've cut down a little bit on our screening because in the past, we'd send notices to applicants requesting additional information, driver's license, diplomas, but we cut that out. And we're saying, we've taken the position that you have to turn in an application that is complete. If you do not, we're gonna deny your application, and you have ten days to contact us and let us know if you do have those documents, or do have that experience. So we cut down that. So we screen the applications. We have to schedule an examination, and then establish a list of...a lot of times when we don't have a list available, it takes a little while to do that. So that's No. 2.

COUNCILMEMBER COUCH: Yeah, that's one of the frustrations is, you know, when somebody's looking for a job, they're looking for a job usually, and they're not gonna wait six months to see if they get a job from the...oh, some may. But how often do you send out a list to somebody, some department, and they come back, say all these people have got other jobs, and you have to redo the list?

MR. HIROMOTO: I would think that that may happen, and we would provide the department with more names. But that may happen. If the list is a brand new list, I don't think that would be likely.

COUNCILMEMBER COUCH: Okay. I just know that the departments, almost every one of 'em have been up here and frustrated when we ask 'em how come you haven't filled that position. So I don't know if there's a better way to do it, if we're doing it the most efficient way, or not. I guess that'll be up to Mr. Underwood in the future to see what he can do to streamline that process. Thank you, Chair.

CHAIR HOKAMA: Thank you. Maybe Mr. Underwood can consider certain minimum standard operating procedures. 'Cause my understanding now is each department goes through a slightly different hiring process once they receive the initial list from Personnel Services. Who makes up the interview committee? What are the qualifications of an interview committee member? I mean, when I've asked the Director regarding an earlier posting, he told me depends on what department. So I asked him does each department not follow a standard procedure. And my understanding is each department does whatever works for them, or their own way. You know, we're under contracts, we should be doing things that make sense. And my thing is each department shouldn't be running their own individual personnel show. It should be all under strings tied to DPS and making sure that they're compliant. We can defend action. And if asked by the public to people like us, we can

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explain well why we do certain practices. Right now, I don't feel I can defend some of the hiring practices of certain departments. So that's the criticism, or comments, I get from public. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you, Chair. Under that same Goal 1, I noticed here one of your key measures is to maintain the rate of newly hired employees who pass their initial probationary period at 90 percent or higher. So in relations to that, is it your responsibility as far as they passing the probation to reduce turnover? Or is that the responsibility of the department? Or is it some oversight that you have with the department? I'm just wondering because I would think...I'm thinking in my mind that would be whoever the direct report is for the probationary employee.

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Director?

MR. HIROMOTO: That's correct. Most of that is to the department, but our involvement in that is to make sure that the employee comes in, and has a good knowledge of what that employee is gonna get into. We have, right off the bat, we have a new employee orientation. We have various agencies come in and talk to our employees, our new employees, just so that they know what they're getting into. But you're correct as far as job performance and the decision of whether to extend an initial probationary period, or to terminate the probationary period, that is the department's responsibility. But, you know, our responsibility is more of the training area.

COUNCILMEMBER CRIVELLO: I was wondering how that became a goal with your percentage. So I guess part of your training is to encourage to have it all in place, I guess, yeah.

MR. HIROMOTO: Yeah.

COUNCILMEMBER CRIVELLO: So I guess that leans over to the next one is to maintain the rate of employee turnover at 10 percent or lower annually. So that also ties in with that same concept of training, understanding what you're getting into.

MR. HIROMOTO: That's correct.

COUNCILMEMBER CRIVELLO: The employee.

MR. HIROMOTO: That's correct. Also, what we wanna do is even in the beginning before we even bring people on board is to make sure we get qualified employees, and that even our exams predict that the person is going to be a successful employee. So it starts even before the trainings, but...

COUNCILMEMBER CRIVELLO: I see. Thank you, good information. Thank you.

CHAIR HOKAMA: Thank you for that. Mr. White, questions?

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VICE-CHAIR WHITE: Thank you, Chair. On the list of positions on...in the Details, Page 13-3, there's a couple of positions I'd like some thoughts on. The first is PS-0018, Human Resources Specialist II. It's being reallocated to Human Resources Specialist III. Is that the...is the incumbent the same individual? And what allows...or can you give us the criteria that you use to reallocate? 'Cause that's a 16 ½ percent increase in pay.

CHAIR HOKAMA: Department?

MR. HIROMOTO: Member White, I think that 16 percent also reflects...must reflect a collective bargaining pay increase because when we go from SR-20 to SR-22, it should be only 8 percent, 4 and 4. Four percent from SR-20 to 21, and another 4 percent from 21 to 22. So it must include a collective bargaining pay increase. But these positions are all in the Human Resource Specialist series, and we try and give our staff increased responsibility, you know, starting from a trainee all the way up to even managing and going over to Oahu and representing the County at negotiations. So that's the high end, is representing the County at negotiations. Low end is just getting more training in HR area.

VICE-CHAIR WHITE: So the Human Resources Specialist III actually goes and attends negotiations and speaks on our behalf?

MR. HIROMOTO: No.

VICE-CHAIR WHITE: Okay, I thought that's why you got paid the big bucks.

MR. HIROMOTO: No, we're training them up so they may accompany Mr. Underwood or myself to Oahu, and to take notes and to present reports to us on what had happened, what the, a particular jurisdiction was arguing, was presenting, that type of thing. But no, we are trying to get them to that level where they can, and Mr. Underwood and I would be confident, that they can go to Oahu on their own and represent the County of Maui. They are always instructed to contact or call us back if there is a vote.

VICE-CHAIR WHITE: So what are the differences in the responsibility between a Specialist III and a Specialist IV, and a Specialist V? 'Cause this one is going from a II to a III, and there's IVs and Vs. I would imagine the IVs and Vs are the ones that you would generally send.

MR. HIROMOTO: I don't know the specifics of what the particular difference is in the two classes of work. But the V that you mentioned is the higher level position that would...we would be comfortable to send over to Oahu to...on their own.

VICE-CHAIR WHITE: Okay. And I can understand the increase. I guess my question is when you go from a SR-20 to a SR-22, there's a pay increase that goes with that. But does that also automatically change you from a C to D, or is that a separate move?

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MR. HIROMOTO: That's a separate move.

VICE-CHAIR WHITE: Okay, so this person's benefiting by a reallocation that puts them up two categories in number, and one category in step?

MR. HIROMOTO: Correct.

VICE-CHAIR WHITE: Is that a good understanding?

MR. HIROMOTO: Correct. It looks...so that move from C to D is not related to the reallocation. That must be a step movement --

VICE-CHAIR WHITE: Right.

MR. HIROMOTO: --that's...

VICE-CHAIR WHITE: That's a timeframe.

MR. HIROMOTO: Correct.

VICE-CHAIR WHITE: Okay. Then the other one I had a question on is the position PS-0011. That position...that individual looks like there is no change in classification, and their step is EM-01, and that doesn't change. And yet there's a 14 ½ percent increase there. Can you help me understand how that is achieved?

MR. HIROMOTO: I believe that's what we call a catch-up step movement. Yeah, it was a catch-up step movement. A catch-up step movement is when an employee is, by collective bargaining, below a step or a rate that the contract calls for. Most...in most cases, it's based on the years of service.

VICE-CHAIR WHITE: And so one step would be 14½ percent? I'm not aware of any steps that --

MR. HIROMOTO: Okay.

VICE-CHAIR WHITE: --amount to that kind of increase.

MR. HIROMOTO: I've been informed that that is a three-step movement, and it is because of a catch up that when we say catch up, it was back from 2009. The person was supposed to move...had the provision of the contract been in place in 2009, the person would've have moved at that time, and moved subsequently. Now that that provision is put into the contract, the person moves, you know, three steps.

VICE-CHAIR WHITE: Wow. So it appears that we have a lot of movements now that we're in the last year of the contract. Was the contract negotiated to provide those additional...or those, recapture of steps in the last year --

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MR. HIROMOTO: That's...

VICE-CHAIR WHITE: --of the contract?

MR. HIROMOTO: That's correct.

CHAIR HOKAMA: Who when negotiate that?

VICE-CHAIR WHITE: Yeah, I don't remember that being discussed with us at all when the contracts were presented. But I'm a little concerned because just on this one page, excluding you and the Deputy Director, the average increases we're seeing are 8.4 percent. And, you know, there's 1 individual with a 1.6, but then the rest are 5.7, 7.6, 10, 14, 9.9, 4.8. Anyways, it's a little amazing to me how much movement there is at the last year of the contract. And once again, Chair points out the concern that you've been sharing that we gotta have more...either more say, or at least more understanding of what we're getting into. Thank you.

CHAIR HOKAMA: Thank you. You know, we're gonna need a little bit more discussion on this subject, but we'll do it after the break. The Chair needs a break, and our Staff needs a break. So we'll be in recess till 10:45 a.m. . . .(gavel). . .

RECESS: 10:33 a.m.
RECONVENE: 10:49 a.m.

CHAIR HOKAMA: . . .(gavel). . . We shall come back to order. We are continuing the review of the Department of Personnel Services. We ended with Mr. White. I'm gonna ask Mr. Guzman if he has any questions at this time?

COUNCILMEMBER GUZMAN: I have no questions, thank you.

CHAIR HOKAMA: Thank you, Mr. Guzman. Members, we have for your information a communication dated March 24th of this year. This is from Mr. Baz to this Committee. It is under FN-1, Finance 1, for the Fiscal Year 2017 Budget in which Mr. Baz shows us requirements as it cost to employee fringe benefits. He also shows us his calculations and actual costs of previous fiscal years, and as well as comments regarding various contracts from 2014, '15, and '16 regarding what the contracts provide as far as increases, movement, step movements, or lump-sum payments. We share this with you since Mr. White brought up the question about certain reallocations and major multiple step increases for certain positions. And we would also take note that in this year's Budget, you will see, Members, a whole bunch of reallocations that we don't normally see in previous budgets. Also stating...sharing that, take a look at that. I'm gonna ask Mr. White if he would like to ask a follow-up question now that he has his chart that shows what we have...the County agreed to in the current contract. Mr. Baz, you have any comments?

MR. BAZ: Yeah, Mr. Chair. Before Mr. White asks the question, just wanted to notify the Members, the Committee...we are in receipt, my office is in receipt of a subsequent

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letter as well asking for the Fiscal Year '17 items. And so my staff is preparing that for all of the different collective bargaining agreements. So we'll have that to you hopefully very shortly. The FN-1 is from the Department of Finance and their information that they collected so...but I can answer any questions that are on that as well.

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

VICE-CHAIR WHITE: Thank you, Chair. Mr. Baz, the FN...FN...the Fiscal Year '17 item that you're working on for the Committee, is that going to include both salaries, wages, and fringes? I would like to have a comparison between where we were in 2013 which is the...which is before the majority of the contracts came into play, and where we are in 2017 for total salaries, wages and fringes.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. The request was to provide a summary of each collective bargaining unit agreement for FY '17 as it relates to salaries and wages. And so we are preparing basically the...each section of the cost item resolution as it's effective in 2017, so you can clearly see each one of the requirements that we have. For the request to...do you want to compare like our total salaries and wages from FY '16 to '17, and then...

VICE-CHAIR WHITE: No, from 2000...for me the base before these contracts came into effect was 2013. Most of these...a lot of these contracts started in '14 and some came in the, in subsequent years. But I'd like to see where we are...where we were in 2013 before these contracts impacted our expense lines, and where we are as we look at 2017.

MR. BAZ: Okay, and expense lines, you'd like to see are salaries and wages and fringe benefits?

VICE-CHAIR WHITE: And fringe benefits.

MR. BAZ: Okay. We'll prepare that for you. Yeah.

VICE-CHAIR WHITE: It was estimated...our Staff estimated back then that it would be a \$42 million increase.

MR. BAZ: Based on the collective bargaining...

VICE-CHAIR WHITE: And I'd just like to see where we are.

MR. BAZ: Sure.

VICE-CHAIR WHITE: The numbers that I threw out the other day, I think may have been a mistake. I think I overestimated, so I'd like to see what the --

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MR. BAZ: Okay.

VICE-CHAIR WHITE: --actual number is.

MR. BAZ: So yeah, FY '13 to --

VICE-CHAIR WHITE: Seventeen.

MR. BAZ: --'17 proposed.

VICE-CHAIR WHITE: Right.

MR. BAZ: Sure.

VICE-CHAIR WHITE: Thank you.

CHAIR HOKAMA: Thank you, Mr. Baz.

VICE-CHAIR WHITE: And then with respect to the EM position that we were talking about, EMs follow Bargaining Unit 13, correct?

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Hiromoto?

MR. HIROMOTO: EMs...we have EMs in the Police Department which would follow the SHOPO contract, and we have EMs in Fire that would follow the Bargaining Unit 11 contract.

VICE-CHAIR WHITE: No, I'm just referring to the one in...

MR. HIROMOTO: In my Department?

VICE-CHAIR WHITE: Yeah.

MR. HIROMOTO: Yes, BU 13.

VICE-CHAIR WHITE: So you would follow 13?

MR. HIROMOTO: Yes.

VICE-CHAIR WHITE: Okay. So this summary in FN-1 says that there was a step movement during...well, a step movement during July '09 to June '14 to the appropriate step. So I'm assuming that that would mean that this individual should've gotten a step increase in 2015, and again in 2016 if...no, except they get steps every three years?

CHAIR HOKAMA: Director?

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MR. HIROMOTO: It would depend on the bargaining unit. But generally for Bargaining Unit 13, I believe, that each step requires that the individual would stay on that step for three years before moving to the next step, in a normal step movement plan. So if we hired someone at SR-20, Step C, three years later the person would move to Step D. But during that three years, they may have across-the-board increases.

VICE-CHAIR WHITE: Okay, but you mentioned that this particular person got a three-step movement, and I'm assuming that on top of that they may have gotten a 4 percent across the board.

MR. HIROMOTO: I would think that they would've had an across the board, but I'm not sure. Even the three step, because this person...I'm just gonna guess that because this person is in...this position is in the EM, or excluded managerial compensation plan, that we don't necessarily have steps but we have what's called within range progressions. And the within range progression happens as opposed to someone in collective bargaining have a step every three years. Someone in the excluded managerial compensation plan would have a within range progression every year that, if you divide, it would represent one-third of 4 percent.

VICE-CHAIR WHITE: So it would be one-third of that three-year step?

MR. HIROMOTO: Correct.

VICE-CHAIR WHITE: Okay, so when you're talking about three steps, it's not a nine-year progression. It could be three years.

MR. HIROMOTO: They would have a within range progression every year for the three years.

VICE-CHAIR WHITE: Yeah. I would appreciate...because I'm just trying to understand how this works because it's...you know, the private sector, we don't see this kind of increase. And that's my biggest concern is that my employees who don't see these kinds of increases have to reach into their pockets and fund them. And as we increase the base pay, we're also increasing the retirement pay. And so it's, you know, it's this, there's a sense of momentum that, yeah, now that things are getting a little bit better, there's still not that great in the private sector. But, you know, we're doing better, but I just need to understand it because I'm, quite honestly, coming from the private sector, I'm flabbergasted to see how we deal with increases because they're generally, they don't need to be based on merit. It's just if you're in the seat for this amount of time, you get an increase no matter what and, you know, no matter whether you're doing a great job or not. And to me that's just counterintuitive, and I think it's counterproductive. But at the same time, I realize that there's some folks that we've got that are doing a great job, and are well-worth the increases. But I just need to understand how it works. So if, and I don't need you to answer it now, but I'd like to at least get a sense of, so I can understand, how if they get a third of this progression, that means that...I'd like to if you can go back and just show me how that 1 individual got a 14 percent increase that all of a sudden jumped into this year.

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MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Director?

MR. HIROMOTO: May I...Director Underwood would like to try take a shot at this.

VICE-CHAIR WHITE: Well, he's gotta get practice, you know, because you're not gonna be here next year.

MR. UNDERWOOD: Thank you, Mr. Chair. When we have these kinds of situations where it's a catch-up step, you see varying increases. It all depends on where that person is in that particular period of time. On a three-step schedule...three-year step schedule, they could've been...if they were due one January 1st, 2009, they would've missed one January 1st, 2009, they would've missed one 2012, and 2015. So they would've jumped three. If they weren't due one until...June 30th of 2012, then they only get one or two. So in this case, this was...if I'm thinking of the right employee, it was somebody that had been in that position the entire time, would've been due their 1.25 percent for each one of those years that they missed. So because they were in that position for that full period of time, they were kinda on the right half of the bell curve. They got a big adjustment, where if somebody who hadn't been there that long may not have. I don't know if that helps, but...

VICE-CHAIR WHITE: It doesn't help from the standpoint that it is all in one year.

MR. UNDERWOOD: Right, I think...

VICE-CHAIR WHITE: And I don't understand how they get missed every year for what amounts to seven, eight...I can't remember what you call them. The progression...progressive movement or whatever it is...it's the steps.

MR. UNDERWOOD: Yeah, I think what had had happened is in the negotiated contracts from 2009 until 2015, there were no step movements. Step movements were suspended. So nobody received any step movements. So when the 2015 agreement was negotiated, one of the provisions that was negotiated was that people who had missed step movements were actually brought up in placed on the correct step. That was a feature of that particular contract. So that's why they missed steps during those years.

VICE-CHAIR WHITE: Okay, I still don't understand how they missed it in '15 and '16, and now they're getting a whammy in '17.

MR. UNDERWOOD: I think, if I recall, I believe when we got the contract, when this contract was finalized, it was too late to get it in last year's budget, in the 2015 Budget. So those that took place in 2015, even though they got them, they weren't shown in the 2015 Budget. So I think now they're kinda catching up is my understanding.

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VICE-CHAIR WHITE: Okay. Well, I don't wanna beat a dead horse, Chair, so move on to the next. Thank you.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: No, this horse still got some kick left. Let me tell you, I'm feeling it in the _____ of how we're gonna fund. So it still has kick left, let me tell you, this horse. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah. Mr. Chair, thank you. And I agree with Mr. White. You know, the sudden surprise is not good, but I guess it is. But let me ask you this question. Is this all retro? Is it retroactive to the changes?

CHAIR HOKAMA: Good question. Mr. Hiromoto?

MR. HIROMOTO: Chair?

COUNCILMEMBER VICTORINO: Yeah, okay, I got the good question now. Let it get answered now. Thank you.

MR. HIROMOTO: It is not retro.

COUNCILMEMBER VICTORINO: It is not retro.

MR. HIROMOTO: Yeah.

COUNCILMEMBER VICTORINO: So in other words, this employee that should've got 1½ or 2 percent in 2009, and 2012, and 2000...and then all of a sudden you get to 2016, and the new contract's been...and you get that step, and you get 'em all the way across. But there's not retro pay to it, right? So in other words, we're not going back and say oh, you should've made this much this year, then all the way through. Am I correct?

MR. HIROMOTO: That's correct. There's no retro.

COUNCILMEMBER VICTORINO: Well, there's some solace in that, Mr. White. And 'cause many other contracts that I negotiated with other unions are retroactive. And so, okay, I just wanted to get that one clear. Okay, thank you very much, appreciate it. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. One of the things that is kinda interesting in this discussion, gentlemen, is again the Members here are very aware of our responsibilities as a Council to approve all cost items for bargaining unit agreements. We're talking about a group of employees called EMs, excluded management. And my understanding is, through an executive order relating to the EM positions for them a compensation plan can be put in place, and it refers back to the appropriate

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bargaining unit that the EM is spaced in. But yet, legislative bodies do not need to approve those cost items. Can you explain to us why?

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Hiromoto?

MR. HIROMOTO: When we submit cost items, we normally submit one for included employees and one for excluded employees. So that would've been reflected in the excluded employee cost items.

CHAIR HOKAMA: Okay, I gotta go double check my worksheets again, Director. But I appreciate that response. And then regarding earlier to one of the Members' questions regarding your Specialist, and I think it was number IV or VI, that may assist you in being sent to Oahu to represent our interest on the table. I mean I like what I heard, but didn't we...weren't we informed at an earlier meeting that the chief person was a Deputy Corporation Counsel Murai that represent our interest, and not a HR Specialist in your Department? So I'm trying to figure out, who then actually talks and speaks for us as an employer? Your Specialist or the Deputy Corp. Counsel?

MR. HIROMOTO: Chair, I think the reference to Deputy Corp. Counsel Gary Murai was at the arbitration hearing. With regard to regular negotiations, big table negotiations with the union, my staff, my office represents the County at those negotiations.

CHAIR HOKAMA: Okay, and you would send a Specialist in the contract of competence. So if they're very good in professional unit area, they would...you would assign them Unit 13. If someone else's strength was in clerks and other job descriptions, that stuff, you would send somebody for Unit 3 for that?

MR. HIROMOTO: That's correct, sir. We divide our Department and Specialists have different areas of collective bargaining assigned to them. But when it comes back to...back here, our Specialists are generalists, and they're assigned departments as opposed to collective bargaining units. But as far as negotiations, yes, that's correct.

CHAIR HOKAMA: Okay, so how often are you or Mr. Underwood, or both of you, at the table representing our interests?

MR. HIROMOTO: I would say the majority of time.

CHAIR HOKAMA: You're actually the chief spokesperson for our County then, from a contract perspective?

MR. HIROMOTO: Actually the Mayor is the one, but he does delegate that authority to myself.

CHAIR HOKAMA: Okay, does the Civil Service Commission, in any way, participate, that we are not aware of, in contract negotiations?

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MR. HIROMOTO: No.

CHAIR HOKAMA: Okay, I'm gonna ask the Members if you have questions in Category A, B, or C, you can ask them at this point in time. If you have questions regarding Goals and Objectives, you can ask it at this time. I'll start with, and allow Mr. Guzman an opportunity to present a question if he has one.

COUNCILMEMBER GUZMAN: Oh, I have none.

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

COUNCILMEMBER VICTORINO: None at this time.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Not at this time, thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, thank you. And going back to that one particular goal I was discussing earlier in regards to trying to fill from within, in-house. And I just happened to be perusing Water Department, and they have in a section that says that they...recruitment and retention incentives for Water Plant Operation...Operators. So is that in conjunction with you folks? Like if a department chooses to do that, like to help retain a certain type of workforce within their department, does that go in line with your Goal 3, Item 1 on Page 509--oh, sorry, 519--which was trying to retain, right, retain your in-house workers and workforce, and what have you?

MR. HIROMOTO: Chair?

CHAIR HOKAMA: Mr. Hiromoto?

MR. HIROMOTO: Member Cochran, the...I think what you're referring to in the Department of Water Supply, for the Water Treatment Plant Operators as an incentive. It's both for hiring and retention. So that is something that we would negotiate with the unions for.

COUNCILMEMBER COCHRAN: Okay, so that...but I guess but your Personnel Department would sort of keep track on, I guess, those initiatives to and...

MR. HIROMOTO: Yes, we would normally...well, we would check the market and one area that we've had difficulty in recruiting was this Water Treatment Plant Operator, because of the State certification. And we compete with private operators for certified operators. So when we check the market for salaries, it appeared that we would have to require additional pay above that which was negotiated with the union over the big table for...and that's why we need to develop or draft what we call a supplemental

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agreement to provide just this Water Treatment Plant Operator class an additional salary.

COUNCILMEMBER COCHRAN: Okay, okay, interesting. Thank you.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Nothing, thank you.

CHAIR HOKAMA: Thank you. Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. Just one last question. On Page...I can't see the page number. Hold on a second. Sorry, Chair. Page 13-7 of the Details, under Professional Services there's an amount of \$143,560, and you're requesting the same amount for this fiscal year. Can you share with us what professional services are covered under that line item?

CHAIR HOKAMA: Director?

MR. HIROMOTO: Chair, Professional Services covers our programs such as our...a lot of our training programs. Our, I believe, it's our EAP, Employee Assistance Program. Yeah, I can't think of any, but these are big-ticket items, the Employees Assistance Program, the Flex-Spending Program so...

VICE-CHAIR WHITE: So there's nothing in that Professional Services line that would provide for studies as you go into negotiations, or any kind of assistance in negotiations, developing information for you to use at negotiations?

MR. HIROMOTO: No, it would not. In fact, we have a separate account for collective bargaining, and that's where actually we're requesting the additional 15,000. It's not in the Professional Services.

VICE-CHAIR WHITE: Okay, what line is that? Well, let me...

MR. HIROMOTO: It's still on page...

VICE-CHAIR WHITE: Oh, I see that. Yeah, down in 908020.

MR. HIROMOTO: That's correct.

VICE-CHAIR WHITE: So that's \$4,000. But if there was an interest from this body to place some funds in to assist you in preparing whoever's gonna go down and participate in

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the negotiations with documentation, with other things to present to defend the County's position, is that where we would put it?

MR. HIROMOTO: In the Collective Bargaining section, yes.

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

CHAIR HOKAMA: Thank you.

VICE-CHAIR WHITE: Well, let me...I guess the second question is, would you use it if we put it there, and how would you use it?

MR. HIROMOTO: That'd be interesting. I know that during arbitration hearings, the State has oftentimes contracted with economists and accountants to present the employer's case before the arbitration panel, and that's in addition to staff which would include people like Wes Machida for the State. So we could...we may be able to use it to get those expert witnesses at...actually at the arbitration hearing.

VICE-CHAIR WHITE: 'Cause we get outfoxed and...anyway. Everybody's heard my spiel. I don't need to make it again, but thank you.

CHAIR HOKAMA: Thank you.

VICE-CHAIR WHITE: Thank you, Chair.

CHAIR HOKAMA: Mr. Hiromoto and Mr. Underwood, 13-6, you ask us for Advertising funds, 30-plus thousand I believe. Is this part of your monies for advertising of vacancies or recruitment notifications? Is that part of what you use these funds for?

MR. HIROMOTO: That's correct, Chair.

CHAIR HOKAMA: I bring it up because people like my nephews, they're into it. I'm not, but I understand you gotta deal with the millennials and for the younger people. I'm a baby boomer, so that tells you how far back I go. So just saying that, have you utilized some of the low-cost or no-cost opportunities for you to advertise vacancies and job examinations through things like...and again, I had to learn this. I'm not one of those great techies, but people like my nephews look at Craigslist, Facebook, Instagram, current hip-hop social media kind of things. So has your Department looked at those other options to get our message out that we either looking for new employees, or we are gonna present a test for Fire or Police recruits? Or do we just continue to do it what we have done traditionally?

MR. HIROMOTO: Chair, I'm gonna have Mr. Underwood respond to that. And this is...we may be able to do those things with this new applicant-tracking system that we've installed.

CHAIR HOKAMA: Mr. Underwood, any comments, please?

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MR. UNDERWOOD: Thank you, Mr. Chair. Yes, that is on our radar. We did have Staff do a report, investigating our options last year. So we do have...we do plan to move into that area. Our immediate goal was to get the system in place so I could take advantage of it, so that's what we did this year. But that is on our radar coming up.

CHAIR HOKAMA: And does Personnel absorb all cost requirements for all departments that are advertising positions? Or is...or would you know that no, Mr. Baz says no, we go back to the primary cost center. Mr. Hiromoto?

MR. HIROMOTO: Chair, I think 99 percent of the job advertisements is out of our Department. Some departments such as Corp. Counsel when they advertise for an attorney, for example, or Prosecuting Attorney, they would do it on their own. But I'd say 99.9 percent of job advertisements would come out of our Department, the cost of it.

CHAIR HOKAMA: Right, right, right, right, okay. And I bring that up because Goal 4.2 that, and I know the other Members brought up some of the Goals earlier, gentlemen, you know, what is a concern, I know it's gonna be a challenge for you, is your estimate 50 percent completion of this project by Fiscal Year '17. So stating that, is that a real good target that you feel you guys can hit? 'Cause, you know, we wanna make sure that you have an opportunity to succeed in whatever you trying to achieve there. Mr. Underwood?

MR. UNDERWOOD: We anticipate if we do...are successful in, you know, obtaining the funding for it, we would begin requirements definition and start preparing the RFP. We wanna be in a position to have our requirements defined, and an RFP out and select a vendor. So that's what we based, roughly, the 50 percent mark on. That's a big chunk of work that has to be done upfront. After that, the next half would be the implementation of the system.

CHAIR HOKAMA: And I'm gonna commend you because from what I see in your request to us for the upcoming year, even with this HR component, unlike some of the other departments, you're not really asking me to give you a whole ton of money for overtime requirements. And I know you're gonna have to maintain two systems because you're only gonna half implement the new system. So I don't know what you're gonna do, but you must be doing something good 'cause I'm commending you 'cause I don't see a big chunk of money requested for overtime. And so you must have a good plan, and I would like you to share some comment about how you're approaching this, because we might want the other departments to learn from you folks.

MR. UNDERWOOD: Thank you, Mr. Chair. The initial work will be mostly be requirements definition which will be done using our staff in-house.

CHAIR HOKAMA: Okay.

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MR. UNDERWOOD: We don't anticipate that being a ton of overtime. Probably I would say when we go to implement, we're actually maintaining two systems on a day-to-day basis, we'll see some overtime there. I don't know how we'll be able to really avoid that. But we will try and minimize it to the extent possible.

CHAIR HOKAMA: Okay, at this point in time, you're asking for the money to go out and select a vendor. There is no selected vendor as of today?

MR. UNDERWOOD: That's correct.

CHAIR HOKAMA: Is that correct?

MR. UNDERWOOD: That's correct.

CHAIR HOKAMA: Okay, there's no vendor yet. Okay, would the vendor in your RFP be responsible for the training and implementation as well as warranty of the new system?

MR. UNDERWOOD: Mr. Chair, that's what we would certainly hope. That's what we anticipate, yes.

CHAIR HOKAMA: Okay. At this point in time, do you project any additional E/Ps for this new management system?

MR. UNDERWOOD: Mr. Chair, no we do not.

CHAIR HOKAMA: Giving me the right answers. Thank you. Members, further questions in A, B, or C of Department of Personnel Services? Ms. Baisa?

COUNCILMEMBER BAISA: No. It's very confusing. Thank you. Frustrating.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER BAISA: You know, we've been dealing...we're constantly faced with this personnel issues. And, you know, in the Water Department, of course, well, now that I'm Water Chair, you know, we're dealing with the shortage of engineers, and we spend time trying to figure out how to recruit and retain. And it's just so complicated. It'd be so much better if we had an easier system, but like I said, civil service, and I share Chair White's frustration with it. But I don't know how we can change it.

CHAIR HOKAMA: Yeah. It's interesting what was the original intent --

COUNCILMEMBER BAISA: Right.

CHAIR HOKAMA: --and parameters and what has morphed into through --

COUNCILMEMBER BAISA: Well, I don't think --

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CHAIR HOKAMA: --hundreds of years.

COUNCILMEMBER BAISA: --anybody could...you know, nobody could've foreseen how much it would grow, and how complicated it would be. And it's based on that, and you know how hard it is to change anything over here now. So anyway, I'm just...I understand that this Department has a big job, and they're doing probably the best they can with what they can do. But it's up to us if anything's gonna change. Sounds to me like a project for HSAC, Chair.

CHAIR HOKAMA: Possibly, yeah, so we're gonna, definitely can have some additional discussion through Mr. Victorino on our behalf, so...

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: No.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello? Mr. White?

VICE-CHAIR WHITE: No.

CHAIR HOKAMA: Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: None at this time.

CHAIR HOKAMA: Okay, let's see. That is squared away. That is squared away. That is squared away. Okay, Mr. Hiromoto, Mr. Underwood, I believe if we do have additional requests, we will forward it to you. But I believe we are done with your review this morning. We thank you very much for your presence, your explanations, your comments to the Committee's queries and concerns. I think we're very clear in our concerns and frustrations regarding collective bargaining, and we would hope you can communicate that clearly to your State colleagues, because we know it's not...the problem is not with your fellow county colleagues. Is there any final comments you would like to share with the Committee at this time before we finish up Personnel Services? Mr. Director?

MR. HIROMOTO: Chair, appreciate you and your Committee work on the Budget, and we totally support you folks, and we thank you again for this morning. Thank you.

CHAIR HOKAMA: Thank you. Mr. Underwood, any comments you'd like to share with us?

MR. UNDERWOOD: No, just thank you. Thank you very much for hearing us, and thank you for all your support through the years.

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CHAIR HOKAMA: You know, Mr. Hiromoto, we don't know how many opportunities we may have with you in the near future, so let us use this...one occasion to thank you for your service to the people and our employees of the County of Maui.

MR. HIROMOTO: Thank you, Chair. It's been a privilege being the...in this position. I'm honored, and I've been blessed, and again, I thank you for your support all these years. I know you've taken it easy on me, but I definitely appreciate that, and I thank you again.

CHAIR HOKAMA: Thank you for your dedication to the people of Maui. Mr. Victorino?

COUNCILMEMBER VICTORINO: Real quick comment. Lance, I'll meet you next year, same time, same place. We sit in the back and we talk story, and laugh at them. Right, Lance? Let's laugh at them. Thank you very much for all your hard work. We appreciate it.

CHAIR HOKAMA: Thank you, gentlemen. I'm gonna take a short recess, Members, five minutes. I would like us to start Administration review of Public Works because I'd like to reduce the amount of time that you would need this evening. So I rather just march now, than just push everything later. So if you don't mind, we'll take a short recess and bring Public Works up and start the review of Administration. For the bigger departments, Members, like Public Works and finally Water after that, I would like you to get your questions prepared, please. And we are gonna go by category, A Account first, B Account, and then C Account. So that we can focus on each area of those bigger departments. Okay, with that we'll be in recess. . . .(gavel). . .

RECESS: 11:25 a.m.
RECONVENE: 11:33 a.m.

CHAIR HOKAMA: . . .(gavel). . . Let's bring this Committee meeting back to order, please. Okay, we have done Personnel Services. We are going to now take on a one of our bigger departments, and we are going to go through the Administration review of the Department of Public Works. So with us we have Director Goode, Deputy Andaya, and we'd like to ask Mr. Baz if he has any general opening comments for this Department at this time.

MR. BAZ: Thank you, Mr. Chair. Department of Public Works is here for their Budget review, and we're starting on Page 607 of our Mayor's Proposed Budget document, which we have up on the screen here. And we have Director Dave Goode here, as well as Deputy Director Rowena Dagdag-Andaya for discussion and answer questions of this. So I'll turn it over to Mr. Goode.

CHAIR HOKAMA: Director, if you would share with us your opening thoughts.

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MR. GOODE: Okay. Good morning, Chair, Members of the Committee. David Goode here, Director of Department of Public Works, and thank you for the opportunity to go over our budget and what we're trying to do new in this coming Fiscal Year '17. I wanna start out by kinda addressing the overall budget for our Department. You'll note that on Page 607 we have the overview, and on Page 610 has some kind of overviews of numbers. And overall the total budget growth for our Department is about 2.7 million to 41.5 million, which is about a 7 percent increase. You know, in line with our Department's philosophy of streamlining, developing alternative funding sources and satisfying the increasing demands from the public and outside regulatory agencies, the majority of that 7 percent increase, about 80-85 percent of it, is for cost items that are really out of our control. And I was listening to your conversation with DPS, and so clearly you know that a lot of those increases are collective bargaining increases. We've also had to deal with increases in transfers from the Highway Fund to the General Fund, and debt financing increases. Increases that represent requests from our Department are actually about 1 percent of the FY '16 budget. So I think we've done a good job in keeping that number as low as possible, and trying to match what is realistically population growth for our County. So I wanna thank Rowena first. She did, I think, the lion's share of work on this budget. Our Division Chiefs, our Fiscal Analyst who is now fully engaged, and understands where the monies are in preparing this budget, and all of our employees for finding ways to make our ends meet, provide new services, and in a cost-effective way. There's five new positions being requested which is about 1.8 percent increase. We currently have 274 budgeted positions, and we're looking to go to 279. The five positions which we'll get into more detail, but just for your opening thoughts here, are two positions for the MS4 program which we've had the opportunity to discuss in Ms. Cochran's IEM Committee, a Makawao Veterans Cemetery worker for the increase, the more than doubling of the size of the Makawao Veterans Cemetery, Highways Admin Clerical position to help meet the needs of the division going forward, especially in line with the audit that was performed by the County Auditor; and finally, an Arborist for our Department that handles County street trees. So of those five positions, the Veterans Cemetery is General Fund, Admin Clerk for Highways is Highway Fund, Arborist would be actually out of the Beautification Fund, and the MS4 positions, I'd like to describe in just a little bit more detail to wrap up my comments. MS4 is really our biggest new program or activity. We've discussed it in IEM Committee. It was a mandate that came down from the Federal government, being administered by our State Department of Health. The program was funded about \$100,000 initially in FY 2014. So actually could just submit the required permit. We had about 425,000 in FY '15, 400,000 this current fiscal year, and we're proposing 550,000 in FY '17. And that's primarily for consultant work, along with the two positions 'cause as the program has matured, our requirements are ever-increasing as we get into more details. To get those two new positions, we first looked internally. And what you'll see as we go through the budget, you'll see the two new positions in Engineering Division, but we also transferred some positions in DSA, Development Service Administration, to make up the difference. We found that the Building Permit Revolving Fund had enough capacity and income after our Fiscal Analyst took a good hard look at it, that we could transfer two PITT positions from General Fund, in DSA, to Building Permit Revolving Fund. So that freed up two General Fund positions. Those two General Fund positions are then

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what we're asking for MS4. So we looked internally to fill, and that was the method that we chose. We also, as we move through the fees later on, you will see that we're increasing fees in those activities and permits that are directly related to MS4. So grading, subdivision, work on the County right-of-way, driveways. Most of those fees are actually about nine to ten years old, and they were due for coming current, if you will, with current costs. And finally, though not submitted in this Budget proposal, it's actually an item in IEM. It's IEM-24, it's looking at our Construction Revolving Fund. This is something we feel that could actually be dissolved in the funds, which are about \$400,000, could be transferred to the General Fund. It'd be a one-time transfer. But again, it'd be something that could be...would be appropriate for, you know, these MS4 activities. So, again, we looked internally, found two positions that we could transfer to a different fund. Looked at making sure our fees are correct in these types of activities, and there's a possibility, if not this fiscal year, perhaps as we move forward during the fiscal year that we could look to transfer funds to the General Fund. So I just wanna provide that overview now because it does relate to both DSA and Engineering, and it is the one big activity that we're doing that now we need to start gearing up with more bodies. So with that, that's our general overview and, Chair, we could get into the Admin Program first if you'd like, or if there's any questions you or the Committee may have.

CHAIR HOKAMA: Let me ask the Deputy if she'd like to share any comments at this time?

MS. DAGDAG-ANDAYA: Not at this time, Chair.

CHAIR HOKAMA: Okay, Mr. Goode, why don't you go straight into Admin, please.

MR. GOODE: Okay, so this would be on Page 614, and actually I'd like the Deputy Ms. Dagdag-Andaya to go ahead and handle this one for us.

CHAIR HOKAMA: Okay, thank you.

MS. DAGDAG-ANDAYA: Thank you, Director Goode. And Page 614 provides a description of our program, our outcomes, the population that we serve, and the services that we provide. I'd like to note that our Goals and Measures were created in 2013, so with the 2017 estimate, that creates about five years of performance measures that we've been tracking. And so I think for next fiscal year in FY '18, we'll be, in preparation for next year's Budget we'll be taking a look at these current measures and seeing if we need to make some changes to them. But basically our Goals and Objectives are, the first Goal is to enhance and improve media...or improve relations with the community and other governmental and non-governmental agencies. At Public Works we really feel that our relationship with other agencies and with community groups is really key in creating a good service for the community. For our Goal No. 2, that goal is to provide ethical and professional direction as well as training to employees so that they perform their responsibilities effectively and efficiently. So this involves skill development training for our employees and as it relates to learning new software, learning County processes, supervisory academy trainings, and sometimes customer service if we're offered that kind of training, or see opportunities for it. We also are

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looking into finding ways to train our staff as it relates new regulations, so with MS4, Complete Streets, and other types of Federal or State regulations that come down. We offer that kind of training, or we look for opportunities for those kinds of training. In addition to Goal No. 2, on Page 615, you'll also notice that we have a Performance Measure here on the number of employees, or percentage of Department employees completing two National Incident Management, NIMS, and Incident Command System, ICS, courses. So what we try to do is when we employ, or when employees are hired by the Department of Public Works, one of our goals is to get them educated on the Incident Command System because a lot of the work that we do during events, we're often brought into those situations, whether it be debris clearance, or damage assessment for government structures, or nongovernment structures. A lot of our employees are involved in that, so we felt that this was also important, is to have our employees know that they're also part of that Incident Command structure. And then Goal No. 3 is where we track, or improve public service by developing enhanced regulations through solicitation of input from staff and the public on the effectiveness of organization and the ordinances and rules as it administers. So what we look at here are any kind of proposed new ordinances or amendments to existing ordinances or any kind of legislation that's passed. In FY '15 we looked that flashing yellow arrow, and the rapid flashing beacons for pedestrian signals. So we had that as one, our proposed legislation or our legislation that we were able to pass. And although we did a lot of road dedications and other, you know, other types of ordinance changes, that was one that we tracked as being able to pass something new like that. And then the number of departmental regulations revised or modified annually, for, this that one item was our MS4 program and the development of our storm water management program. So we look forward to completing up year in FY '16. We had for our FY '16 estimate one of our ordinances that we were able to pass was the LED lighting through Councilmember Cochran's Committee. And then as far as departmental regulations revised or modified annually, we are looking at a departmental policy on outside employment, and perhaps a...something to do with pesticides, or integrated pest management. If you have any questions.

CHAIR HOKAMA: Thank you, Deputy. I would say this is a pretty straightforward Administration request. No...nothing significant as far as your Chair can see. No expansion positions requested. The one thing that I just thought we needed some clarification is on that Goal you mentioned regarding, 2-1, Deputy. I believe that was on the amount of average hours of training per employee.

MS. DAGDAG-ANDAYA: Yes.

CHAIR HOKAMA: Two dash one. You show five, and I'm just needing to have some clarification. Is this five hours a month, five hours for the year? What're you basing this five...the number five on, please?

MS. DAGDAG-ANDAYA: Yes, that would be five hours for the year for our staff within...or our Administrative staff. We, you know, we wanna be able to provide as much training, but we know realistically sometimes we may not be able to provide as much

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as we want. So the five is just a target number, but I'm assuming that we can surpass that.

CHAIR HOKAMA: And this training is provided by who, please?

MS. DAGDAG-ANDAYA: This would be any kind of DPS training, or in terms of software or writing skills. This would also involve anything to do with customer service, yeah.

CHAIR HOKAMA: Okay, okay. We know you folks are gonna into transition because of requests from other components of the County, whether it'd be with the HR program, or IT requirements, so we know that there are a lot of moving parts that impact your areas of operation. Miss...let's see...IEM, IEM. Ms. Cochran, questions for Administration?

COUNCILMEMBER COCHRAN: Actually, Chair, no. They've done a very good job in a overview, in their opening comments. So, as you say, this is pretty straightforward program, and at this time I do not have questions because they answered the ones I had.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Just one quick question. In her overview, Deputy mentioned that they might be looking at a policy on outside employment. What's that about?

CHAIR HOKAMA: Deputy?

MS. DAGDAG-ANDAYA: Yes, Chair, what...in the past in recent years, we've had a number of events or just questions on staff doing work outside of the County that sort of relates to their job, their current job, or their current employment. So we are working with our Administrative staff to look at policies that are used throughout the State of Hawaii in other county/State agencies, and on the mainland to find something that would help us...well, be able to meet Board of Ethics' standards. So there have been some questions about whether or not the outside employment of an employee, you know, would interfere or conflict with anything that they do at the County. So that's something that we're working on.

COUNCILMEMBER BAISA: Thank you very much. I hadn't heard that so I didn't have a context when you mentioned it. Thank you.

CHAIR HOKAMA: Thank you. Mr. Guzman?

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

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CHAIR HOKAMA: Okay, thank you. Mr. White, in this area?

VICE-CHAIR WHITE: I would ditto Ms. Cochran's comments. I think the Administration presentation is very clean, and I had one question, but they answered in the, in his opening remarks. So I'm good to go.

CHAIR HOKAMA: Thank you. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Just this question. We're in Administration Program?

CHAIR HOKAMA: Yes.

COUNCILMEMBER CRIVELLO: So in Goal 1 where you conduct scheduled information exchange sessions to learn about community needs and concerns, are these presentations given to all districts? And does that include Molokai?

CHAIR HOKAMA: Deputy?

MS. DAGDAG-ANDAYA: Chair, it's typically all districts. So I know on Molokai we've had I think in the last year we had one involving the flood control, and I think the FEMA...those FEMA meetings. That was one that we had attended. Budget meetings also included site visits with staff. And if anything, I mean if the concern is having more of these meetings on the island, you know, we can definitely add those as well.

COUNCILMEMBER CRIVELLO: Okay.

MR. GOODE: Mr. Chair, if I could add a little bit.

CHAIR HOKAMA: Sure, Director.

MR. GOODE: You know, I've found over the years, especially when you go to the outlying districts, is that even by attending say this FEMA meeting which we saw, you know, a good cross section of the community, over half of my time is spent talking story about other issues. You know, people, hey, you know what, I need to talk to you about this, and so, it's a great opportunity. Just by the mere fact of being there is a good opportunity for someone grab your sleeve and say, you know, I wanna talk about this. So even though we're there for a specific meeting, we end up covering a lot.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And I echo my colleagues' comments as far as a great presentation. And I also wanna publicly thank Mr. Goode. He...in an outreach to the public, he comes monthly on my radio show, and just call-ins from the public, and puts information out there that's happening with the Public Works Department. So he's doing a really good job of reaching out.

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CHAIR HOKAMA: Thank you. I would agree and I wanna thank the Department and our Directors. I'm trying to go back through my 60-plus years. The last time I saw Kaohu Street in this magnificent status, but it's a project job well done, Directors. And we thank you for the good work your people do on the County's behalf. So thank you for that good work on that project. If there's no further questions in Admin, we are gonna recess for our mid-day break. When we do return, please be prepared for review of the Engineering Program. And with that, Members, we will be in recess till 1:30 p.m. . . .(gavel). . .

RECESS: 11:54 a.m.
RECONVENE: 1:34 p.m.

CHAIR HOKAMA: . . .(gavel). . . We shall bring the meeting back to order. We shall continue our review of the Department of Public Works. We shall move onto the program area of Engineering Program which I believe starts on 618 of your performance and on the Details would be 17-10, 9.

COUNCILMEMBER BAISA: Nine.

CHAIR HOKAMA: 17-9. So, Director Goode, if you and the Deputy would give us your comments regarding Engineering, please.

MR. GOODE: Okay, thank you, Chair. Good afternoon, Members. I'll just start by, a brief overview. The Engineering Division has four sections. The Design Section handles roadways, drainage and bridge structures. Traffic Section handles roadways as well, and of course, all the jobs that come up related to intersections, and traffic signals, and the like. Our Construction Section gets to build everything that the Design and Traffic Sections come up with. And then our Survey Section assists all three of the other sections, and actually other parts of the County as well, like keeping maps, doing surveys, and producing drawings. And this is the program that the two positions for MS4 that I'd mentioned earlier would be housed in. So with that, I'll have Rowena talk more about the Goals and Measures.

CHAIR HOKAMA: Thank you. Deputy?

MS. DAGDAG-ANDAYA: Thank you, Chair. As far as our Goals and Measures, so if we take a look at Goal No. 1, establish an eco-friendly transportation system to enhance non-motorized transportation infrastructure which will promote health and wellness and reduce the County's dependence on fossil fuel. You'll notice here three objectives relating to sidewalks, bike lanes, and wheelchair ramps. A lot of these in this section, this ties in with our CIP. So you'll notice the monies have been used towards the installation of sidewalks, about a mile of sidewalks. Our priority was mainly putting in, or installing sidewalks where gaps exists. So if we have sections that had no sidewalks and there were two other sections that did, we tried to fill in those gaps. Bike lanes and bike paths, it includes also those that are on...within the travel way, the road travel way, in addition to those that are separated. And then the wheelchair

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ramps installed annually, most of these are installed during reconstruction efforts, or when we do some resurfacing work. So you'll notice that it's not a separate item, but it's also combined with an existing project that we have already programmed. Goal No. 2, provide routine maintenance by resurfacing, reconstructing, rehabilitating, or preserving County roads and bridges to ensure accessibility and a safe riding surface. So in these Performance Measures, you'll notice our lane miles that have been reconstructed and rehabilitated. There were about 23 in FY '15, that were the actual, and then we estimated about 26 miles in 2016, and about 32 in FY 2017. And again, it relates to our CIP items. Most of these are Federal-Aid projects which have been very...we've been very successful in getting those projects through. You'll notice a number of lane miles preserved annually. The number is decreasing, only because we're shifting that responsibility to our Highways Division. So what you'll see in Highways Division are actual numbers. So what we need to do is just close out this Performance Measure eventually. And then as far as the number of bridges rehabilitated and replaced, you'll notice at least once a year, and most of these are in the East Maui district. I believe in 2015 Kaholopoo Bridge was rehabilitated. So going on to Page 619, we continue on with Goal No. 2. And this one relates to our road. About maybe a year ago, we came before the Committee regarding pavement preservation and our efforts towards pavement preservation. And what we've determined was, we wanna try to get to a pavement condition index of 75 or better. So what we have in place is a database, and in that database there's information collected from a third-party source, and they assess the condition of the existing roads on each of the islands, and give it a rating. So we actually have a figure or a slide that shows at what percentage our County roads fall into these categories of 75 or better. But unfortunately, I didn't have it here with me. But our goal is to at least get 75 percent of our roads at a pavement condition index of 75 or better. So that means roads that need pavement preservation, or nothing. You know, we wanna be able to get it to...get our roads to the state where we fix our roads through pavement preservation, which is seal coating or slurry seal. I think we're making a lot of good progress as we get many of our roads reconstructed and resurfaced. So that will help us further our pavement preservation program. As far as Goal No. 3, identify and resolve traffic congestion and safety issues to address capacity and circulation issues. You'll notice that that one, number of miles added to travel lanes annually. These are roads that we would receive through dedication or new roads we construct. So that number is pretty, you know, typically very low. Number of traffic improvements made annually at intersections including traffic signals, all-way stops, roundabouts, and pedestrian signals at crosswalks. Again, related to our CIP and our Complete Streets efforts, we're looking...whenever, now whenever we do an intersection improvement, if it involves a four-way stop, or all-way stop, or a traffic signal, one of the first things we look at is to see if it can accommodate a roundabout or something similar. Those have been very effective, and a lot of the public has been asking for more roundabouts and making sure that...but one of the things we need to do is make sure it's an effective intersection improvement, and that it fits with the growing needs of the community. And then Goal No. 4, provide maintenance and service to County facilities and equipment under Department's jurisdiction so that all facilities are safe and attractive. And this relates to our janitorial program, our special maintenance program here at the County. Our janitorial staff and our maintenance crew or maintenance engineer

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within our Department of Engineering, percentage of building maintenance work order requests responded to within 24 hours. And our goal is to be able to respond within 24 hours of receipt of that request. And typically the requests are made via e-mail or via phone call. And the number of maintenance work orders completed during the year. And those are our...the programs Goals and Objectives or Performance Measures.

CHAIR HOKAMA: Okay, thank you. We'll go through this component at this time, and then after this we'll go into the three categories, Members. So questions under the program area regarding the Goals and Objectives? Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. On Goal No. 1, it seems like you guys have a lot of capacity but you're not...I realize you said these are tied into CIPs, but are we lowering...actually we're cutting all the goals by more than half. Is that CIP related, and we've just...we've done so much we're ahead of ourselves? Or what's the status?

MS. DAGDAG-ANDAYA: Chair?

CHAIR HOKAMA: Department?

MS. DAGDAG-ANDAYA: So some of them are CIP related and, you know, in talking with staff, they don't want to overpromise. So I guess what they're doing is setting the bar at what they think is reasonable. But, you know, we always try to strive for more so...and that's what the Department, or our staff has been able to provide us with.

VICE-CHAIR WHITE: But I can see that applying to FY '17, but FY '15 as you can see on the chart, is also showing 2,500 each for sidewalks and bike paths. That's down considerably from last year. So is that CIP related, or are you under promising there and you're gonna deliver twice as many again?

MS. DAGDAG-ANDAYA: Again, I think most of this is CIP related. A lot of our bike lanes, bike paths, during FY '16 are in the planning stages, so being able to get them constructed, I think that's...those are two...the timing, those are two different numbers. We have things that are planned, and are in design, but to actually get to construction and to complete it, that's another number. So we don't wanna mix the two together in one fiscal year. So it could be that we are planning and designing in FY '16 for, say, Northshore Greenway, and then FY '17, that's when we go into construction, so.

VICE-CHAIR WHITE: Okay. And then on Goal No. 4, I'm assuming that those, the work orders there, are predominantly for this building. Are there...do you have to...you don't respond to work orders in One Main Plaza, right?

MS. DAGDAG-ANDAYA: No, Chair, we don't.

VICE-CHAIR WHITE: Yeah.

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MS. DAGDAG-ANDAYA: It's only for this building and for the auxiliary buildings like the Prosecutor's Office, and the other one that's Kalana Pakui, and I think the yellow building, where CDBG is currently housed.

VICE-CHAIR WHITE: So what constitutes a work order? Because that seems like 15 or 20 work orders for the 3 buildings is a really, pretty low.

MS. DAGDAG-ANDAYA: Most of them are...they're like fixes for toilets, or like a leaky window as we've seen a lot. I know the leaky windows, that's been an ongoing issue with maintenance. But, you know, small things like those. CIP projects are not included in this number.

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

CHAIR HOKAMA: Thank you. Mr. Guzman, questions?

COUNCILMEMBER GUZMAN: I'm okay. Thanks, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: Nothing more. She's doing a really great job at explaining Goals. Thank you.

CHAIR HOKAMA: Yes, she has. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. Most of my questions were answered in the opening comments. But just to get a idea of pavement condition index of 75. What, like, is that what Kaohu used to look like, and...or is it what Kaohu is now? I mean just to get a...I know you said you had a slide, but if you can kinda describe a little bit --

MS. DAGDAG-ANDAYA: Sure.

COUNCILMEMBER COCHRAN: --of what that means.

MS. DAGDAG-ANDAYA: I'll try to. It helps with visuals.

COUNCILMEMBER COCHRAN: Right, but...

MS. DAGDAG-ANDAYA: But a road with a pavement condition index of 75 or better has very minimal, and I use the term very lightly because it can be left for interpretation, but a road with pavement condition of 75 or better is typically one that would require pavement preservation. So what Kaohu Street was could probably fall in the PCI of, I wanna say, 50 or a little bit lower, yeah. So and then right now we would consider that at a 100, the PCI of 100. So we're slowly, you know, we're catching up on a lot of roadwork throughout the years. We've, the last four years that I know Dave and I have been on board, with the help of the Council, you know, we've been able to do a

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lot of roads in the County, and get them at a level where we can start more looking more towards pavement preservation instead of resurfacing. So I don't know if, Dave, if you have any...

MR. GOODE: Just to expand a little bit. I think what she said, it's kinda ready for pavement preservation, like a slurry. So you might see some...a couple of cracks here and there. You might see some discoloration, turning kinda gray, looking a little tired on top. So somewhere in that. So you start to feel a little roughness in the road, but you're not experiencing, you know, significant potholes.

COUNCILMEMBER COCHRAN: Okay. No, that's a good picture painted there. So I understand and I think the viewing public can get a understanding also. But I have to admit, Chair, I see lots and lots of improvements all throughout the West Maui area for sure. So good job on that.

CHAIR HOKAMA: Mister...

COUNCILMEMBER COCHRAN: And that's about all.

CHAIR HOKAMA: I'm sorry. I'm sorry, Ms. Cochran, please.

COUNCILMEMBER COCHRAN: No, and that's all I have, Chair. Thank you.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Everybody said pretty much my thoughts as well. They're doing a really good job, and I like to see the word roundabouts in there. And bikeways, and Complete Streets. And by the way, they've done a bang-up job with the rapid something blinking beacons.

UNIDENTIFIED SPEAKER: Rectangular.

COUNCILMEMBER COUCH: Rectangular rapid...all right, yeah, yeah. Whatever, the blinking crosswalk lights. They're, been used a lot on South Kihei Road. It does slow down traffic a little bit, but that's all right. And people are...feel much more safe crossing. One thing I would say is if they could blink a little less as long because people get across the street, and they still blink for about enough time for somebody else to get across the street, which they don't do. And so people...drivers stop when no one's crossing the road a lot of the times. So that's the only complaint I've heard so far, at least coming from the Kihei side. Thank you.

CHAIR HOKAMA: Thank you. So who actually controls timing and monitoring of County street lights, please, Director? Is that Police Department, Maui DOT, State DOT, County Public Works? Could you just have us understand this better?

MR. GOODE: Sure. The, you know, traffic signals throughout the County are either controlled by the State, or by us. Where two State highways meet, it's clearly State.

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Where the State road meets a County road, it's still State. So you need two County roads to intersect where it'd be our signal. So the timing of any signal is generally set by the Engineering staff. As I mentioned, we have a Traffic Section. So they would set some initial timings. We do get calls every now and then that, you know, something has changed and one light may need some longer time than another. And so we'll evaluate it, give it to our Engineering staff, or with our Traffic Signal Maintenance staff. They have the capability to make some adjustments on the fly, report it back to the engineers, and let them know what they did. Frequently with power outages, and sometimes shorts with rain, we have to go back and reset. But it's generally a combination...for us, it's a combination between our Engineering and our Maintenance staff.

CHAIR HOKAMA: Okay, so like Puunene Avenue off...

MR. GOODE: State.

CHAIR HOKAMA: That's all State.

MR. GOODE: State, yeah.

CHAIR HOKAMA: Honoapiilani, Waiko intersection --

MR. GOODE: State.

CHAIR HOKAMA: --Kuikahi, that would be all State lights, okay.

MR. GOODE: Yeah.

CHAIR HOKAMA: That makes me feel better that's it's not our lights 'cause I'm getting calls about those lights. But I'm happy to send them to State DOT. You know, I like the Goals, and especially No. 1. Where, for me, some of the connecting the dots, 'cause I know what you are charged by Charter is our road system. And yet County DOT, if you guys look at the Charter, Members, County DOT, which is kinda interesting, is assigned all modes of transportation, including the roads. And yet when we hear departmental DOT come forward, they basically just talk transit. But the DOT Director for us is also charged with air and water, which is kinda strange since that is basically State. You know, this is one Department that when we went through the Charter, had no financial analysis done 'cause my thought was we just needed one more deputy for Mr. Goode, and create another division instead of the additional expense of, what we call a department, they could be one division. But anyway, that's my opinion of how to streamline this County. So what is the role of County DOT in helping you with this type of Goals, like 1.1?

MR. GOODE: Yeah, I think, Chair, you know, your initial comments, you know, they tend to stick to transit, and we work with them primarily on, you know, stop locations and how those stops work with our roads. So alternative non-motorized modes of transportation really falls more in our Complete Streets program. So as we look at

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new subdivisions that come on, or where we're doing road improvements, how do we provide opportunities for non-motorized modes of transportation. So that's mostly for us in our Design and Traffic Sections.

CHAIR HOKAMA: Okay, okay. Members, if you have more questions regarding the Complete Streets component of Engineering, I'm gonna take that up in B Category under Operations. So if you have questions on that component, Complete Streets, when we hit B Category, Ops, please entertain your questions then. Let's see under Engineering, are there any other questions, Members, you'd like to ask regarding the Engineering component as far as initial Keys, Goals and Objectives portion? If not, Director, if you'd move into your A Account for your Engineering Section.

MR. GOODE: Yeah, we're on Page 620, Chair. So I'm focusing on the Change Amount --

CHAIR HOKAMA: Sure.

MR. GOODE: --column. For the first amount, there's a Change Amount of \$12,000 in Premium Pay, and this is for the one-time Bargaining Unit 3, 4 payments that come due the 1st of July. And then in Wages and Salaries, the increase is \$210,000, about...almost exactly half, 105, is a collective bargaining agreement. Increases and the balance of the two new positions I touched on earlier for MS4. And that's it for the A. Do you want me keep going or...

CHAIR HOKAMA: No, no, we're just gonna do A.

MR. GOODE: Okay, all right.

CHAIR HOKAMA: I think we can move faster going through the review if we just focus on each category, Director. Deputy, you have anything you'd like to add to the discussion in this area at this time?

MS. DAGDAG-ANDAYA: No, Chair.

CHAIR HOKAMA: Okay, Ms. Cochran, you have any questions? Again, we know the two expansions is for MS4 basically as we understand the comments from the Directors. We are looking at a Civil V and a Civil III for MS4. Questions, Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, no, no.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Just a quick question. You know, it appears that we're all hiring engineers. And I'm kinda interested, the Water Department can't find any. How do you guys do?

CHAIR HOKAMA: Department?

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MR. GOODE: Thank you, Chair. It's been difficult for us, but not quite impossible. The open positions that we have are primarily in fields that are, you know, compete with the construction industry. And as you know, that industry is doing pretty well right now.

COUNCILMEMBER BAISA: Right.

MR. GOODE: So we're having hard times finding building, plumbing, and electrical inspectors, and civil engineers. But, you know, we're optimistic that they're there. We think we have, you know, a strong outfit, if you will, that makes it attractive for folks to come. So we're hopeful we can get the right people.

COUNCILMEMBER BAISA: It's very interesting because Chair asked a question this morning. I thought it was really good. He was asking the guy that was here from Civil Service about using innovative ways to recruit like social media and stuff. Do you do any of that?

MR. GOODE: Yeah.

CHAIR HOKAMA: You know, Facebook, Twits, Instagrams. Again, I had to learn this from my nephew. So forgive, I'm not the actual user of all this social media.

COUNCILMEMBER COUCH: Tweets, not twits.

CHAIR HOKAMA: Excuse me, Mr. Couch?

COUNCILMEMBER COUCH: That's tweets, tweets.

CHAIR HOKAMA: What did I say?

COUNCILMEMBER COUCH: Twits.

CHAIR HOKAMA: I apologize. Tells you where I am in technology, so I'm sorry. Director?

MR. GOODE: Well, you know, DPS does the recruiting for us, but a lot of times with the civil engineer positions, you know, a number of our engineers participate in the local chapter, Hawaii Society of Professional Engineers, HSPE. So we pretty much know everybody, and we know where there's talent, and so we do a lot of the, even with some of our younger engineers, old school methods of just sitting down and talking. You know, encouraging them to consider these positions.

COUNCILMEMBER BAISA: Terrific, I was just wondering if we could steal some of your tricks. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll, any questions? Thank you. Mr. White?

VICE-CHAIR WHITE: No, my question's been answered on the A Accounts.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And my questions have been answered. They've done a really good job at keeping it, very tight budget, so very impressed. Thank you.

CHAIR HOKAMA: I think one thing that I would take note and, again, share for the community's benefit, is that this Division continues to also look for other funding, you know, like Federal government funding, potentially through MPO designation, EPA grants, Department of the Interior. We might be able to even access certain DOD grants if we can tie into the tech park and the mountain. So there's opportunities for us to reduce the General Fund impacts. Let's see, okay, well, we're gonna move forward. We have no choice but to move forward and support Mr. Goode and the Deputy in their efforts to get MS4 squared away to this County's benefit. So I'm gonna ask him to please now make comments as it regards to Engineering's needs in Category B, or Operations, please.

MR. GOODE: Okay. Thank you, Chair. And I think I forgot to mention in the A budget that we did move two positions in DSA into the Building Permit Revolving Fund from General Fund to make room for these two.

CHAIR HOKAMA: Okay.

MR. GOODE: I just wanted to make sure that I got that mentioned again. For Operations, the biggest one is in Services. This is for MS4. I mentioned earlier that we had 400,000 in the budget. This year we're looking for 550, so that would represent a \$150,000 increase. The requirements of that program are increasing quickly and we're ready to come in under a new permit.

UNIDENTIFIED SPEAKER: . . .*(Inaudible)*. . .

COUNCILMEMBER COUCH: He lost his audio for a second.

MR. GOODE: Oh, my mic's giving out?

VICE-CHAIR WHITE: It's back on.

COUNCILMEMBER COCHRAN: Work order. Oh, wrong company.

CHAIR HOKAMA: We need our sense of humor, thank you.

MR. GOODE: Yeah, for the record, she said work order, so that's No. 21 for the year. So anyway, that represents the bulk of the items there. There's a couple of smaller items. Let's see, Other Costs, 12,000, what was that? You remember? I'm trying to remember what it was. I had some notes, but I gotta find them. And then our Utility number came down significantly so Mr. Baz provides those numbers. So I imagine

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you've spoken about those with other departments already. So we're hopeful gas prices stay low, right? Okay. That's pretty much it.

CHAIR HOKAMA: Okay, thank you. Deputy, anything you'd like to add?

MS. DAGDAG-ANDAYA: Chair, what you'll also notice too is a lot of budget...the transfers from funding from the Administration program to Engineering Division program to support some of their needs including training. Training is a big, really important component in our Engineering program. And in fact, at a recent mobile study tour that our staff was involved in, one of the comments on the evaluation, one of our staff member said that it was career-changing experience for him to see examples from other communities on the mainland, and that it made him feel really, you know, really hopeful and, you know, looking forward to going back into work on Monday. So providing these kinds of opportunities for training outside of the State is really...has been really important for a lot of our staff. We're also trying to get more speakers from the mainland to come to Maui to speak, and in fact, next...in about two weeks we have two traffic engineers from Seattle and Portland coming to do a workshop and also a charrette with our staff, and other engineers in our community. And we're able to do this through funding from Department of Health. So I know last year's budget we had requested some monies. Although we didn't, you know, we didn't get the monies, we did try to look for other opportunities and thankfully the Department of Health was one resource that we could turn to. So, you know, we'll continuously look for funding sources and opportunities for our staff to get training.

CHAIR HOKAMA: Thank you for that, Deputy.

MR. GOODE: Yeah, Mr. Chair, if I could add to that?

CHAIR HOKAMA: Sure, Director.

MR. GOODE: I think that's a good example...I mean I think everything she said is wonderful, but it's an example of we had some extra money in our budget, in Admin, and we'd been to some of these trainings. They need to go. You know, more folks from Engineering need to go. So rather than asking for new money, we just transferred from our fund to their fund.

CHAIR HOKAMA: Thank you. Mr. White, questions in Operations?

VICE-CHAIR WHITE: Yeah, the transfer, the 2 \$50,000 transfers into Professional Services, were those amounts expended for this year in Advertisement and Repairs and Maintenance, or were they utilized for the MS4 program as well? In this fiscal year.

MR. GOODE: Yeah, those were MS4. So that's where the 400,000 from last year got put into those categories, so we consolidated them this year into 1 for '17.

VICE-CHAIR WHITE: Okay, and what types of services are you contracting for for the 500,000, versus what we do in-house with our engineers?

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MR. GOODE: Yeah, currently our contract is with Kennedy Jenks Consultants. We've had them on board for a couple of years. I have a six, seven-page sheet of all their activities, which I'd be happy to share with you, but I'll try to summarize them. Primarily we have a permit and we have a plan, you know, our storm water management plan, and in the plan they identify the six problematic areas that are required under the permit, what our steps are gonna be. And so they are executing a variety of steps within each of those programs. For instance, one is public relations, public involvement, public awareness. And they developed some information along those lines. We kinda test ran it with the County's newsletter last month. But they're getting a number of messaging together, testing it, putting that together. They're looking at changes to some of our ordinances, related to best manager practices for, during construction and after construction. They've been on site visits to a variety of baseyards, ours as well as Parks, to see what type of systems we have in place, and where we need to improve those systems. Also in public involvement, here I see they're working with some volunteer projects, they work with Malama Maui Nui for one. I wish I could give you a more precise summary. And then the next thing is we're starting to set up, you know, how we're gonna do GIS and go into all our drainage systems. And so that's a huge project in and of itself. So they're putting together what those components will be and how it'll be structured as we move into the details of it. There's others and I'd be happy to provide you a list of all their activities.

VICE-CHAIR WHITE: Okay, no, that's not necessary. You gave us a pretty good indication. And how do our two engineers interface with them? Or to what degree do the two new engineers interface with them?

MR. GOODE: As they take the program into the next levels and we get our next permit from the State, I believe the draft permit we may be getting any time. We do anticipate that the requirements are gonna be ratcheted upwards. So the staff then will have a dedicated staff to help manage this contract. Currently, the person that's managing this is probably doing it on a half-time, third-time basis maybe, half, something like that. And that person is in our Design Section. So normally they would be working on roads, and bridges, and drain structures, so we had to, you know, push back some of that work in order to do the MS4 program. So we'll have a dedicated person for that. The CE III position, I think, will be able to spend more time in the field. So as we move into new program elements that may require field work, we'll be doing some of that in-house. And other than that, I don't know enough exactly, but I know that, you know, they actually envision more people. We had to go back, we said no, I think two is what we can do at this point. If you'd like more details, I can certainly provide it later.

VICE-CHAIR WHITE: No, I think Ms. Cochran's Committee can certainly put something on at some point to provide us another update. But I think you've given us a good idea what the responsibilities are. Thank you.

MR. GOODE: Yeah.

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VICE-CHAIR WHITE: Thank you, Chair.

CHAIR HOKAMA: Thank you. Interesting discussion. I will say though in my meeting with the Federal Highways administrator about three weeks ago in Oakland, he will be coming to Hawaii in the near future. He is planning to meet with Mr. Ford Fuchigami, but I did talk to him about Maui County. They are aware of some of the concerns regarding the MPO boundaries and the challenges, and possible some of the adjustments the County can do to make a circle be more compatible with General Plan, community plans, and still meet the requirements, the minimum requirements of the 50,000. 'Cause I mentioned that currently the way I see the line, it's more of a hindrance than a benefit to us unless we can adjust the line, so we can take care some of the special areas like Spreckelsville and whatnot and make it, I would say, more compatible to the needs, and allow those districts that wanna retain some rural character to stay rural. So, again, now the administrator told me that he will be coming and I told him we would like an opportunity to have a discussion with him and his planning and development chief because the Feds are now looking at a new term called megaregions regarding intermodal connectivity. And part of the Hawaii region could be part of the West Coast since the air and surface components is critical for our economic survival. So that's something you might want to think about and for future discussions with the US DOT.

VICE-CHAIR WHITE: Can I...

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: I'm sorry, you're bringing up the Feds, I just touched on my...just opened up my note, and I forgot to ask whether there any Federal funds that are being made available to offset some of these costs, or whether this is a completely unfunded mandate?

CHAIR HOKAMA: Director? Deputy?

MR. GOODE: Unfortunately for MS4, it's unfunded. There may be opportunities to participate in some of the revolving funds, but that would be more for doing projects, but not for these costs.

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

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: I'm good.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No, not at this time, thank you.

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CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Mr. Carroll? One thing I'd like to ask the Directors, is this increase in your Registration/Training request to us, 17-18, or 622, can you give us some comment, please, regarding type of training for Complete Streets program, and how this training assists your Department personnel in achieving its goals and objectives?

MR. BAZ: Mr. Chair?

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you. Just clarification, so you're looking at the increase, the expansion requested for registration and training, those are related to the two new positions, MS4 positions they're requesting. The...if you're asking about other training for Complete Streets, the State has provided reimbursement for us for training for Complete Streets.

CHAIR HOKAMA: Okay, are these all online type of training efforts, or is this onsite training? I'm just trying to understand how you folks are providing it.

MR. GOODE: Yeah, yeah, Mr. Chair, I think, yeah, for MS4 there...Department of Health has offered some training and they've typically been on Oahu. And so our staff's gone to I believe at least two, and so they tend to have them every six months or so. So that would be for travel expenses and any registration expenses.

CHAIR HOKAMA: Okay, okay. And then, of course, you know, under Professional Services we see another 150,000 request for expansion. And if I add it up right, that's about half a million dollars for Professional Services. Is the majority for your MS4 basically, Director?

MR. GOODE: Yeah, this is all...that 550 would be all for MS4.

CHAIR HOKAMA: Boy, that's some cost, yeah, to implement this MS4. Is the cost driver basically the required Federal mandates that's driving this, the cost for you coming to us? This is all required mandates through the Federal government's actions?

MR. GOODE: Right. It's, yeah, it's all mandated through that NPDES permit, what they call the MS4. And there's, as you probably know, there's hundreds, maybe thousands of these programs throughout the country. And each state regulates them I guess slightly differently, and it's important to have people onboard that have done these things before and know what can work and can't work. Of course, we're always trying to...we wanna be effective as we can. We wanna be able to deliver, you know, certainly cleaner water to our near-shore waters, and we just wanna be as cost-effective as possible.

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CHAIR HOKAMA: Right.

MR. GOODE: So it is helpful to have folks onboard that can look to other jurisdictions and other success stories, and they know them, you know, and bring them, and see if they're compatible here, and we can implement them.

CHAIR HOKAMA: Okay, okay. Any other questions in B Category? If not, Director and Deputy, give us any comments you may have for your C Category, or Equipment in this area.

MR. GOODE: Okay, so the first item is purchase of a GPS receiver and antenna, 37,500. We've been...this is our, I think, our third one. This would be for the Hana area. So we have one, I think, it's on top the Police building here in Wailuku. And we have one in Makawao, and I think maybe one in Kihei. Maybe we have three already. So what this does is, it gives us extremely good detail in the field, and allows us to have a more nimble and small crew when we do our surveys. So it allows us to get the GPS down to, I think it's less than a tenth of a foot accuracy. However, we don't have that kind of accuracy when we're out in the East Maui end. So we'd like to have that. You know, when we do go to East Maui, there's a lot of travel time involved, and so if we can minimize that and get better data, then hopefully we don't have to go make as many trips for the same job. The next item, the Survey Software Suite, basically provides better coordination with the survey data that's received in translating to drawings. So reduces our in-house work as we get that data, and essentially provides a much more efficient system that, you know, the modern engineering office environment should have. The next item is replacement of the office copier. The copier is about ten years old. It's gotten very high maintenance. We did do an analysis in looking at a lease for the type of equipment that we're looking at. The lease I think was \$154 a month for 600, which is a little over \$9,000. So it appeared to be more cost effective to go ahead and purchase, you know, a high-output copier. Industrial labeling system, this is something for a lot of, well our facilities here primarily that have...like we have electrical rooms, we have mechanical rooms, we have other rooms that, you know, OSHA and HIOSH require certain type of labels to be put on them. And our staff looked into it, and it's something we could purchase. We can certainly purchase the labels, but it appeared to be more cost effective to buy this machine which will allow us to have our, you know, our janitorial staff install them with the help of our Engineering staff, and just go ahead and just doing 'em in-house, then have the capability of changing them as requirements change. And then finally the last item is \$4,000 for the work stations for the proposed expansion positions we talked about earlier. And that's it.

CHAIR HOKAMA: Thank you, Director. One quick one on the labeling system. Is this the Division that also does the signage for our streets? Street names and whatnot, stop signs, street names, the green signs with white lettering. Does your Department do that, or you use another department to assist you with those requirements?

MR. GOODE: Yeah, the street signs are done by our highways signs crew in Highways. So they work with different types of material. These...this labeling type, I think it's like

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some kind of hard, probably some kind of hard plastic, would be my guess. So it's not the same type of material.

CHAIR HOKAMA: Are there other departments that they have a similar need? Are you aware of any, Mr. Goode, or Mr. Baz? 'Cause if it be, then why don't we look at something central?

MR. BAZ: Yeah, thank you, Mr. Chair. Yeah, I would imagine that our Parks Department could utilize these pretty significantly, and other departments. You know, Water, Wastewater, pretty much every department if you need a sign. Right now we get them ordered, you know. If there's a door sign, or something like that, we have to order them. So if we have in-house capabilities of printing them, I just would imagine that Public Works would need some kind of funding for...to cover the cost of the item...you know, the materials to produce them.

CHAIR HOKAMA: Understood. So, Director, this system you're looking at has the capacity and capability to possibly take care all the departmental needs besides yours? Or is this just geared for a small thing that only works for you?

MR. GOODE: No, I think it'd be something that if, say, if we're making a sign that says "electrical room," I would think, and if it's OSHA required, it would be the same sign for Water, Wastewater, Parks.

CHAIR HOKAMA: Right, right, okay.

MR. GOODE: We'd be happy to make 'em --

CHAIR HOKAMA: Yeah.

MR. GOODE: --a couple of signs.

CHAIR HOKAMA: Maybe, Mr. Baz, I know you don't have as much time as others like us, like we do, but if you can get a sense from other departments upon if this is something that will assist them too, that would be good to know. C Category, Ms. Cochran, any questions in the C Category?

COUNCILMEMBER COCHRAN: No, no, Chair, not at this time.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No.

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

VICE-CHAIR WHITE: None in the C Category, but if we could just go back, or actually we can do it in a later item, but I missed my question on the Budget Director's calculation

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on energy. Maybe he can cover it in the next section under Gas, Oil, and...or Gas and Diesel.

CHAIR HOKAMA: Well, we'll finish up C component first, and then we can get back to the Ops.

VICE-CHAIR WHITE: Well, we can do it in the next...the next section has the Gas, Oil, and I'm --

CHAIR HOKAMA: Okay.

VICE-CHAIR WHITE: -assuming it's a similar calculation. But I'd just like to hear his calculation for this year.

CHAIR HOKAMA: Okay, fine. Mr. Couch, no questions?

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: So I know you mentioned about your GPS receiver and antenna. So currently everything for your East Maui component, Department, is you physically send out personnel? Is that a good understanding on our part? You have to physically send somebody to collect information for your needs that would now be replaced by an antenna and receiver?

MR. GOODE: Almost. The...we would still send out a surveyor, but say instead of being able to pull...to find, I guess, whatever they're surveying, they'd have to go find a known monument or monuments, and do...and work off of those. And by having the GPS, they can, you know, save some steps and get right to work, basically.

CHAIR HOKAMA: Okay, okay.

MR. GOODE: I'd also like to mention that I think with this system, we'd basically have most of the island covered. And there's a possibility of opening this system up to all surveyors. And we'd like to explore that further, how that would be done, how it could be controlled. But it's actually a service that would be worth something.

CHAIR HOKAMA: Okay. You have access to the 800 system?

MR. GOODE: The 800 megahertz?

CHAIR HOKAMA: Yes.

MR. GOODE: Yeah, we use it with Highways Division.

CHAIR HOKAMA: Okay, and that would not be sufficient to take care this receiver/antenna request, the 800 megahertz system?

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MR. GOODE: It's different. It's totally different.

CHAIR HOKAMA: Okay. And like you, I'm gonna go back because I just remembered these two people that talked to us last night. When you look at Goal 1-1, Part 2, what we see is on an annual basis, pretty much a reduction of linear feet in the number of bike paths since 2015. So can you give us some comment on what may be...what factors are impacting these numbers?

MR. GOODE: Sure, Chair. This measure looks at what actually gets...goes online in a given year. And so that fluctuates depending on which projects are in the works, and which ones we're deploying, and which ones have bike lanes or sidewalks, and which ones don't. So it can vary widely --

CHAIR HOKAMA: Okay.

MR. GOODE: --year to year given the project mix.

CHAIR HOKAMA: And this is only on paths or roads that are County owned and has jurisdiction on, right?

MR. GOODE: That's correct.

CHAIR HOKAMA: Nothing to do with like the road to Lahaina right now 'cause they get that funky bike path in the middle of the two lanes. And I'm going like, wow. Is that road mitigation, putting the bikes in the middle of two-lane traffic? That was interesting. And I'm glad that was the State, not you guys. I mean Ms. Cochran drives that road everyday so she knows what I'm talking about that funky bike path. Questions in this area, Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Yeah, in the Ukumehame area.

CHAIR HOKAMA: That's the one.

COUNCILMEMBER COCHRAN: Yeah, over there. That's scary. I'm like, oh, I wouldn't ride that on a bike. But I'm looking at this handout. You pointed us to this earlier I think. I'm not sure. It's about interfund transfers, though, but it states from highway to bikeway. And of \$238,000.

CHAIR HOKAMA: Can you give us a reference?

COUNCILMEMBER COCHRAN: It's just this BD-6. It's just a handout that came via Mayor's Office to Budget. So how do you read that? March 30, 2016, and it just gives the breakdown of all the interfund transfers of 47 million.

MR. BAZ: Correct.

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COUNCILMEMBER COCHRAN: And anyways, I'm just looking at...what is it? BD-6. And so it looks like, you know, 238 to bikeway, shortage of bikeway funds proposed for Capital. So is that in reference...or maybe this is for Budget Director, for bike paths --

MR. BAZ: Yes.

COUNCILMEMBER COCHRAN: --in a sense so it's...there's a shortfall from bike licenses I guess. So we're taking --

MR. BAZ: Mr. Chair?

COUNCILMEMBER COCHRAN: --monies from Highways in order to do Public Works type bike projects? Is what that is?

MR. BAZ: Yeah, yes. That's correct. So what happens is we have a \$600,000 capital project in the Countywide Bikeways program. They had some Carryover/Savings, 300 and, I forget how much thousand dollars, and they get about 50,000 a year in revenue. So that means that the balance needs to be made up from someplace, and Highway Fund is...bikeways are an acceptable use of the Highway Fund so we transfer that money as needed from the Highway Fund to the Bikeway Fund to cover the cost of that project.

COUNCILMEMBER COCHRAN: Okay. And yet, we're cutting down bike lane paths this year?

MR. BAZ: Well, as we get into the Capital budget for Public Works, we can discuss in detail what their --

COUNCILMEMBER COCHRAN: A little more.

MR. BAZ: --doing with the money, and then, you know, how many lanes they're proposing. I believe most of it is for design, so it would come about Fiscal Year '18 would have, like the West Maui one, I think it's gonna be 1½ miles, right. So that's quite a bit, 7,500 feet or so, just in that one project.

COUNCILMEMBER COCHRAN: Okay, okay. No, I was just curious, you know, about the money shifting and then how it relates to what they're...the work being done by their Department.

CHAIR HOKAMA: Okay, very good.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR HOKAMA: Any other questions in C Account, Members, for Engineering? I wanna finish up this area so, Director, any comments on your grant awards on Page 623? I know you basically have only three funding sources for the upcoming year.

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MR. GOODE: No, Chair, other than we just have our traditional Federal funds. They...you know, that's about what we've been...it's kind of in our long-term average, about 14 million. You can see in previous years we were receiving more. So that 14.7 million is our base, and as funds become available, or projects become available, we can hopefully get a little bit more. And then we're looking at Safe Routes to School, getting about \$150,000 from the State. And we're still hopeful to get some monies for the Lahaina Watershed to match our County share.

CHAIR HOKAMA: Okay, thank you. Members, questions on Revenue Fund, 623? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And, yeah, the Safe Routes to School, where is this project gonna take place? Was there a particular school already slated?

MS. DAGDAG-ANDAYA: Chair, this fund is actually an overall grant provided from State Department of Transportation. So the monies come from fines that were collected through Police Departments throughout the State, and then there's like an allocation that's made to each of the different counties. So our share, the one that we receive, is...amounts to about \$150,000. And what the staff looks at is they want to do infrastructure improvements near schools. So it doesn't have to be for a specific school. So, for example, what staff is currently looking at right now is installing those feedback monitors that show your speed, what speed you're driving. Either replacing the ones that are getting older at existing locations, or installing new ones that are located on County right-of-way. Another thing that we can use with these monies are non-infrastructure projects that would teach school-age children about bike safety or pedestrian safety. So that would mean that a outside organization, we need to work in partnership with a nonprofit group who can go into the schools and educate students and teachers.

COUNCILMEMBER COCHRAN: Okay. Well, I know West Maui was a recipient of these funds, was it just last year, by Nahienaena and that area, which really, really helped out. So now I'm getting comments in regards to Maui Preparatory Academy in Napilihau. And so the crossing there, and having, you know, people trying to get more biking and all that type of walk-ability stuff. And it's not a very safe intersection, so just thought if this type of funding could go there to help create, you know, the dedicated right-hand turn, whatever they need in order to assist sidewalks and more...better lines, you know, and I don't know. But would that be something that could be accommodated this way, or are you aware of that issue in that area?

CHAIR HOKAMA: Director?

MR. GOODE: Yeah, Mr. Chair and Ms. Cochran, yeah, we're aware of the issue there, and it's a little complicated because there's other projects that have basically the same requirements already. Maui Prep actually has a requirement under their community plan amendment, or Change in Zoning they had. And the new condo project up there, I forgot the name of it, but...

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COUNCILMEMBER COCHRAN: Wailele.

MR. GOODE: Yeah, they have requirements to do laneage improvements and probably crosswalk. Remember, we only get 150,000 Countywide so that'd be hard to steer it all towards that one area when we know we have known problems in other areas.

COUNCILMEMBER COCHRAN: Okay, yeah, well, no, I'm just glad that you are aware, and it's, I guess, at the back of your mind in case --

MR. GOODE: Yeah.

COUNCILMEMBER COCHRAN: --there's a way to address it. But hopefully we can work through the other entities that are coming online to help assist with those situations. So okay, thank you, Chair.

CHAIR HOKAMA: Thank you. Can these monies be used to set up additional, let's say police support at the schools? Because one thing I would love to see our Police do, is start tagging more parents who are texting as they're driving their kids to Wailuku El or other school, putting on makeup as they drive their kids to school, talking on the phone as they're driving their kids to school. I don't have a problem with using this money for enforcement because I think the kids, safety comes first before the driver or parents need to look good or keep a conversation going. So is this something the money can be used for from an enforcement component? Because I cannot believe how many parents jeopardize kids by how they drive taking kids to school.

MR. GOODE: Yeah, Mr. Chair, I think we'd have to look into that, see if they could...if it's gonna be a one-time thing or recurring cost. But we'd have to get some guidance on that.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you, Mr. Chair. Last year during Budget deliberations was a similar question requested for Corporation Counsel to respond to regarding the use of the Complete Street funds for the payment of crossing guards within the Police Department. And from my recollection of that response, the recommendation was that, well, we're not sure if it's not allowed. It could be allowed. Because of the limited amount of funds, the amount of cost to provide those out of this would dry up the fund completely. Whereas, we can get concrete projects for...that will last quite a while with this small amount of money.

CHAIR HOKAMA: Well, I think, you know, I mean you look at our private sector, whether it be the McDonald's, and whatnot, who do they go after to influence the adult? They go after the kids. So maybe we need to do something to influence the youth to impact the adults' bad behavior. Ms. Baisa, questions?

COUNCILMEMBER BAISA: No, but a very good observation, Chair, because we all try to, you know, when the kids say, daddy, you shouldn't smoke 'cause you're gonna die and I

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don't want you to die, you know how bad you feel? And I think a lot of people quit because of that kind of thing. So I think that's a really, very good idea, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions, sir? Mr. White?

VICE-CHAIR WHITE: Question on are we gonna be receiving no NRCS grants this year? It shows that we received \$7 million in 2016, and there's nothing proposed for 2017, unless it's a typo here somewhere.

MR. GOODE: Mr. Chair, Mr. White, you're looking on Page 623?

CHAIR HOKAMA: Six two three.

VICE-CHAIR WHITE: Six twenty-three, yes.

MR. GOODE: Right. Yeah, so we...oh, that is probably a typo. Right, it should've been...last year we asked for monies from the State as well, and we didn't get them. So last year we asked for 7 million from the State, and this year we're asking for 7 million from the State. Previously we had asked for funds from the NRCS, and those funds have definitely dried up, so.

VICE-CHAIR WHITE: So did we not receive the \$7 million amount in 2016?

MR. GOODE: No.

VICE-CHAIR WHITE: What about '15?

MR. GOODE: No.

VICE-CHAIR WHITE: Okay.

MR. GOODE: So we've shifted our focus from NRCS to the State, and, you know, brought our West Maui reps out to the site, and they understand it, and then we try and get the funding. So we, you folks, put in \$2 million last year for a match which is what was being requested of us in order to provide the State funds. The State funds never arrived, so we have for \$2 million currently in FY '16. We put in another 2 here in FY '17 in hoping for a match. And so it is a project that we'll discuss in clearer detail when we get to the CIP.

VICE-CHAIR WHITE: So you had mentioned earlier on another item that, I think it was for MS4, that were you looking at the ability to use the revolving funds that we use for Wastewater and Water projects. Would that apply to the flood control?

MR. GOODE: It very well could.

VICE-CHAIR WHITE: 'Cause it's trying to do the same thing that the wastewater treatment is trying to do.

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MR. GOODE: It very well could. It would mean we'd have to fund it completely, I imagine, unless we can find some matching funds. But I think it would qualify.

VICE-CHAIR WHITE: Okay, just a thought. Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Crivello? Mr. Couch? Okay, let's head over to...

COUNCILMEMBER COCHRAN: Chair? Sorry, Chair.

CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Can I...thank you, Chair, sorry. Can I revisit the grants again? Looking, and I know this year nothing's proposed, but just a status on the Maui Timeshare Venture, \$715, Starwood Vacation, 1.7 mil numbers. Those have been adopted and utilized? They're what, what? What's happening with those two?

MR. GOODE: Okay.

CHAIR HOKAMA: Director?

MR. GOODE: Yeah, I don't know off the top of my head, so I'd have to get back to you on those.

COUNCILMEMBER COCHRAN: Okay. But obviously they have been received at least, some, it came to us physically in our bank accounts or whatever, and okay, that's...

MR. GOODE: The reason I'm a little fuzzy on this is because we actually last year got a number of these from like, the smallest is 25,000 up to, like I said, a million and change. So I don't know the exact status of all of them.

COUNCILMEMBER COCHRAN: And those are a majority due in, like, North Beach additions and perhaps maybe the Hyatt's?

MS. DAGDAG-ANDAYA: Chair?

COUNCILMEMBER COCHRAN: They were I think primarily kind of a condition of zoning type, right, reasons for payments?

MS. DAGDAG-ANDAYA: Chair, these were SMA items from SMA conditions for both the Hyatt Timeshare project, and SVO Lot 3. So upon...when they got certificate of occupancy, or beginning of their building permit, then they were required to put these monies, contribute these monies to the County. And these are primarily monies for West Maui Regional projects that would alleviate any traffic issues in the area. Now, what we would need to do is take a look again. I know we've been reading through the SMA permit, and the conditions, and sometimes those conditions are pretty vague. And although, I mean we had initially thought of using these for lower road

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reconstruction, and perhaps getting a charrette. These could also possibly be used for State projects as well. I think there was some talk about using it for bypass, Lahaina bypass. So that's something that we'll need to take a look at further.

COUNCILMEMBER COCHRAN: Okay, yeah. Chair, I think it'd be helpful for us in our planning, and knowing where...the statuses on these amounts 'cause that's kind of a nice chunk of change. And to see truly how can West Maui, or wherever it's slated to, have been, you know, the recipient of, to be utilized, and to make sure that it's, yeah, so we all know how we can use it and where. And then that last, private contributions at 1.3 mil, is that... 'cause I notice the private contributions up above it states it's for the south regional traffic master plan. But this one is just a private contribution with no kinda detail behind it, so is there a reference to where that has gone, or what it's going to be used for?

MR. GOODE: Mr. Chair and Ms. Cochran, there's a number of different funds here. I'm reading my notes. We got \$25,000 for the Wakea-Hina traffic signal intersection from a project that was going on right next door. I think we got \$246,000 was from the North South Collector Road, \$46,000 for the bikeway project in Kihei from an adjoining project that had deferred its improvements. And we got...there's a million dollars for the Maui Lani-Kamehameha intersection from Maui Lani Partners. And we had a match in this current year, FY '16 budget. And those...I think that's what adds to the million three.

COUNCILMEMBER COCHRAN: Okay, lot of Central and South Maui contributions.

MR. GOODE: Correct.

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

CHAIR HOKAMA: Okay, anyone else in this area of Special Maintenance?

VICE-CHAIR WHITE: Chair?

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Thank you. Regarding traffic, what discussions are there with respect to the road to Lahaina? Has there been any discussion about...I know it's gonna be awhile before we can go across the Pali, but it seems to me that the challenges is that there's no stacking lanes when you get to Launiupoko. So it just backs up, and then you've got a rolling back up that goes on, as everyone learned yesterday. But there's no traffic problems going the opposite direction because there's plenty of stacking capacity when you get to the first light at Maalaea. Is there any discussion with DOT to create stacking lanes at Launiupoko, and then a lane going into the...into town? At least a third lane going into town from there?

CHAIR HOKAMA: Director?

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MR. GOODE: Mr. Chair and Mr. White, that's, yeah, that's ultimately something that the MPO is gonna I think have a much greater say, you know, and what priorities are for DOT. The MPO is, actually we just got our letter from FHWA. They told us who's gonna be on, you've given us a letter of the three Councilmembers that'll be on it. We'll now have the say really in what, you know, projects DOT moves forward on. So we don't have, right now, we don't really direct discussions with them on that. I mean in some ways we should 'cause it's of interest to everybody. But we tend to get silo'd into well these are our projects, these are your projects. I do know that the State has a design build contract for that southern extension of the bypass, so from Hokiokio going south to Cut Mountain. And so, and from what I understand, they'll be taking traffic up by bypass. Then you to come...to come back down, you have to, you know, get off the bypass. So their hope is to take more people up there which will then not have these signals to deal with. So rather do that than add the additional stacking, 'cause to add stacking you really need to come back like a half mile probably, you know, to open it up. And then you gotta go half mile past it, to bring it back, or to keep it going. And so those road widening projects can be very expensive as well. Not as expensive as a bypass, but if you already got the bypass, then hopefully the extension of the bypass. But it is worth having a discussion with them about oh, what can we do now? What measures can be done now because I personally feel that we're basically at a situation like Piilani was 15 years ago. You know, where it got to be, you got so much traffic it just takes one little thing, and all of a sudden, you're done for the day, right? And so because you're at near capacity, all it takes is one hiccup, in which case it could just be too many cars that day, or you know...

VICE-CHAIR WHITE: A whale.

MR. GOODE: Yeah, a whale. Yeah, exactly, so --

VICE-CHAIR WHITE: Well the reason I'm not holding breath --

MR. GOODE: --we're at that situation right now.

VICE-CHAIR WHITE: --for the bypass is the first section was right on the front burner when I moved to West Maui 30 years ago. So, anyway, keep at it.

MR. GOODE: Right.

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

CHAIR HOKAMA: Thank you. Director, let's get into Special Maintenance.

MR. GOODE: Okay, well we think all maintenance is special, but this maintenance is very special. It's got its own program. And it is kind of a little bit of a catchall. We do the...take care of the Hana Civic Center with these funds, veteran cemeteries, seven other County cemeteries. But the big money really is in that we, you know, couple of years ago, maybe it was last year, Sandy, we transferred all the garage positions from Highways Fund into this fund. And of course, it buys all the fuel for a variety of

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different programs. So for us the main emphasis are the veteran cemeteries and the garages. So Rowena can go over the Goals.

MS. DAGDAG-ANDAYA: So we have...

CHAIR HOKAMA: A Account first, please, Deputy.

MS. DAGDAG-ANDAYA: Oh, okay.

MR. GOODE: Okay, A Account, Other Premium Pay, I think some of this is the Bargaining Unit 3/4 lump sums. The 121,000 additional Wages and Salaries, 87,000 was the new collective bargaining agreement, or the collective bargaining increases. The balance would be the new position I mentioned earlier for the Veteran Cemetery in Makawao. The change amount for 400,000...oh, I'm sorry. I'm going into B, so I'll stay with A, sorry.

CHAIR HOKAMA: Okay, I think that's about it, yeah, Director? Your expansion in the veteran cemetery on Maui.

MR. GOODE: Yeah, that's correct. And actually, I forgot to mention, some of the premium pay has to do with some of the Operations we have at the veteran cemetery like setting up for special events, and also weekend burials, which we have to do on Molokai frequently.

CHAIR HOKAMA: Okay.

MR. GOODE: Additional cost on the weekend.

CHAIR HOKAMA: So every time we have more than one position, so let's say at Makawao, we have one Caretaker. Now that we're gonna add, one of 'em has to be a supervisor? We couldn't have two Caretakers. One with a higher grade, that doesn't work. We definitely need a supervisor to supervise a crew of one.

MR. GOODE: Yeah, Chair, I had the same question, and it's basically...it's a working foreman. So the person does roll up their sleeves and work, but they do have, you know, the authority to program the work. And we get a lot of customer interaction at our cemeteries, so to have someone I think that has more of those skills is gonna be good for the overall benefit of the folks that are utilizing the cemetery. So it is a working position.

CHAIR HOKAMA: Okay, and then most of the increase in premium is for your veteran cemetery requirements, Director, as we understand it?

MR. GOODE: Yeah, I know 1,300 of it...let's see, Other Premium Pay, actually 10,000 of the Premium Pay was additional funding based on...or anticipated callouts. So I think last year, yeah, if you look at 2016 adopted versus 2015 actuals, and I can't speak to '14 actuals, but the, looking at our anticipated costs for callouts for our mechanics,

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you know, our mechanics do get called out frequently especially for refuse trucks. And they're, you know, they start work at 5:00-5:30 in the morning. And our garages typically start at 7:00, so we do have callouts there. We also have callouts when we have emergencies. You know, piece of equipment goes down and we need a mechanic right away. So based on our, I guess, our current rates and some previous years, we looked to have additional funds there. And then approximately \$1,300 was for the veteran cemetery in particular.

CHAIR HOKAMA: Okay. Mr. White, questions in this component A, Special Maintenance?

VICE-CHAIR WHITE: I have some of the same concerns. So currently we have just one Caretaker at Makawao?

MR. GOODE: Correct.

VICE-CHAIR WHITE: So what is...what else is this individual is gonna be able to do? Because I can't imagine that the workload is double what it...it's gonna be double on July 1st when it'd be filled than it is today. So are they gonna have other responsibilities in the area? Are they gonna be responsible for the other, the cemetery on Molokai? Or what else are they gonna be assigned?

MR. GOODE: Yeah, Mr. Chair and Mr. White, the...they're pretty just assigned to Makawao. The Makawao Cemetery is undergoing expansion currently. Construction is temporarily halted, and the position that we're requesting, I think is eight, a traditional eight months of funding. So we are anticipating that the new cemetery is gonna be online. I mean it has to come online 'cause we're running out of space. And it's an additional ten acres. We currently have seven acres. So we see that there's gonna be constant need to, you know, to keep it up to a high level. The Veterans Administration has expressed a desire to have what they call "shrine status" for the cemetery. We did receive a report from Office of, I guess, Veterans Affairs, they had somebody come out from DC. They actually visited all our cemeteries. And gave us a report on, you know, what they feel is needed moving forward to get to shrine status. And so it's important to the veterans here, and we're desirous of that, and we think we need the full-time position to work our way toward shrine status.

VICE-CHAIR WHITE: One of the reasons I ask is that this is just another one of those items where we're doing the Fed's and the State's job. And, you know, I think we all wanna support the cemetery, but at the same time we're having a rough time getting fair treatment from the State on the TAT. And, of course, one of the questions they asked us the other day was well, what do you pay for on the State's behalf? And as we all know, we pay for quite a number of things, and this is just another one of those examples so...but anyway, thank you. You've answered my question. Thank you, Chair.

CHAIR HOKAMA: Thank you. Just so the rest of the Members are clear, Mr. Goode, when you say "shrine status" is that what Punchbowl Cemetery status is, shrine status? And it would be to that kind of level that Makawao is trying to move toward?

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MR. GOODE: You know, Chair, I'm not certain on Punchbowl. I would think it would be shrine status. You know, I'm just not that conversant in it quite frankly. But I do know they like a little higher upkeep. Quite frankly, I think the Makawao Veterans Cemetery looks great. You know, every time we have a function, we actually pull in a lot of our other guys to come in and help, you know, clean up wherever it's necessary. But, yeah, I would think Punchbowl probably has shrine status.

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

COUNCILMEMBER CRIVELLO: Yeah, couple, thank you. On your program, Page 627, the expansion budget request from Fiscal '16 to the increase of...well, it says the 6022 Gas, Diesel...

CHAIR HOKAMA: We're not in that area yet --

COUNCILMEMBER CRIVELLO: Oh, okay.

CHAIR HOKAMA: --Ms. Crivello. We're on the Salary and Wages and Premium Pay at this time, expansion positions.

COUNCILMEMBER CRIVELLO: Okay. I'm okay.

CHAIR HOKAMA: Okay, Mr. Couch?

COUNCILMEMBER CRIVELLO: Thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. And I always interested in our cemeteries also. And I...one of my questions is because, as you state, you know, it's Federal and veterans, being the veterans' cemeteries, is there some type of funding that can come, and maybe you already know the answer, you know, from the Federal government or, you know, military services itself somehow? Or, you know, some kind of assistance for just in particular the veterans cemeteries that we do take care of?

CHAIR HOKAMA: Director?

COUNCILMEMBER COCHRAN: Is there such a thing?

MR. GOODE: We do receive a per-burial fee. I'm pretty sure it's Federal funds probably through the State, but it's, you know, unless the rate that we're burying goes up, or that fee goes up on a per-burial basis, it doesn't cover our cost. We're not aware of any other funds that may be available.

COUNCILMEMBER COCHRAN: Okay. And do you have kind of a figure on what that is that you do get?

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MR. GOODE: It's like 300, sound familiar? Seven hundred

COUNCILMEMBER COCHRAN: Per burial?

MR. GOODE: Seven hundred per burial, right.

COUNCILMEMBER COCHRAN: Okay, and then earlier I didn't realize we had seven County, excluding the three veterans, so total ten. But seven and trying to get a listing of where they are and, you know, I know quite a few are in West Maui and, again, trying to get funding to assist you folks in trying to, you know, malama those. I know one in particular, Mr. White's hotel, does volunteer services there. And we are being asked, requested to put...give 4,000, I think, to the West Maui Veterans Council, Mr. Paul Laub, who has been assisting with the Hanakaoo Beach Park Cemetery which is under our jurisdiction there. So I'm adding up just the premium pay for our work, in-house work, for the veterans, and it comes out, I think, just under \$4,000. So I'm just wondering this 4,000 for the one group to assist in one cemetery, you know, seems like quite a chunk. And also have spoken to some of the West Maui Public Works' people saying that...I mean if we are to pursue having outside...assisting outside people, then I think the do's and don'ts of how to go about maintaining these County actually, you know, properties, should be written up somehow. 'Cause as I'm told, their practices, or what they...they mean well, but I think in the long run is kinda...could be detrimental versus helping, as in what's been planted and where, and things of that nature. But another subject when that actual item comes up to this body. And then I was looking at the At-a-Glance, Chair, in this section, and it says this group provides refuse collection for Hana. So 'cause we talked all about Solid Waste and its Hana issues, so where...so you folks are doing refuse, not the Solid Waste Department? How's that work?

MR. GOODE: Yes, our Highways...Chair? Sorry. Ms. Cochran, yeah, our Highways Division picks up refuse in Hana and Molokai.

COUNCILMEMBER COCHRAN: Okay. But, oh so you're not...

CHAIR HOKAMA: Under this program, Director, under Special Maintenance?

MR. GOODE: Is it under Special Maintenance? I think we get reimbursed. We do get reimbursed by Solid Waste for those activities.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Yeah, thank you, Mr. Chair. I believe it's under the Highways Division staff that go and provide those services, and then the Solid Waste Fund reimburses the Highway Fund for those operations.

CHAIR HOKAMA: Okay.

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MR. BAZ: So it's a interfund transfer.

CHAIR HOKAMA: Okay, okay. We'll discuss that when we hit that program area.

COUNCILMEMBER COCHRAN: Yeah, okay, interesting. But you don't run the landfill? Okay, okay. It just kinda threw me, Chair, when I saw they do refuse for Hana. I'm like okay.

CHAIR HOKAMA: Okay.

COUNCILMEMBER COCHRAN: No, no, that's all, Chair, for now.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Nothing pressing. Thank you.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino, we're under Special Maintenance of Public Works. We are in the B...A Category, Salaries and Wages, Premium Pay, Expansion Position.

COUNCILMEMBER VICTORINO: No question at this time. Thank you, Chair.

CHAIR HOKAMA: Okay. Director, let's move to your B Account, Operations.

MR. GOODE: Chair, the significant change here is in the Gas, Oil, Diesel. So I think I'll defer to Mr. Baz.

MR. BAZ: Thank you, Mr. Chair.

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Thank you. So couple different factors are going on here, and I'll try to explain it and I guess you can ask me more detailed questions if I don't explain it well enough. But basically what happens is that the Maui...that the Public Works garages buy the fuel, and everybody that fills up over there it either, you know, if it's a General Fund, then there's no reimbursement. But if it's a special revenue fund, there's a...that Gas, Diesel, Oil interfund, the second item down there, and that is usually...it's a negative number coming in. So I'll start off on that one. So the positive number, the \$121,000 increase there is to offset the reduced amount that we're expecting to get reimbursed into this based on the reduced usage from the special funds, not necessarily usage, but pricing, yeah. Fuel prices have gone down about 25 percent, so that's a big factor in that. The other item there is the increase of \$225,000 is a little bit of increase where you'd expected to see a decrease. And the reason why there's that increase is because we've been having problems over the last couple of years with the amount that the monies getting reimbursed from the special funds to the General Fund, and the timing of those. It takes approximately three months from the time that we order the fuel and have to, you know, do an encumbrance to pay for it, and it getting

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reimbursed into this fund. So because of that three-month delay, we need to have a cushion of funds available in there so that they can still order fuel. What happens towards the end of the year is that we...the Division's not able to actually order new fuel, and they have to order it like almost on a daily basis sometimes as we process those reimbursements from the special funds. So this is really for a matter of timing-related issues so that we can prevent those in the future, and the operations of the Highway Division can run more smoothly. And we don't have to get challenges getting reimbursed and then doing things so fast and maybe making mistakes. So trying to prevent all of those issues, Mr. Chair.

CHAIR HOKAMA: Thank you. Questions in Ops, Ms. Cochran?

COUNCILMEMBER COCHRAN: It looks like the...17-30, \$1,100 expansion in pursuit of that shrine status you spoke about, and it says for just Veterans Cemeteries Maui Operation. But actually that's in particular for just Makawao? Or we're trying to get the other two up as this type of status, for the additional money here?

CHAIR HOKAMA: Department?

COUNCILMEMBER COCHRAN: And I guess it's specifically for irrigation?

MR. GOODE: Oh, so water...

COUNCILMEMBER COCHRAN: For just water. It's just for --

MR. GOODE: Water delivery charges.

COUNCILMEMBER COCHRAN: --extra water.

MR. GOODE: Yeah, so this is probably for the new grassed area at Makawao.

COUNCILMEMBER COCHRAN: Okay. So just improvements to site and it's taking additional...

MR. GOODE: Yeah, we'll have additional water charges.

COUNCILMEMBER COCHRAN: Okay, okay. Thanks, Chair, nothing else.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino?

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

CHAIR HOKAMA: Mr. White?

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VICE-CHAIR WHITE: No.

CHAIR HOKAMA: Ms. Crivello? Mr. Couch? Okay, let's move to C Account, Equipment. Oh, this one I know you're gonna have questions, Mr. Goode.

MR. GOODE: Oh, yeah. Oh, okay, okay. So Office Furniture, I guess, just to get the, what, desk, chair. So evidently Mr. Baz is telling me this has been a subject of discussion from previous departments. So we'll take the lowest number of what everybody else said. How's that? The slope mower I'd like to spend a little more time on. It's a much bigger number too. The slope mower is...we maintain the reservoirs and dams on...primarily on the West Side, and they're regulated dams now, so we do pay for that actually through the Special Maintenance fund. And we get annual inspections, and one of the items that we continually kinda get dinged for is the manner in which we mow, which is up and down, up and down, up and down. And when you go up and down constantly on a slope, you tend to get ruts, and then you get, you know, potential for rivulets, and then it can damage the very slope that's holding back the water. So the preferred way of cutting these things is across. Well, depending on the slope, you can imagine it'd be kinda hard. So they have these things called slope mowers. So the Parks Department's been looking at one. I think Water's even looked at one at one point, and even had one. And we've been looking at one. So we've been working with Parks, and we went to...we had some guys that were in Vegas for one of the equipment shows, and they went and watched one in action there. And then recently Parks Department had one here for their needs which was a smaller machine, and we took it out to one of our dams on the West Side. I'm not sure if it was Honokowai or Mahinahina. But it didn't work. It stalled out, it slipped, and just can't handle the size of the brush. You know, the type of...you know, you wanna call it native vegetation or, you know, versus a park where you have more than likely have grass, or some kind of ground cover. So the actual...we put in here is more for the...when we put this together, we hadn't seen those demos yet. In fact, the demo we just had, I think, it was last week in Lahaina, if I recall correctly. So the machine we would actually...that we actually need is a \$200,000 machine that's more of a tractor, that can handle, you know, thicker brush. And, you know, the size and terrains that we have to deal with. So we're actually requesting some additional funds which we think we can offset, right. What was our idea, Rowena? Oh, yeah, we thought there's a possibility of, as Mr. Baz explained, there was a...I guess that some of it is a cushion. But we thought if there's an opportunity to use some of that cushion to bring in to get the slope mower. Sorry, I'm just bringing on this right now, but I just found out yesterday that the slope mower didn't work. So anyway, that's where we're at. It is a need. It's something that, you know, we can't continually go up and down on our reservoirs. And that's kinda where we're at.

CHAIR HOKAMA: Okay, thank you, Director. So let's go talk about this slope mower. That wouldn't be...you wouldn't be able to maybe secure funds from Soil and Water Conservation as part of flood control? Isn't that what the purpose of the dam is, as part of a flood control, containment?

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MR. GOODE: Yeah, it sounds like a possibility if they have funds available for that kind of activity.

CHAIR HOKAMA: I would just ask that, you know, if it does qualify and we can secure funds from Soil and Water Conservation programs, I would ask that, you know, you at least consider that, please.

MR. GOODE: Okay.

CHAIR HOKAMA: So currently, how are you doing the slopes' maintenance? Manually, or you leasing, or renting specialized equipment at this time, Director?

MR. GOODE: I think they're using kind of our tractor mowers that we use on the side of the road.

CHAIR HOKAMA: Okay. Are you folks using some sickle bar attachments on your mowers to do some of the slope cutting?

MR. GOODE: I believe so, yeah.

CHAIR HOKAMA: Okay. But we ask for something visual from the Department, so we can kinda envision what you're requesting because I think all of us have a different sense of what this slope mower is supposed to be.

MS. DAGDAG-ANDAYA: So, Chair, we have some photos that we can share with the rest of the Committee, and I think we've already submitted them to the Budget Office.

CHAIR HOKAMA: Thank you.

MS. DAGDAG-ANDAYA: And there are also some videos of the demonstration that the guys did on the mainland. And if you have some time, there's a...if you Google or search AEBI, AB slope mower, use those keywords, there are some vendors that have videos of the slope mower in action. And there's two different models. One's a smaller one, and one's a little bit bigger one. We're looking at more the bigger size because of the size of the dams that we maintain.

CHAIR HOKAMA: Right. How many dams are...is this equipment supposed to help maintain?

MS. DAGDAG-ANDAYA: I believe it's gonna be...housed in the West Side mainly. And trying to count, four, five, two, three, _____. I wanna say about four, three or four.

CHAIR HOKAMA: Three or four dams.

MS. DAGDAG-ANDAYA: Yeah.

CHAIR HOKAMA: You see this equipment being used pretty much on a daily basis?

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MS. DAGDAG-ANDAYA: I was even, you know, I even thought of maybe if we could...if we need to share it with the other departments, 'cause it's a really nice mower.

CHAIR HOKAMA: Oh, we see it on the screen.

MS. DAGDAG-ANDAYA: Oh, here it is.

CHAIR HOKAMA: So thank you very much.

UNIDENTIFIED SPEAKER: That's not a slope.

MS. DAGDAG-ANDAYA: Thank you, Budget Director.

CHAIR HOKAMA: But you can see a slope, but it's not on the slope.

MR. BAZ: Mr. Chair, it's a four-minute video, so I don't think we wanna sit here the whole time watching it.

CHAIR HOKAMA: Yeah, yeah, no, but at least we get a sense.

COUNCILMEMBER VICTORINO: Can you fast forward it?

CHAIR HOKAMA: At least we get a sense.

MS. DAGDAG-ANDAYA: But it cuts grass nicely, and the...you know, for it to overtop, you know, the smaller ones, the Toro ones, that were demonstrated, that one can be kinda scary. But our understanding is that this one is really good on banks.

CHAIR HOKAMA: On banks. Okay, so your CG is low enough that tipping is not a major concern. Very good.

MS. DAGDAG-ANDAYA: Of course...

CHAIR HOKAMA: Are you asking us for trailer for this, besides just the equipment?

MS. DAGDAG-ANDAYA: The amount that we have in here doesn't include the trailer, but that's something...I think that's an additional 50,000, I believe.

CHAIR HOKAMA: You got those big trailers, right?

MS. DAGDAG-ANDAYA: We have one already.

CHAIR HOKAMA: You can move dozers --

MS. DAGDAG-ANDAYA: Yeah.

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CHAIR HOKAMA: --and whatnot so...

MS. DAGDAG-ANDAYA: We do, yeah.

CHAIR HOKAMA: Okay, very good, very good. Ms. Crivello, questions? I know you guys all wanna drive it.

COUNCILMEMBER VICTORINO: No, no, thank you. Not interested.

CHAIR HOKAMA: Ms. Crivello, questions on Equipment?

COUNCILMEMBER CRIVELLO: No, and maybe I missed it. So this is for the State dam. Do we have a MOU or something with the State for us to maintain the State...

CHAIR HOKAMA: Department?

MR. GOODE: Yeah, ever since...what's the name? The one in Kauai?

COUNCILMEMBER CRIVELLO: Yeah.

MR. GOODE: Ka Loko. And ever since that happened, the State basically promulgated a law that says, hey, if you have a reservoir that retains water, it's over a certain amount of acre feet of water or height of the dam, then you become a regulated dam. And once, and then we gotta file for that. We actually had like six or seven that we started off with, two of which we've since deregulated. And once we became regulated, and we had to pay a fee, then they started coming out and doing the inspections. What's that?

UNIDENTIFIED SPEAKER: We own it, right?

MR. GOODE: Yeah, we own the dams.

COUNCILMEMBER CRIVELLO: So, oh, it's our dam.

MR. GOODE: Yeah, I'm sorry, yeah.

COUNCILMEMBER CRIVELLO: 'Cause it says...it says here, State Dam Inspection.

MR. GOODE: Oh, yeah, yeah. They're the regulator.

COUNCILMEMBER CRIVELLO: Okay, but we own the dam.

MR. GOODE: We own it, correct.

COUNCILMEMBER CRIVELLO: Okay, thank you.

CHAIR HOKAMA: Okay. Mr. Couch? Ms. Cochran?

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COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. And also for a good reason for this is due to the...it's kinda like a mandated work that needs to be done, and to keep in compliance with State, you know, rules and regs, DLNR or whoever is the overseeing body too. I mean I would think, right?

MR. GOODE: Yes.

COUNCILMEMBER COCHRAN: So...

MR. GOODE: It is part of their reports. Yeah, it keeps saying we need to get this done.

COUNCILMEMBER COCHRAN: Right, and to avoid any further work for Mr. Ueoka, you know, I think this will help prevent...it's preventative, it's being proactive, measure here with this equipment. I know it's a big price tag, but I think in the long run it's definitely needed and can help assist in, again, being in compliance with the work that we really ought to be doing, and something we can't get out of. But there are some slopes in Kapalua, and I see, I call 'em the beekeepers, and there's like about ten guys with Weed Eaters with the mask, and they all work along the slope, and they each have one line, and they...but there's like ten of 'em, you know, all on top of each other on the slope, and they go, for Kapalua I see them. So they don't have a slope mower cutter there. But, Chair, if you don't mind, under Equipment I was just wondering I do recall last year 'cause this was a West Maui request for a D6 or 8, I think it was. And this body said to allow Wailuku area to get one, and instead submit it for this year. So is that something not needed anymore, or something that perhaps if there is funding somewhere, it definitely could be something for that department to use?

CHAIR HOKAMA: Director?

MR. GOODE: Thank you, Chair and Ms. Cochran. Yeah, I think we got the new one in Wailuku and we moved the old one out to Lahaina. And I had heard recently that, you know, it's not in great shape. So, yeah, you know, if the opportunity presents itself, we, you know, we could provide some information along those lines.

COUNCILMEMBER COCHRAN: Okay. Yeah, I was just...so it's just something, Chair, I was thinking about, and what the status was on the need for that particular equipment too. So I guess I'll try and over turn every stone out there and see what we can find.

MR. GOODE: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair. That's all I have.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: I'm always fascinated with what it costs to get a workstation for somebody. I'm into early garage sale. Thank you.

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

COUNCILMEMBER VICTORINO: I think secondhand is not bad in this respect when you're talking workstations. You know, we do that, we go to garage sales and by secondhand furniture, and nothing wrong with that sometimes. But I don't know what the Department's take on that. And I'll let Ms. Cochran know that the D6 dozer that was brought into Wailuku was because we needed it for the Iao Channel. And that was the main reason that was brought here. But you can always use it. We are more than happy to send it over there anytime you guys need it 'cause I'm one of those that would share with my colleagues anything we have here in Wailuku. So no problem as far as that, Ms. Cochran.

CHAIR HOKAMA: Thank you. Any further questions in Equipment, C Account, for Special Maintenance Program, Members, at this time? There's a revolving fund component. To me, it's very static. Are there any comments you wish to make, Department, on your revolving fund component of Special Maintenance?

MR. GOODE: Yeah, actually, Chair, this is new. This is...you know, as you know we have one Arborist for the County of Maui, and under Maui County Code 12.24, the Arborist is responsible for street trees as well as Parks' trees. And the Parks Director actually, you know, came to us not that long ago and said, you know, the majority of work seems to be in street trees. And, you know, Parks...he felt like Parks' trees were getting neglected. So we looked at it, Administration came up with this idea, which we think is, you know, potentially a really good idea for us as well. And it's for us to have our own Arborist. And so that would mean we would have a dedicated individual for street trees and all the maintenance, contracts, purchase orders, everything that goes into maintaining street trees. We currently work closely with the Arborist whenever we have an uplifted sidewalk or curb to know...to find guidance as to whether or not we can cut the tree root and save the tree, or if the tree needs to be removed and replanted. And so therefore, this is in that revolving fund I think, the beautification fund, right, the fees that come in. So a portion of this would then be dedicated to street trees. So street trees would then be handled within the Highways Division solely. And so we'd be looking for, you know, a new person to come in, take that position, and also help us in some other areas that are kinda related. One of those areas would be oftentimes we have brush or hedges like bougainvillea, croton, that kind of stuff that you don't want coming in your sidewalks to help our Code enforcement team on dealing with that type of vegetation, it'd be helpful. We even have a need sometimes around this campus for street trees and also on-campus trees, which I think would be appropriate. And also, you know, as we look into an integrated pest management system, you know, this person would obviously have some expertise, you know, in dealing certainly with trees and other vegetation. You know, someone with credentials in, you know, biology and plants, et cetera, so we think that person can lend some expertise into that type of program. So we're kind of excited about it. We think there's an opportunity here for us to have more control over our trees, you know, with the right guidance of an Arborist, and then pick up some additional duties.

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CHAIR HOKAMA: Okay, thank you. I was looking at eliminating, not adding more Arborists. In our earlier discussions on the proposed bill as submitted from the Administration, we had some discussions in this Committee earlier, Mr. Goode. I think part of the comments we have some general consensus on as far as for your Department, is that the health and safety of the community comes before the tree. We all sit in litigation regarding trees and we are not happy campers with some of the cases that come before us. And, again, you're right. On Lanai, you know it's about the street trees that you and I both get a lot of calls on, a lot. It's not the park tree. Well, I have a few about the parks, but it's mostly the street trees. And again, Lanai was designed as a pedestrian town, not a vehicular town. So our roads are different widths. The way Jim Dole planted those trees in that era, 1920s, was again, a different style, different requirements. And now those trees are old, some are dry rot issues, termite issues. And people may not expect it, but there are certain trees that have a life cycle, and they do die. And so it needs to be replaced. I was looking at...I thought we was gonna split the position, instead of creating another position. And so I'm gonna revisit this proposal and see if I'm gonna actually present it in part of the Budget package. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, Chair, thank you. And I tend to agree with you, Mr. Chair. I'm sorry, it's the welfare and safety of people over trees. Unfortunately, you know, Lanai is not the only town that has that problem because Wailuku, Waikapu, Waihee, all old towns, lots of trees, lots of problems, new homes being built in areas that originally was not made for homes. And we are in litigation right here in this area over a number of trees. And we've had to cut 'em down, and I get neighbors, I get people upset saying that this is wrong. But then peoples' homes are being threatened. They're being...the roots are undermining their foundations. There's a lot of reasons why just between dying trees and what trees impact homes really makes a lot of challenges for this Department because all these trees I'm referring to are along the roadways. They're not in parks. They're not in other areas but along the roadway. And they were planted hundreds of years...a hundred years ago or so, some of these trees. And so I concur with you that we have to get, and I think I agree with Mr. Goode, an Arborist for his Department because they probably have the...they face the biggest challenges when it comes to trees. Parks is not, and no offense, Parks have a lot of trees, and maybe they need theirs, or maybe they need one overall. But, Mr. Chair, we really have come to a point where we need somebody helping us. And the pesticide issue and all of that, I think would be, you know, even more so that we are moving in that direction, and I think we need the help. We need the expertise. So this is one area that I would like to see us expand, especially for the safety and wellbeing of the people of Maui County. If you wanna cut other areas, Chair, we're gonna sit down and do that later. So we can discuss it further. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, questions for Department? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Ms. Cochran?

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COUNCILMEMBER COCHRAN: No, thank you, Chair.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, thank you.

CHAIR HOKAMA: Okay, we're gonna take a break. The Chair needs a break, you need a break, Department needs a break. I'm gonna give us an extended break 'cause after that, the goal is to finish this Department before the dinner break. So why don't we get a good break, come back, get ready to tackle the balance of Public Works at 3:45. . . .(gavel). . .

RECESS: 3:27 p.m.
RECONVENE: 3:46 p.m.

CHAIR HOKAMA: . . .(gavel). . . Okay, we shall return to order, and we shall now move into the review of the DSA, or Development Services Administration. So at this time we'll ask the Department to give us their comments regarding A Category.

MR. GOODE: Okay, Chair, in general, Development Services Administration is divided into two programs, one General Fund and one Building Permit Revolving Fund. So for the first one, we'll be looking at is General Fund. You'll note that the number of positions has gone down by two. These are the two positions that we mentioned earlier for the MS4 program. Those two positions are being transferred to the Building Permit Revolving Fund. For Other Premium Pay we have a change amount of \$73,000, and this is primarily for the implementation of MAPPS, it's approximately 20,000 of that we have a fair amount of overtime requirement required to get that up and running. We also have about \$37,000 for the one-time lump sum payment for Bargaining Units 3 and 4, and the other 16,000 had to do with trying to go back to where we were previously in Fiscal Year '15. Otherwise for our Wages and Salaries, the...while we decreased two positions, we also had the collective bargaining increases, so that, regular salaries was up 30,000, or 1 percent.

CHAIR HOKAMA: Okay.

MR. GOODE: And that's it for A. There's nothing in B. Actually there's hardly any change in B, and there's no C.

CHAIR HOKAMA: All right.

MR. GOODE: So that's all, that's it.

CHAIR HOKAMA: So, Members, again any questions on A Account, or A Category, Wages and Salaries? You will notice this is more about lateral. They're shifting funding sources as we understand it. From General Fund, it's going to the Revolving Fund. And so we'll ask the Director, what is the advantage of this transfer to the Revolving Fund for the two positions?

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MR. GOODE: Well, the Revolving Fund, we looked back at the history of the Revolving Fund going back 20 years.

CHAIR HOKAMA: Right.

MR. GOODE: And it has steadily increased in number of employees.

CHAIR HOKAMA: Right.

MR. GOODE: It's been a number of years for, I don't know, I'm gonna say more than five, six, seven years since we've added anyone. But there is a balance available and we looked at the expenditures, but also the income side.

CHAIR HOKAMA: Right.

MR. GOODE: And it is dependent on building permits, so that does fluctuate. We've had a couple of very good years I think for revenues in that fund. And we felt that with the balances available that is was time...it was a good opportunity to bring two positions from General Fund to Building Permit Revolving Fund as a way to help pay for MS4. So that's...that was the motivation, and we did the financial analysis that said that...

CHAIR HOKAMA: Okay, so these two positions will be involved in building permit processing?

MR. GOODE: Yeah, so the two positions are actually in, let's see...it'll show which ones were the minus ones. Civil Engineer IV, that's...

CHAIR HOKAMA: Yeah, you moved that --

MR. GOODE: One of 'em.

CHAIR HOKAMA: --to a Engineering Support Tech.

MR. GOODE: Yeah. Engineering Support Tech, and the other one was the Construction Clerk.

CHAIR HOKAMA: Right. Okay.

MR. GOODE: Yeah.

CHAIR HOKAMA: No, the main concern for the Committee would be that the positions must fit within the parameters of the Code as it describes use of the Building Revolving Fund dollars. So as far as you can confirm that, Director, you know, we'll be okay with that.

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MR. GOODE: Okay. We can take another look at it, but I'm pretty sure that was the...we did look at the Code, 'cause the Building Permit Revolving Fund Code is pretty general. But we wanna make sure it fits as well.

CHAIR HOKAMA: You know, I understand the MAPPS request, \$20,000 for MAPPS implementation. What is this 16 for additional historical data requirements? Page...that's part of your 633, but it's more on the 17-41.

MR. GOODE: Yeah, so I think that one was a look back, we looked back at '15 and '14, and also our current year expenditures, and we've had some overtime in DSA. They do I think a very good job of meeting our Goals, Program Measures as it relates to, you know, timeliness on permits. And when we have folks that are out or vacant positions, sometimes we need to tap into Premium Pay. We have been incurring some MAPPS-related expenses already. We definitely anticipate a lot more for next year. So it was...it's pretty much looking at while we, you know, we seek to minimize it, there are times when we...when it's absolutely needed to have, you know, to maintain a good level of operations.

CHAIR HOKAMA: Okay, okay. Members, questions on basically 632, 633, well some 630 to 633, basically? Questions for our resource people? Mr. Couch? No. Ms. Crivello? No. Mr. Guzman?

COUNCILMEMBER GUZMAN: No.

CHAIR HOKAMA: No. Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Not at this time.

CHAIR HOKAMA: Great job, Department. Why don't we hit the B Account which is basically...you don't have too much stuff in here, Mr. Goode?

MR. GOODE: No.

CHAIR HOKAMA: Let's see, under C. You're zeroing out things. Hey, so anything else you might wanna ask in this quick area? Okay, let's go to his Revolving Fund component which is from 634.

MR. GOODE: Yeah, so Revolving Fund will pick up the two additional positions. We did have a change for Premium Pay which is, I think, also going back to...I have to look at that, hang on. So let's see, where were the cost...do I not have that, Sandy? Just a minute, Chair.

CHAIR HOKAMA: Okay.

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MR. GOODE: Sorry, Chair, I just don't seem to have the breakdown of the change amounts.

CHAIR HOKAMA: Okay, okay. Well, Members, any questions for the Director or Deputy on their Goals and Objectives on Pages 334 [sic], 335 [sic]?

COUNCILMEMBER COUCH: Yeah.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. On Page 634, Goal 1, No. 1, sub...Success Measurements 3. It says number of business days taken to review building permit applications for building code compliance for new commercial buildings and tenant improvements. FY '15 Actual is three, you estimated an extra day in '16, and now you're going way up to ten? 'Cause I mean I don't get very many complaints for your Department. One of 'em is getting tenant improvements inspected timely.

MS. DAGDAG-ANDAYA: Again, that's just an estimate, but we always try to strive for something lower, or an ideal number. The five I think is what we'll strive for, but the ten is just basically an estimate, and it could also be that we considered the changeover from KIVA to MAPPS, and that might --

COUNCILMEMBER COUCH: Oh, yeah, that could be.

MS. DAGDAG-ANDAYA: --you know, it could create some, you know, some growing pains, as some of us might kinda think.

COUNCILMEMBER COUCH: Because 2016 was an estimate too, went from three to four.

MS. DAGDAG-ANDAYA: Correct, yeah.

COUNCILMEMBER COUCH: So your estimate went from four to ten. Okay. Then on Page 635, Goal 1, No. 3, and Goal 2, No. 1, both have a...one is, I believe, electrical and plumbing, okay. Percent of electrical and plumbing permits issued within 30 days after application is deemed complete. You went from 98 percent Actual in 2015, you estimated 100 percent in '16, and then in '17 you're gonna estimate 95 percent. And the same with Goal 2, Item 1. Any thoughts on that?

MS. DAGDAG-ANDAYA: And, again, I think it's another, just an estimate, but we always try to strive for that 100 percent.

COUNCILMEMBER COUCH: Yeah.

MS. DAGDAG-ANDAYA: Yeah, and, but I think you'll probably see different numbers when we do have the Actuals for FY '17.

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COUNCILMEMBER COUCH: Okay. And again, Mr. Chair, if we could...it looks like there's a lot of room there if we can have actuals versus target on the actual years, so we can know what the target was and what the...

MS. DAGDAG-ANDAYA: Another thing we need to take into consideration is the amount of vacancies for our electrical and plumbing inspectors. We've had some challenges in those areas.

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

CHAIR HOKAMA: Is that from retirement, or they transferred to another department, or they left the County? What's your challenge?

MS. DAGDAG-ANDAYA: We've mainly had a lot of...we've had a lot of retirements in the last few years. And trying to fill in those positions when the market is really good for people who have that similar experience --

CHAIR HOKAMA: Right.

MS. DAGDAG-ANDAYA: --it's really a challenge. I know right now we're looking for electrical engineers and inspectors. But employment outside of the County might be a more...more enticing. However...

CHAIR HOKAMA: Well, the State is running huge projects besides City and County of Honolulu so your competitors are doing big, big projects. We understand that, your challenge to get good employee recruits. Ms. Crivello, questions? Mr. White, we are in DSA Revolving Fund, Public Works. If you want, I'll pass on you at this time.

VICE-CHAIR WHITE: Yeah, you can come back to me, thank you.

CHAIR HOKAMA: Mr. Guzman, any questions?

COUNCILMEMBER GUZMAN: I'm okay, thank you.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And you said you were, Ms. Dagdag-Andaya, you're saying right now electrical engineers you have a shortage, and I know engineers in Water, same thing they're gonna come tell us. And engineers in general throughout the State and in many parts of the United States, is of critical shortage now. It is...I remember, I forget what city in the mainland, and it's one of those big metropolises in a very depressed area are like, you know, they're like 2,000 jobs short of what they need for construction industry in general because they're now starting to move ahead, and they can't find workers. And they're even trying to import, and they're not coming. So my question to you, you mentioned something about enticing them from out of state. I know we tried that years ago, and failed miserably, Mr. Chair. I think you were on this Council when we were trying. Department of Water, remember? And

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they were bringing in engineers from all over the nation, giving big incentives, and finding that six months, a year, year and a half, 18 months, they go back because one, families had a hard time adjusting to Maui, being away from their families, being away from their friends, and their spouses were the ones, in general, from what I was told, on then, the Director then, that that was the primary reason they were going back, is their spouses were not happy. They couldn't adjust to Maui. So what makes you think this time we could be more successful? Do you have a plan, or you're just kinda thinking out loud at this point? I'm sorry, Mr. Chair, if I'm getting a little off track. You tell me if I am. But this is critical because we're not the only one...this is not the only Department that'll come to us saying the same...having the same problems.

MS. DAGDAG-ANDAYA: Chair, we are actually looking at a trainee type of program so that we can get more of the local-grown workforce to be able to qualify for the positions, get them trained in-house, and then that way they can work up to an inspector position. As far as the engineer position, that's a little more of a challenge. But I think in recent times with the closure of some of the hotels and the HC&S, we are...we've been working with DPS on recruiting folks with the appropriate background to come to work for our Department, or other departments within the County.

COUNCILMEMBER VICTORINO: Very good, and I think that's a excellent play, Mr. Chair, on the part of the departments, and I hope that they can be, because there are qualified people that are coming out of those particular job market right now. And they are looking for jobs so I think that's a win-win for everybody if we can get them to come onboard. But, thank you, and I'm glad to hear that, again, the emphasis on something local, trying to develop talent here. 'Cause when we keep bringing 'em in, more than likely we lose many of 'em on a high rate, and so we give all these bonuses and incentives, and moving, and then they go back. That's money where out the...it's gone already. That's money we're out. And so I would really...oh, oh, did we pay the bill?

CHAIR HOKAMA: Yes, no worry.

MS. DAGDAG-ANDAYA: Work order.

COUNCILMEMBER VICTORINO: Anyhow, and so, Mr. Chair, that's enough. I won't go any further, but thank you, Ms. Dagdag-Andaya, for that remarks that we are moving to do more localized development of this talent that we need. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll? Questions? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran? Okay, Mr. White, questions?

VICE-CHAIR WHITE: No, thank you, sir.

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CHAIR HOKAMA: Okay. Why don't we ask the Director to give us some comment on the DSA. There is a...as we see it on 636, 22 percent increase in Category A.

MR. GOODE: Thank you, Chair. Mr. Baz helped me with the details there. So the 18,000 in Premium Pay is the Bargaining Unit 3/4, one-time lump sum payments. And then the 140,000 in Salaries represents the 2 new positions that are transferring in, as well as the collective bargaining increases for those employees in this fund.

CHAIR HOKAMA: Okay. That is...we've heard that from all departments. Members, is there a need to have a question in this area? It's very straightforward. Okay, Mr. Goode, why don't we talk about your Ops, please, for this area?

MR. GOODE: Yeah, Ops is basically flat. We are moving 18,000 out of the Services and into Other Costs and Utilities to match costs that we've been incurring as of late. Oh, we had a...that's right. You know, we rent the building on Kamehameha and Lono Avenues for our Inspection staff, and so we have an annual rent increase coming up.

CHAIR HOKAMA: Okay, thank you for that. Straightforward. Questions, Members, on this account, B Account for DSA Revolving Fund? Okay, Mr. Goode, your Equipment, please.

MR. GOODE: Okay, so Equipment for DSA is usually motor vehicles. So we've been in a replacement mode last couple of years. This year we're looking at four vehicles, four-wheel-drives, four doors for inspectors. Most of our inspectors often have to go to job sites where there's incomplete driveways and roads. The average age of the vehicles are nine years when we put this together. It's probably closer to ten now with close to 100,000 miles. We're also looking for additional equipment for the MAPPS program, scanners, printers, larger flat screen monitors for the MAPPS project. That's totaling about 80,000, 79,000 to be exact. More computer equipment, again related to MAPPS, and some other odds and ends of equipment and furniture related to MAPPS. So total request is 275, and this is out of the Building Permit Revolving Fund.

CHAIR HOKAMA: Okay, thank you for that. And, Members, I wanna thank you as Chair of your specific standing committee for going to the various types of funds that we had referred to your committees for review prior to Budget. So I feel that you should all pretty much have a good sense of what revolving funds are out there, type of monies that are in there, and what was the purpose of those funds. So any questions for Mr. Goode under DSA regarding revolving fund and C Account, Members? Okay, and again by the Code, he is required to use it within the parameters of the ordinance. Okay, if there are none, which was pretty straightforward, Mr. Goode, let's hit your...another main area, Highway Administration, please.

MR. GOODE: Okay, thank you, Chair. So we're onto our third division, Highways. And again, I guess as background before Rowena talks about some of the measures, is we have six different baseyards, Hana, Makawao, Wailuku, Lahaina, Molokai, and Lanai. We also have the traffic signals and signs operations out of here, and we have...the Admin program has trainers, automotive service coordinators, division chief, and

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support staff. So first of all, I think it's a good time for me to let you know that Lesli Otani, who had headed up our DSA subdivision construction section is our new Highways Division Chief. She started on April 1. She's our first female Division Head in Public Works that I know of. She has, brings a lot of enthusiasm. She's a professional engineer, a licensed surveyor, and she grew up in construction. And I think that's really key for our 170-plus employees in Highways. She knows what it's like. She actually worked in concrete as a kid, and worked for Goodfellow Brothers out of...coming out of Notre Dame, and has been in DSA ever since then. So we're really, really excited about it, and she's more excited than we are. I get e-mails constantly. So she went out to Molokai yesterday, met everybody. Obviously been to Wailuku baseyards, making all the rounds. And so we're gonna give her the max amount of support she needs to be successful, to make the Division, take the Division to the next level. So I just want to take a moment, Chair, to recognize that. 'Cause we haven't talked about our Division Chiefs who you know, Carey Yamashita in Engineering Division, Glenn Ueno in DSA. They've been fixtures for a long time. They do a great job, but this is a big change for us so we're excited about it. So the one position that we'll talk about here is a Clerk III position, and maybe I should save my remarks till we actually get to that. Oh, this is in Admin Program. So the Clerk III position is...you know, we had an audit. You know, the County Auditor came in and audited our overall roads program of how we maintain roads, and how do we select roads and, you know, where are we going, you know, with road maintenance. And we welcomed the audit. That was always our position, and 'cause we felt we could learn something. And, you know, some of the findings, you know, indicated that we need to get into the 21st Century as it relates to data collection. Understanding what our costs are, and helping to plan for the future. One of the major audit findings was having a long-term plan. And to get to a long-term plan, you really need to know your costs. And so our Fiscal Analyst, Mike Bush, has been working closely with Highways to understand the type of input that they currently do through what we call iWorks program, specialized software package that tracks, you know, hours done on a particular job, wage rates, and all that. First thing that Mike found was that the wrong wage rates were put in. They didn't add all the overheads that are associated with Highways Fund. But he's also finding certain limitations that the program makes it difficult in certain aspects to kick out certain kind of reports. But one thing is that if you don't have, like any other thing else, if you don't have good data in, you're not gonna have good data out. And we...we're starting to recognize that there needs to be an overall effort led by the Administration portion of the Highways Division, that can then trickle out to all the baseyards. You know, making sure the data is done the exact same way on a daily basis. And so that's why we feel this clerical position which is, you know, a lower level position can actually be...he'll start in this data gathering exercise. And it's key to moving this Division in the...to the next level, and it's one thing our new Division Chief talked about from the very get-go was, you know, understanding how we do things, what it costs, how we're benchmarked against other jurisdictions because even though we talk a lot with the other counties, we meet annually, if someone asks, well, you know, how do you guys do like in markings, you know, how many miles or feet. I couldn't say whether we're great, average, or below par. I don't know. And until we get this data, and we understand where we're really good, and where we need help, we're not gonna move forward as a Division. So we feel

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like this position is really key to answering some of the calls that came out of that audit. So that's my...that's the one big change we have in the Highways Fund program. So I think with that I'll turn it over to Rowena to talk about any goals.

MS. DAGDAG-ANDAYA: So they're pretty straightforward. Goals are regarding retention, developing and creating a capable, motivated, and diverse workforce. Goal 2 is to ensure the safe use of public spaces through inspection and compliance with enforcement actions. And what you'll notice here is that the number of inspections conducted. It starts at 594, but it goes down to 400. And part of that is because we had a vacancy, our Code Enforcement Officer. He left, went back to the mainland. So we're gonna notice a drop in inspections in that area, and which also relates to the next objective, maintenance work completed by Highways Division staff. So that correlates, you know, that will go up because now we foresee a lot of the...instead of the homeowners doing it themselves, we foresee some of our staff going in to do the maintenance work. And then compliance with enforcement actions, that we thought, you know, we thought would stay the same. Goal No. 3, enhance the cleanliness of the County through education, enforcement, collaboration and partnership with stakeholders. You'll see a fluctuation here, and again, that's due to, you know, the fluctuations in the vacancy in that code enforcement position. And that's it.

CHAIR HOKAMA: Okay, thank you very much. Thank you, Director, for bringing up the Auditor's comments as it regards to data collection 'cause that was an area of interest I wanted to bring up. But you addressed it quite well. And for us, Council has supported your Department in moving repaving forward aggressively. We gave you positions, we gave you operations money, we gave you new equipment money. Did we ever buy the batch plant? 'Cause I thought we gave you money for a batch plant too, Mr. Goode.

MR. GOODE: Mr. Chair, I think there was talk about it, but we were a little hesitant to get in the business. So we do an annual contract for all types of our paving and pavement preservation materials, and that's been going pretty well so far. Actually the cost for asphalt, even though we're not using a lot of asphalt now, just we went down this last year.

CHAIR HOKAMA: Okay, 'cause I'm very open to a batch plant request. I want us to be ready to go when, if need be, even bid for State projects. I think we do...our people, your Department, does great work, and I think the public is observing the quality of your productivity. So I, for one, am very proud of your ability and your employees' ability to perform on behalf of our people. So thank you very much. But the key for us to continue to support is the need to get good data collection, especially with the...you know, the roads is one thing. But the slurry seals, and that...what's that other component?

UNIDENTIFIED SPEAKER: Seal coat.

CHAIR HOKAMA: Seal coat. I think if we get a little bit more data on effectiveness, extension of life expectancy, cost efficiency versus other modes of addressing whether it be with

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full asphalt, or potential concrete, depending on pricing, we can make better informed decisions for your Division. So I appreciate what Ms. Otani is doing for you now as your new Division Chief, and your willingness to take some of those comments and move it forward from the Auditor. So thank you.

UNIDENTIFIED SPEAKER: Chair?

CHAIR HOKAMA: Yeah, hold on. Ms. Cochran, questions?

COUNCILMEMBER COCHRAN: Actually, no, Chair. Thank you.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, I just wanna ditto you for...I really like working with this Department and the Director, so thank you.

CHAIR HOKAMA: Thank you. Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. This is for the Budget Director. The overhead charges have gone up by...it looks like about 16.6 percent over last year. Is that the same adjustment percentage that we're gonna see in Water and other departments where...that are getting charged the overhead?

CHAIR HOKAMA: Mr. Baz?

MR. BAZ: Briefly, Mr. Chair, Chair White, the overhead charges are the percentages that are presented in that cost allocation plan times the budgeted salaries for that program or that fund for that year. So their Highway Fund salaries, you know, would've gone up that much percentage, and so the overhead charge then correlates with that.

VICE-CHAIR WHITE: So the Salaries and Wages have gone up by 16 percent? Is that correct?

MR. BAZ: Hold on one second.

VICE-CHAIR WHITE: Yeah, not in the Administration Program, but we haven't gotten the others. Okay, I'll take a look at that as we...

MR. BAZ: It would be the total fund itself.

VICE-CHAIR WHITE: Pardon?

MR. BAZ: All of Highway Fund expenditures.

VICE-CHAIR WHITE: Again, Mr. Chair, if our salaries and wages have gone up by 16 percent, and I know some of that is additional positions, but the majority of that is

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increases that seem to be loaded at the end of the contract, which we're gonna have to be very watchful for in the upcoming negotiations. Thank you.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: I'm okay, thanks.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, one quick question. Mr. Goode, or maybe Ms. Dagdag-Andaya, how many, over the last, if you can answer this question, how many lane miles have you guys resurfaced as...your crews? Do you have any idea how many lane miles have we resurfaced using your crews? 'Cause I think that's important, and I think the public would like to know that.

MR. GOODE: Yeah, Mr. Chair --

CHAIR HOKAMA: Director?

MR. GOODE: --and Mr. Victorino, actually this last year we've, you know, shifted our focus from resurfacing to slurry seal and seal coat. So our last big job was Kahekili.

COUNCILMEMBER VICTORINO: Right.

MR. GOODE: Right, we finished that job. We did a little bit on Central, and we did...

COUNCILMEMBER VICTORINO: What about Pulehu and some of those roads? Were that you guys?

MR. GOODE: Oh, Pulehu?

COUNCILMEMBER VICTORINO: Yeah.

MR. GOODE: Yeah, yeah, we did that. That was in the last few years.

COUNCILMEMBER VICTORINO: Yeah, yeah, yeah.

MR. GOODE: When we first got the equipment, we concentrated on some big roads. And gosh, I don't know. We could've done 20, 30 lane miles for sure.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: But then as we got the new equipment and shifted our focus towards, you know, working in the residential areas.

COUNCILMEMBER VICTORINO: With the slurry seal and the...

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MR. GOODE: With slurry seal and the seal coat.

COUNCILMEMBER VICTORINO: And the seal coat.

MR. GOODE: And the seal coat's now done in every district. So we...Lahaina guys took the lead on it. They became our in-house experts, and they went out then and trained all the other districts.

COUNCILMEMBER VICTORINO: And the residents of Wailuku Heights and Alu Road thank you for sending them over to train the other guys 'cause they were having a hard time on our road. And that was one road that took almost six...no, about three months to get done, and a lot of it was bad weather. That's not a fault of the Department, but it took quite a while, you know. Remember that...and I understood that, you know. I understood it took a while, but when the Lahaina guys finally came and trained some of the guys, boom, it got done, and it got done real well. So thank you very much. And Mr. Chair, I'd like to compliment this Department because I have seen more roadways resurfaced throughout this County and Central Maui and my district has been really one of the big benefactors. I have more passable roads today than I had ten years ago when I walked in, or almost ten years ago when I walked in, you know. And now West Main, and Alu, and all the roads that were really with so much potholes that you could lose cars at times, are now passable, really, really well-maintained roadways. And I wanna thank even finishing up Kaohu. I'd thought I'd never see that one done before I left the office. So thank you, Mr. Goode, and the Public Works and all the people that work for you making sure that it got done. Thank you, Chair.

CHAIR HOKAMA: Thank you for your comments. Mr. Carroll, any questions, sir? Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I'd also like to take the opportunity to compliment this Department. You know, as Councilmembers I think this might be an area where we get the most calls. Everybody's complaining about when is my road gonna be paved, or can you fix this tree that's in the middle of the road, or whatever. I mean we get lots and lots of calls. And every time that we refer something to them, we get it taken care of. And I wanna say thank you, thank you very much, and more so for our sidewalk in Pukalani. People are very, very happy that that road is open now, and our children are safer, and that's a really important project. Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: No questions.

CHAIR HOKAMA: Okay, Director, let's go visit your B Account in Admin. You have a 12 percent increase.

MR. GOODE: So you're looking at Ops or A?

CHAIR HOKAMA: Ops.

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MR. GOODE: Yeah, Ops. Yeah, so mostly this is what Chair White was talking about, the interfund cost, which is \$900,000. And this is, of course, for the entire Division, not just the Admin Section. But it's accounted for in the Admin Section, so the 912 represents an additional 640,000 in the overhead that Highway Fund pays back to General Fund for support. I could talk at length about that, but put it this way, we're not happy. And then the 160,000 is for the ERS, so that's for the collective bargaining agreements for the overhead side and the EUTF is about 160,000.

CHAIR HOKAMA: Okay.

MR. GOODE: So and then there's some other, I guess, some other ones that are slightly negative, but that's a big chunk that comes out of the Highway Fund.

CHAIR HOKAMA: Yeah, we noticed the challenges all the departments are having with the final year of the current contracts, so we appreciate your comments. Mr. White, questions for the Department in this area?

VICE-CHAIR WHITE: Not at this time. I didn't have anything that jumped out at me. Thank you.

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

COUNCILMEMBER VICTORINO: Not at this time.

CHAIR HOKAMA: Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thanks.

CHAIR HOKAMA: Ms. Cochran? Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Not at this time, thank you.

CHAIR HOKAMA: Thank you. Let's see, you have just small equipment you're asking for your expansion position, Mr. Goode. Is there anything else you're asking in this program area?

MR. GOODE: No, nothing. Just getting...if we're able to get that new Clerk getting that position, the proper gear to do a good job.

CHAIR HOKAMA: There's no vacancies in your Department that you feel you could make the appropriate personnel adjustments to take care of this need?

MR. GOODE: Well, we have...we don't have a lot of vacancies, and we've been running about an average of 20 vacancies for the whole Department all year long. Probably a good half of those are related to the, you know, the construction industry being strong, we mentioned earlier. But every time we have a vacancy, unless it's in a pretty standard

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position, the first question we always ask is, do we need this position, and/or do we need help somewhere else? And so we have done some reorganizations. We've done some reallocations to meet those demands, and it's always the first question that we ask.

CHAIR HOKAMA: Okay, thank you very much. Okay, Members, we are going to move, unless you have another question, I would ask the Director to move into the Road, Bridge, and Drainage Program of his Department, which is basically special funds or Highway Funds. Director, if you have any comments you'd like to share for this program area?

MR. GOODE: Now that we mentioned earlier, these are where the six districts are housed, and their operating funds so...

CHAIR HOKAMA: Your E/Ps, status quo?

MR. GOODE: Yeah, everything's pretty status quo, except for, you know, the types of changes we've talked about before, with collective bargaining --

CHAIR HOKAMA: Right.

MR. GOODE: --and utilities, those kind of things.

CHAIR HOKAMA: Okay.

MR. GOODE: It is...if I can mention one thing, Chair.

CHAIR HOKAMA: Sure.

MR. GOODE: You know, this last year, we had a lot of emergencies, and we had a lot of callouts. And we continue to have that, so some of our request for Premium Pay is related to that. For instance, just...it was a week and a half ago, was that Friday night, we had all that lightning. And we had isolated rain here and there kinda depending on where you were. It didn't seem like a lot, but by I think Wednesday or Thursday next week, I saw the overtime request come in, and those overtime...not requests. They've already done it. It's like, it's pay the piper time. And then they added up, you know, amount of hours just in raw salaries. 'Cause I see 'em coming in from the various districts, it's like \$4,000. And I go, wow, that wasn't even that big a storm, but that's Premium Pay. So we've had, you know, with the summer that we had, and even fighting, you know, fighting the fires that we've been helping out with, Kahikinui in particular, Molokai. We are concerned that we have the right amount of money in there. So I did wanna mention that. Other than that, it's pretty much the same, although you will see the Equipment is in...it's proposed to be in the Bond Fund. So we have a significant negative in the Equipment shown, as compared to last year.

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CHAIR HOKAMA: Okay, thank you for that, Director. Members, any questions in A Category? Again, no expansion, minor changes as previously presented. Anyone has a question for Category A, Road, Bridge, Drainage Maintenance Administration? Okay, let's have the Director give us some comment about his small increases in Ops for this Highway Fund program.

MR. GOODE: For Operations, actually we have a, I think, a total, a negative. We're saving a little bit of money in the street light program 'cause that's a utility-based cost. We have a little increase in Materials and Supplies, primarily for our pavement preservation. And in Parts, there's a fair number of parts that wear out pretty quickly when you're putting on some of those materials. They're pretty sticky and goeey.

CHAIR HOKAMA: Are those major parts, Director, or this is part of your maintenance program for the equipment?

MR. GOODE: Uh-huh.

CHAIR HOKAMA: So this is more of your small parts, you doing preventive work before a major breakdown of the equipment. Is that the plan for this money?

MR. GOODE: Yeah, I think it's more the kinda wear and tear, but nothing really large.

CHAIR HOKAMA: Okay. Yeah. We noticed the decreases on various components of your Budget request, Director. Members, questions in this category for Road, Bridge, Drainage, Maintenance? Any questions regarding the Objectives of this program area? Okay. So you're still going to try and do 25 lane miles for the upcoming as we see your goal in your program area?

MS. DAGDAG-ANDAYA: Chair, yes. For seal coating that is the target that the staff wants to achieve. And then as far as Goal No. 1, objective...the first objective with the pavement condition index, that 70 percent should actually be 75 percent.

CHAIR HOKAMA: Okay, thank you for that correction. So, you know, regarding your road, seal coat, so we have a sense as part of your objectives, what is your folks' estimate to do one lane mile? You know I mean is it like a crew of four for X amount of full days to do one lane mile? I mean I don't know how you folks doing your calculations on cost.

MR. GOODE: Yeah, Chair, that, it does vary depending on the road and the amount of traffic control needed, and also the amount of prep needed. Usually by the time we get...we're spraying it down, it's a two-day process, do one day, come back the next day. It's kind of like painting your house. If you could just paint it'd be easy, it's the prep, right? And so that varies. And so some roads not too much, others roads a lot of prep. So that's one of the aspects of getting the better data is to find out...we'll probably do it by subdivision, you know, 'cause when they go in they do a whole subdivision. Like for instance we did Haliimaile, we did the whole thing. But do it road by road might be tough to estimate the cost, but you can do a whole subdivision,

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get a better idea of the overall cost, so. Then we did Koa, Koa Subdivision as well. So again but different levels of prep, so --

CHAIR HOKAMA: Right.

MR. GOODE: --it just varies. But we don't have a good number yet --

CHAIR HOKAMA: Okay.

MR. GOODE: --which is what we really need.

CHAIR HOKAMA: Okay. And I know that is your plan, right, to go and get through the projects, those good accurate data collections.

MR. GOODE: Yeah, it was, for our Fiscal Analyst it was job one, still is.

CHAIR HOKAMA: Okay, very good. Very good. Members, any other questions in this...Mr. Victorino?

COUNCILMEMBER VICTORINO: Real quickly. Again, how many of these roads do you find you have to rehabilitate? And I've seen you do many of these roads now are, you're rehabilitating. In other words, you dig down, you re-pad, you lay surface, pad, and then you go back and really repave. You know you don't just repave like the old days and so then a year or two or three later those potholes pop right back up. So of all of that, how...what percentage would you say that you have to rehab at this point? Or you don't have that data yet?

CHAIR HOKAMA: Department?

MR. GOODE: Mr. Chair and Mr. Victorino, it's actually a fairly small percentage of overall roads.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: It's a very large percentage of our Fed aid.

COUNCILMEMBER VICTORINO: Okay.

MR. GOODE: So our Fed aid is where we concentrate on that type of work because it's very expensive. It can be up to a million dollars a mile to rebuild. But it's also on roads that are getting the most traffic --

COUNCILMEMBER VICTORINO: Right.

MR. GOODE: --getting the heaviest vehicles. So when we go to our residential roads we generally don't need to do that 'cause they're not experiencing that kind of traffic. So depending on the level of the residential road, if it's where we may have to repave it,

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would probably be the most amount of work we would do. But hopefully we could just slurry it or seal coat it.

COUNCILMEMBER VICTORINO: Well you should tell that to the Lono and Puunene guys and West...and Wakea Avenue because those roads are residential but they are heavily traveled. And, you know, I know you guys had to do a rehabilitation on those --

MR. GOODE: Right.

COUNCILMEMBER VICTORINO: --particular roadways. But it's not always true when it comes to residential because depending if they become a thoroughfare for this, the communities at large, yeah. So thank you, Mr. Goode. Thank you.

CHAIR HOKAMA: Thank you, Mr. Victorino. Plus the amount of vehicles, construction, utility, work vehicles that people take home to residential. I mean I've seen semi-truck tractors in front of houses 'cause they let 'em take the truck home. And that one lane residential wasn't geared for one semi-tractor, let me tell you. Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so is the term resurface the same as re...as what Mr. Victorino was talking about? So what is resurface...so I'm looking at Goal 2, No. 1, the third block down. It looks like this year you're doing zero of these.

MS. DAGDAG-ANDAYA: So again as Director Goode had mentioned earlier, our focus in 2016 was to do more of the pavement preservation. And the resurfacing is like a 1½ to 2 inch overlay, so that like what Councilmember Victorino had mentioned earlier where you just pave, you don't rebuild it. Reconstruction, rehabilitation is where you do the full, you know, you take out the road and put it back together again. Whereas, the resurfacing is just basically mill and fill.

COUNCILMEMBER COCHRAN: Okay. And but you've done ten miles.

MS. DAGDAG-ANDAYA: In 2015 we did a lot. Only...and majority was because we did Kahekili Highway and then the following year in FY 2016 we wanted to do more slurry, seal coating, get the guys really used to do that pavement preservation work.

COUNCILMEMBER COCHRAN: Okay.

MS. DAGDAG-ANDAYA: So we estimated zero; however, there might be a little bit more than just zero for FY '16 'cause we did some work out in Kaupakalua Road. I mean just sections here and there. And we also did Central Avenue. And I thought we had a couple others where the guys had some time and some extra, they had leftover material that they could use to address some areas.

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COUNCILMEMBER COCHRAN: Okay. All right, thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Couch, you had a question? Ms. Crivello? Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: Chair, real...and not so much a question but a comment because it's really not in this Division but it does...drains, I've been very appreciative whenever I've called about drainage problems, Mr. Goode and the Department has been really gracious at getting out there, in even in some park areas and areas that were not their jurisdiction but they did come out and help. But the one thing I want to give them kudos to, Mr. Chair, and I know you guys, many of you hear this same complaint is because we have so much rain the weeds and the grass that grows exponentially quick on the side of the roads. I mean in my area especially up here in Wailuku Heights you could hide...I can hide in there and not have to duck. I mean just walk in and I disappear, that's how tall the grass is getting. They've been really, really good about trying to get people up there and all over the County and cleaning out and cleaning the sides of the roads. Because it becomes dangerous you cannot see and when you want to go off to the side for an emergency you don't know if you've got a shoulder or you've got a dip or a ditch or whatever might be there. So thank you. I want to give the Department kudos on that also for a wonderful job knowing how much problems there were out there. So thank you, Department.

CHAIR HOKAMA: Okay.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR HOKAMA: Thank you. Anyone else has a question in this area? Mr. Goode, I think, no, Equipment is pretty straightforward. I don't remember this but you always ask us for more money when we add subdivisions to the County?

MR. GOODE: Yeah, for street lights.

CHAIR HOKAMA: Oh, okay. Thank you for that.

MR. GOODE: Yeah, add lights, add cost.

CHAIR HOKAMA: Got it. Got it.

MR. GOODE: But we're working on that. And now we got the LED light or other lights passed we can look to other technologies now.

CHAIR HOKAMA: Okay.

MR. BAZ: And, Mr. Chair, I believe you're going to go over the Equipment under the bond request at a later date.

CHAIR HOKAMA: Yes.

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MR. BAZ: Yeah. So they do have some in there.

CHAIR HOKAMA: Yeah, no, we'll review the Department's CIP requests or and bond requests. Okay, any other questions, Members, C Account under Road, Bridge, and Drainage program, Highway Fund? Okay. Let's go try and see how much we can get done before we take a break and I'll...and then Policy needs to conduct their requirements. Traffic Management program, please, Director, under Highway Fund.

MR. GOODE: Yeah so Traffic Management program real quick is our traffic signals and the technicians involved as well as the traffic signs and markings. And we actually processed an amendment to the FY '16 in this Committee at the end of last year. And so we had to move some monies around, and basically what we're proposing here in '17 matches what we've already amended in '16. So we moved some funds around to match costs.

CHAIR HOKAMA: Okay. Members, questions for the Director in this area, Traffic Management? So again, no expansion positions. He's made some decreases in signage services but he's asked for additional Premium Pay. Questions for the Department? Ms. Cochran?

COUNCILMEMBER COCHRAN: The...no, not at this time. I mean I had just comments in their Goals but no questions.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Mr. Carroll? Mr. Victorino?

COUNCILMEMBER VICTORINO: No question at this time.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: No questions. Thank you.

CHAIR HOKAMA: Mr. Couch? Very good. Mr. Goode, anything in B Account?

MR. GOODE: B, yeah, we just we moved some costs actually from B to A, again just to match what we did in the Budget amendment earlier this year.

CHAIR HOKAMA: Okay. With the changes in your Ops, is this impacting your Goal 1-1 where regarding percent of compliance each year with signage, markings and whatnot is 20 percent? Is this something that you folks need to adjust or is this the actual?

MS. DAGDAG-ANDAYA: No. Chair?

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CHAIR HOKAMA: Ms. Andaya?

MS. DAGDAG-ANDAYA: When we started this goal, this was back in 2013 and so we had a five-year goal to get all 100 percent of our signs completed and meet the MUTCD standards, so from then, you know, we had 20 percent, 20 percent, 20 percent until we meet that 100 percent. So I hope that makes sense.

CHAIR HOKAMA: Okay, okay. Yeah, we need to make sure that we understand it's part of a five-year cycle.

MS. DAGDAG-ANDAYA: Yes. Yes.

CHAIR HOKAMA: And that after 5 it's 100 percent. 'Cause I'm going like 20 percent, this is not one good number, but after you explain it it makes sense, Ms. Andaya. So thank you. Members, questions under Traffic Management program? A, B or C? Or Goals and Objectives? None? Okay, well I'm going to bring up Garage Services which is the last component of Mr. Goode's Department at this point in time. Mr. Goode, anything you'd like to share under your...well we're not going to talk about A Account, it is all zero. So under Garage Services --

MR. GOODE: Right.

CHAIR HOKAMA: --let's ask Mr. Goode for B Account comments.

MR. GOODE: My only comment, Chair, is that they're flat, less, it looks like we're less 26,000 for I think adjustments I guess for Gas and Oil interfund charges.

CHAIR HOKAMA: Well I understand the Lanai request, Director, 'cause on Lanai, Members, we pay at least \$2 more a gallon than you do here. So it's just part of the reality of pricing on the island. Any questions, Members, under this program area you'd like to bring up, B Account? 'Cause there's basically nothing in C Account either. So I'll ask, Mr. Carroll, questions under Garage Services? Ms. Baisa, Garage Services?

COUNCILMEMBER BAISA: No, no, thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: No.

CHAIR HOKAMA: Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: I'm good. Thank you.

CHAIR HOKAMA: Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, nothing at this time.

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CHAIR HOKAMA: Okay. We did talk about the Revolving Fund. We did talk about the two positions. We talked about...no, we didn't...did we talk about Equipment for you on the revolving fund, building permit, you want four? No wait, how many do you want? Four four-wheel drives?

MR. GOODE: Correct. And I think we went over it briefly.

CHAIR HOKAMA: Okay, yeah. Okay. Any questions on the Department's Equipment, Members, at this time? Okay, having none, if you do, make your concerns known to the Chair and Staff. Let's see. Mr. Couch?

COUNCILMEMBER COUCH: No.

CHAIR HOKAMA: There's...oh, okay. The only transfer that I did want to check with you under Highway Beautification Street Trees program, Director, is this...is this correct? A transfer of \$802,600?

MR. GOODE: Yes. I believe that's for the contracts that are currently put out to maintain street trees.

CHAIR HOKAMA: Oh, okay. So all that component that was under Parks will be now under Public Works?

MR. GOODE: Right, right.

CHAIR HOKAMA: If we enact the Arborist in Public Works --

MR. GOODE: Right.

CHAIR HOKAMA: --then this is transferred? And if that doesn't get enacted, does this still get transferred?

MR. GOODE: I guess that's up to you folks, yeah. But if we get it transferred to us and we don't have anybody to implement it, it could be tough. But I also should mention that, you know, there's a Code amendment that'd probably be appropriate too. So we've been drafting internally a Code amendment along with... 'cause it affects Planning, Parks, and Public Works.

CHAIR HOKAMA: Okay. Thank you. So Chair will ask one last time, any questions for the Deputy or the Director in the area of Public Works? Any program area of Public Works?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran?

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COUNCILMEMBER COCHRAN: Thank you, Chair. And yeah, I want to give my thanks to the Department and always, you know, via my Committee work they've been very, very open and very accommodating to work with. Very cooperative and all that. So I completely appreciate that. Gets, makes our work a lot easier. And the pre-Budget meetings too, to find out what to expect while we're sitting here like we are. But refresh my memory, Director, you mention a...I think it was some kind of revolving fund or something that you wanted to see go away. Kind of like disregard it and have all the 400-something thousand. Is this the one to go into General Fund, did you say?

MR. GOODE: Yeah.

CHAIR HOKAMA: Director?

COUNCILMEMBER COCHRAN: Just what was that about again?

MR. GOODE: There's a fund called the Construction Plan Revolving Fund I think and it's...is it IEM-24? I had to look it up before. I made those notes. And so it has maybe 400,000 in it. And for years it was just never touched and it got revenues of maybe 10,000 to 12,000 a year, so as you can see this thing is like 30-40 years old.

COUNCILMEMBER COCHRAN: Wow.

MR. GOODE: And only did this year did we actually start tapping into it for some MS4-related items. But I think it no longer really serves its purpose and so we saw it as a contribution back to the General Fund. We'd still collect those fees and they would go in the General Fund instead. But that's --

COUNCILMEMBER COCHRAN: Okay. And --

MR. GOODE: --it.

COUNCILMEMBER COCHRAN: --do you think maybe re, I don't know if it's redescribing or re...the use, you know, the usage of the fund. How does that work? You just figure it's easier to just keep collecting the fee but putting it back to General? I mean I would like...

MR. GOODE: Correct.

COUNCILMEMBER COCHRAN: Okay. I mean if you're okay with that, I mean I think I would think I'd like to see it go back into your Department being that you folks are doing the work in order to earn this money and utilize it in a way...I don't know, that's just --

MR. GOODE: No objection.

COUNCILMEMBER COCHRAN: --my thought.

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MR. GOODE: Well certainly no objection there. You can probably...we can probably rewrite the Building Permit Revolving Fund which has been rewritten over the years to add more things. So it is our...that's the revolving fund that we use all the time. Obviously we've seen funding positions, so --

COUNCILMEMBER COCHRAN: Yeah. Yeah. Or it could be --

MR. GOODE: --it's active.

COUNCILMEMBER COCHRAN: --added into that or...I mean I just because like I said, you know, I always have to search for monies for your Department too, and so it would help me adjust things if need be.

CHAIR HOKAMA: Yeah.

COUNCILMEMBER COCHRAN: Rather than give it out to --

CHAIR HOKAMA: I wouldn't count on it for this --

COUNCILMEMBER COCHRAN: --the General.

CHAIR HOKAMA: --for this Budget cycle, Members.

COUNCILMEMBER COCHRAN: So...

CHAIR HOKAMA: Because we're going to need to do the ordinance action before we can even think about the monies. So until we do the, some type of ordinance revisions, and it's not going to happen during this Budget cycle, so don't count on that money for this year please.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: Any other questions at this time? If not, I'm going to thank the Director and the Deputy for doing a great job in their presentation on their Department's request for this year. And we have completed this review of Public Works. So I thank the Director and Deputy for being very concise and give us a great presentation to minimize questions. So thank you very much, Department.

MR. GOODE: Big mahalo. Thanks.

CHAIR HOKAMA: Okay, we will be in --

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: --recess...yes, Mr. Victorino?

COUNCILMEMBER VICTORINO: Quick question. Okay. I know we get PIA right after this.

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CHAIR HOKAMA: Yes.

COUNCILMEMBER VICTORINO: What is the dinner plan and...or what is your plan as far as dinner is concerned?

CHAIR HOKAMA: I'm gonna recess till 6:15.

COUNCILMEMBER VICTORINO: Okay. Okay, got it. Thank you.

CHAIR HOKAMA: Okay, we shall be in recess till 6:15. At which time when we re-adjourn [sic], Department of Water Supply review will begin. We are in recess. . . .(gavel). . .

RECESS: 4:51 p.m.
RECONVENE: 6:21 p.m.

VICE-CHAIR WHITE: . . .(gavel). . . This meeting of the Budget and Finance Committee will come back to order. And, Members, we're heading into the Department of Water Supply and as you know we will be here until we finish. So I wanna make sure that we ask all the questions that we need to ask before we get into the final decision making. So please make use of the folks that are here. We're joined by Mr. Taylor, Mr. Meyer, and all the supporting cast. And so they have the ability to answer whatever questions you may have this evening. So we'll start with Mr. Taylor's opening remarks and those from Mr. Meyer if he wishes to make any.

DEPARTMENT OF WATER SUPPLY

MR. TAYLOR: Thank you, Mr. Chair. Thank you, Members. We have a short presentation that covers our opening remarks, so I'd just like to go through that. Okay. So this is going to cover similar material to what we went through in Water Resources Committee a couple weeks ago but it's much abbreviated, so I'll go through it relatively quickly. Some of you saw it, some of you were not at that meeting. So the Department of Water Supply really only provides two services. We provide water for existing customers and we provide additional service to new customers. So there are a number of consequences of failure that is our goal to prevent. That's really our job, to not have bad water or source outages, to not have service interruptions in road repairs which are really about lines breaking, and to try to not be in a position where we have to deny service. So those are the consequences of failure. Everything we're doing is trying to avoid these things. The first two we, I think, have had a long history of being very good at. There really has not been occurrences of major system outages or bad water. The frequent service interruptions in road repairs which is a consequence of aging pipes are starting to creep up on us. We're going to try to start addressing those more and the system ages in this Budget. Services, new services is about "Show me the Water" and the Upcountry meter list. That's mostly about CIP which we'll be talking about mostly I think next week. I like to say that our operation is about

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95 percent audited. We have the Department of Health sanitary surveys that every year look at all our plants, all our well sites, all of our tanks, the laboratory. SRF, operation and financial audits, our independent financial audit, and DLNR dam inspections. So almost our entire Operations budget is essentially trying to get good grades on these audits, and so far as we have had high standards and no major findings. We're trying to continue that. We have...we've been really ramping up our CIP trying to develop source and reliable capacity and storage all over the island. In FY '17 our challenge is of inadequate infrastructure, we're continuing our aggressive CIP program. We have aging critical systems which you're going to see in this evening's presentation. We're having some increased preventative maintenance, so the age of the system is creeping up on us and we go through the Budget you'll see that popping up. Long-term fiscal stability, there's some rate and fee adjustments this year. And one of our big challenges this year is staffing, especially in our engineering group. When we were here a year ago, we were fully staffed with engineers. Currently we have five openings. And we are aggressively trying to fill those positions but we have, unfortunately, really slowed down with subdivision processing, permit processing, and Upcountry meter list processing because we're roughly a third of our engineers short. We can talk more about that when we get to that section. That is a big challenge. We are already recruiting for all of these positions and we do have some Premium Pay adjustments to try to deal with that as well as some other staffing shortages, and we'll see those as we get into the Budget. So our budget this year \$92 million, that includes Operations and CIP, here's the breakdown. So you can see about a third of it is CIP and Debt Service tied to CIP. So that is by far our single biggest expenditure is capital improvement. Electricity, 17 percent which is relatively low because of low fuel prices, plus the last couple years it's really rained a lot, so luckily that's been helping our budget. We have a lot of fixed costs and Debt Service, employee benefits, overhead, and you can see like I said the breakdown. It's kind of evenly distributed in these different categories. Our O&M budget, you see over the past decade has been creeping upward mainly due to fixed costs that are beyond our control and increased preventative maintenance which is within our control, but again the system's at an age where this increased preventative maintenance is going to avoid big CIP problems in the future, so we're trying to continue that. Here's about 15 years of revenue versus operating expenses. Revenue in blue, operating expenses in gold or orange. You can see the gap between there is the annual Carryover/Savings. So this demonstrates a couple things. First, that we are trying to keep about two months Carryover/Savings, that's historically what we've done. You see it got a little bigger than that in the past, then it got chewed up last year. That's about \$10 million. I recalled during the opening sessions of this Budget session there was some discussion that two months Carryover or two months basically safety savings is considered good practice. As an enterprise fund that's what we're shooting for. So when you look at the numbers, there is a little bit of buffer to try to get to a point where there's, we get through the year and we have 10 million in Carryover/Savings. That was our goal. So that's built into that. What you can also see is...there's a narrative that goes around in the public that the County departments spend all their money at the end of the year. What you see here is we don't. If we have extra money, we carry it over. And I think you'll see that this is part of the culture of the special funds. In my 24 years in Water/Wastewater I had never heard anyone talk about spending money at the end of

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the year. I mean ever. Because everyone knows that if we don't spend it's part of our revenue for the next year. So I think you can see that that's what we do. We spend to try to...on the things we need and we don't go on spending sprees at the end of the year. We try to use the Carryover/Savings to balance future rate increases. Debt Service is always a struggle. Here's the annual Debt Service the last decade or so. It was up around 7 million, things were refinanced, and you see the last couple years it's creeping up. That's because of our more aggressive CIP program. We're borrowing money about as cheap as you can borrow it through the SRF loans, but the more aggressive Capital Improvement Program, roughly 25 million a year, we're now starting to pay the Debt Service. It's scheduled to keep creeping up. So it's about \$5 million this year. Here's Debt Service as a percentage of our Operations budget. You see it was down below 10 percent and because it's, the Debt Service has been going up, it's up above 10 percent and it's closing in on 15 percent. This is a concern to us because good practice...I know you also talked about this last week, somewhere around 10 percent. I know the County as a whole is below that, but as an enterprise fund we're heading towards 15. Wastewater is already at 20. The water and wastewater bills come together, so when you get a water/wastewater bill, you know, it's 17 or 18 percent of that is debt. We realize we're going to come to a point in the future if we can't borrow anymore, our CIP programs could be in...have some difficulty. That's demonstrated here. If you look at how we balance the Budget this year, this green 9 percent cash, CIP cash, we had about \$4½ million in the Water System Development Fund. We're using about \$4 million of that to fund CIP and a 5 percent rate increase. So you can see that what we're doing is we're using the last of...basically the last of our cash plus a rate increase to make the budget work. Electricity is at an all-time low and our usage has been really low because it's been raining. If Debt Service continues to go up which it's projected to do, that 22 percent and oil prices go back up, we could be in for some double digit rate increases in the not-real-distance future. So what we're trying to do in this Budget, control CIP, control electricity with preventative maintenance and more operational efforts to try to run a tighter ship. We feel that some more investment in some operations budgets to try to limit future CIP spending, to make things more efficient, optimize things is well worth it because that's where the real spending is going to be. It's hard to see in this year's Budget because we want to spend a little more now in order to control costs in the next several years. So this is sort of the philosophy of our budget. We are concerned that based on how much cash there is with let's say 10 million in Carryover/Savings, there's 5 million in the Upcountry Contingency Fund created by Council last year, and even the, our share of the overhead which is around 5 million, that's about 20 million. So even if that was all spent out over, say over 4 or 5 years to balance the budget, we would be completely out of money, and if we got to the point where we couldn't borrow more because we're at a debt limit, we'd be in a CIP cash-only position. So there's no danger to operations this year or next year, but we're concerned that over the next three to five years we could really be in a difficult financial situation if we keep building debt faster than revenue. Same thing happened to Honolulu and Kauai. What Honolulu did is they raised their rates 70 percent from 2012 to 2015. They've gone to an 80 percent CIP cash stance, so that's how they got out of this. Kauai raised their 5/8-inch meter fee from \$4,600 to \$14,000 just this year in order to generate cash. So what we're proposing is somewhere between these two. In this year's Budget

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we've got some aggressive CIP, we'll talk about that next week when we're scheduled for CIP. Leak repairs, we have a million dollars for that, and a road patching increase I think of \$500,000. We want to start addressing the leaks we're finding through our leak program that the Council supported. So we've got a truck, we've got two guys, all they do is go look for leaks. We're finding more leaks than we can address. We are trying to jump on that. It turns out road paving, road patching is really one of the cost factors. Once we rip up the road to fix it, we gotta patch it. Again, that cost of asphalt is kind of cheap because oil's cheap; as oil goes up that's going to get more expensive too. We've got various replacement and safety upgrades you'll see through the Budget as we go through. A special project I want to call attention to, the Piiholo Treatment Plant Influent Line Tree Removal, \$400,000. This will probably catch your attention 'cause it's never, there's never been an item like this. There's been a lot of attention to the Waikamoi Flume. Waikamoi Flume is 1.1 miles, it serves the Olinda Treatment Plant which is 1½ million gallons a day. The Piiholo Treatment Plant just a little down the hill is a 5-million-gallon-a-day treatment plant, so it's a much bigger part of the Upcountry system. It has a 7-mile intake line that serves 7 diversions. So it's a 24-inch line that's 7 miles long. In the bottom picture, what you see the grey thing there, that's skids of a helicopter to give you a sense of scale, so and that's a 24-inch line that you can see with that geyser coming out of it. This line is 7 miles long into the Waikamoi Forest. When it breaks, no water comes to the Piiholo Plant. That's a 5-million-gallon-a-day plant. So that puts a huge reliability jeopardy for Upcountry. Our guys, we've had to fix it probably 3 times in the last couple years. The trees have gotten so thick they're breaking the line. When we go to fix it, first of all it's hard to find. We fly helicopters, some of the helicopter tour companies have actually reported these to us, they've showed us where they are. But they're hard to find, when we do find them there's nowhere land helicopters, there's no way to get to them, so we are asking for money to start a major tree-trimming project. My understanding from the guys who have been more than 30 years is it's never been done. They cut the trees down when the line went in more than 30 years ago and it's never been maintained since then. So this is a sort of once-in-a-generation project. We want to get in and just start clearing it from end to end. Build a couple helicopter access points so when it does break we can fix it faster. I think the guys had to hike three miles I think last time, you know, just to try to get to that point. So this is, we know it's a big expenditure. We don't have a real good feel of how much it's going to cost, but we're just going to start at one end and move to the other. We only have one expansion position in the Department, that's a Plant Operations Clerk. We have two divisions, Treatment Plants and Plant Operations. These guys run the laboratory, all the treatment plants, all the wells, mechanics, electricians, there's about 50 people in this group and there's not a single clerk. So the two division heads who each get paid around \$100,000 a year for their skills in plant operations and treatment plants are spending a significant amount of their time doing clerical work. When these guys have done what they're paid to do, they have probably saved the County just millions and millions of dollars in plant optimization. What we want to do is free up their time, gives you more of that, and not be glued to checking leave requests, doing their reports of, you know, putting in their annual...putting in their daily flows into Excel spreadsheets, running the mail. We really want to offload that to a clerk and get these guys back to optimizing the plants where there's millions of dollars we think to be

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saved. We've got some Premium Pay increases scattered through the Budget. These are basically based on analysis of where we are to date. We have since July 1st been tracking every single overtime occurrence as a little internal study of are we managing overtime correctly. What I can tell you is 90...the high 90 percents of it are things even looking back that we had no choice but to do. They're emergency callouts, SCADA callouts, night-time scheduled worked to do tie-ins. There is very, very little overtime that's really by choice, and what we've found is even looking back at it there's almost no overtime that we could have not done. So we think we've been managing overtime well, but we're spending it faster than the Budget allows. We're asking for \$100,000 for a fixture unit rate study. During Water Resources Committee a few months ago when Barry Usagawa from Honolulu Board of Water Supply was here, he showed the Council how they rather than charging for a meter they charge for fixture units, meaning a shower has a certain number of fixture units, a toilet has a certain number. They charge per unit, not per meter, and they decide how big a meter to put in. So that way you're not stuck just buying a 5/8-inch meter or a 3/4-inch meter or a 1, you just pay for what you need and we decide what size meter you get. So what this would involve is changing the whole rate structure from a 5/8 costs and a 3/4 cost to a cost per fixture. So as part of the rate study it would tear through all those numbers, what the real costs are, and come up with this structure essentially that if you're doing the same thing you're doing now, the cost would be the same, but it would redistribute it to fixture units rather than to meters. And that would allow people to just buy what they need. So I know when we...when Barry explained that to the Council, I know the Council was very excited saying, you know, we should do that. So we are looking for \$100,000 to do that. In this rate study if the Council has some other methods of dividing up rates they'd like us to look into, we can add that in. At the last Water Resources Committee there was an idea of separating Multi-Family. So that is a scenario that we could add into it. So we would need to know specifically what the Council, what sort of scenario you want to look at, but we could add that into this kind of rate study. The customer service and billing system. I know we've talked about that before. I know that Mr. Verkerke talked about it when he was here the other day, and Mr. Miyamoto talked about it yesterday. So we have essentially Phase II of that in the FY '17 Budget. There is also in Budget and Finance Committee a Fiscal Year '16 Budget amendment for Phase I. The FY '17 Budget was done assuming that the FY '16 Budget amendment passed, so it's not instead of the FY '16 Budget amendment, it's in addition. Even the Carryover/Savings that's in the FY '17 Budget assumes that that money was allocated in FY '16. So we hope the Council will support us moving forward on this. If the Council does support us, there's a couple options to either pass the FY '16 Budget amendment and leave this as is or wrap the FY '16 Budget amendment into the FY '17 Budget and do it that way. We're sort of neutral on that. So we hope the Council will support that effort, and there are a couple ways to go. I just want to be clear that it's not either/or, it's built to have both. And there are rate and fee increases that we'll talk about I think next week that's scheduled. So, Mr. Chair, that covers my opening remarks really for all of the sections, so we're ready to answer questions and we have no opening remarks later. Thank you.

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VICE-CHAIR WHITE: Okay. Could you refresh the Committee's memory as to the 2016 Budget amendment you're referring to?

MR. TAYLOR: There is a FY '16 Budget amendment...I don't know, Sandy, is there a number on it? Is there a tracking, is there an item number?

VICE-CHAIR WHITE: I'm not sure.

MR. TAYLOR: Okay.

VICE-CHAIR WHITE: What's the amount and what is it for?

MR. TAYLOR: Do you remember, Paul?

UNIDENTIFIED SPEAKER: Nine hundred thousand.

MR. TAYLOR: It was for 900,000 and I think the title --

UNIDENTIFIED SPEAKER: Phase I.

MR. TAYLOR: --Phase I of the --

VICE-CHAIR WHITE: Oh, that was for the billing system.

MR. TAYLOR: --customer billing system.

UNIDENTIFIED SPEAKER: Yes.

VICE-CHAIR WHITE: Yeah, okay.

MR. TAYLOR: Yeah. Is BF-38.

VICE-CHAIR WHITE: Okay. Yeah, we're all aware of that. Okay, Members, we'll start...Mr. Taylor went on so long that my computer shut down.

COUNCILMEMBER VICTORINO: Yeah it does that, doesn't it.

VICE-CHAIR WHITE: Okay, we'll start with the Water Administration program. And thank you for the overview. Mr. Victorino, questions on the...

COUNCILMEMBER VICTORINO: I would like to yield to the chair of the committee, if you don't mind.

VICE-CHAIR WHITE: Good point. Thank you. Ms. Baisa? Starting with the Water Administration program.

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COUNCILMEMBER BAISA: Thank you very much, Mr. Chair. I don't have any questions about the Administration. Fortunately, I have the opportunity to work with him practically every day, and I understand the request that's before us. And of course I'm in full support of it. The expansion position that we're talking about, is that in...that's not in Administration probably.

MR. TAYLOR: No, that is in the Operations.

VICE-CHAIR WHITE: Operations.

COUNCILMEMBER BAISA: Okay, so we'll get to that later. Actually, Chair, not at this time.

VICE-CHAIR WHITE: Okay. Mr. Carroll, questions for the Director? Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: No, not at this time. I happen to have worked with this guy for a long time so...years now, so I'm all good with what he's come forward, Mr. Chair.

VICE-CHAIR WHITE: Okay. So nothing in Goals or --

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR WHITE: --A and B Accounts? Mr. Guzman?

COUNCILMEMBER GUZMAN: No.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. So on Page 688, your Goal 1. Under Goal 1 you have implement CIP and design in a timely manner. So on, in Fiscal Year '15 you had 88 percent actual and FY '16 100 percent estimated. Can you tell us how many Fiscal Year '16 projects are on schedule for design? And how many of all your projects to date are not on schedule for design?

MR. TAYLOR: I can tell you that right now there...everything is on schedule. It's still early in FY '16, so everything is on schedule. The number of projects, I would have to get back to you in writing. We'd have to, I think we'd have to look at how we're going to describe that. As Council gives, what they call a project on the project sheet, there may be three different bid sets that go out based on that funding. So one of them may be on schedule and one may not be. So the number of sort of bid projects we have doesn't exactly align with the number of funding projects that the Council puts in the CIP Budget, if you know what I mean. So I could get back to you with the names of the projects, but they're all on schedule right now.

COUNCILMEMBER CRIVELLO: Okay. So shortage of engineers doesn't prevent you from getting your projects out there?

MR. TAYLOR: The CIP group has three out of four positions, so they are still on schedule.

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COUNCILMEMBER CRIVELLO: Okay.

MR. TAYLOR: The early stages of projects tend to be getting the consultants on board.

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

VICE-CHAIR WHITE: Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Department, for being here this evening. The...can we...can I talk about their like At-a-Glance and that kind of opening section of the chapter, Chair?

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: Okay. Services provided...oh sorry, population served it states, you know, of course County of Maui, except for Lanai, Kaanapali, and Kapalua, and parts of Kahakuloa, Molokai. Would...I mean Kahoolawe is part of us too, correct? Of Maui County. Isn't that considered County of Maui? Or we're not servicing Kahoolawe?

MR. TAYLOR: That's correct.

COUNCILMEMBER COCHRAN: Okay. So we can safe to say add Kahoolawe? And then do we provide water for all of East Maui also? Are there places that we do not supply East Maui?

MR. TAYLOR: There are certainly places we do not supply in East Maui, but we do supply certainly Hana and other portions of East Maui.

COUNCILMEMBER COCHRAN: Okay. Would there be a section that would fit into the except for on the East End of the island though?

MR. TAYLOR: We...

COUNCILMEMBER COCHRAN: Is what I'm thinking.

MR. TAYLOR: We certainly could rewrite that to try to be more specific if it's the Council's wish to be more specific about which areas we serve and which we don't.

COUNCILMEMBER COCHRAN: Well just to be accurate in our statements. Dropping down to Goal 1, Item 2, number of agencies with grants for environmental protection and rehabilitation. It says actual are 8 of these entities, but if I count on Page 693 there's 10 entities. Like these would be the watershed protection people, correct?

MR. TAYLOR: That's correct.

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COUNCILMEMBER COCHRAN: Yeah. So what's the actual number?

MR. TAYLOR: I believe there's ten grants with eight agencies.

COUNCILMEMBER COCHRAN: Okay. So some of the grants are for...are...and --

MR. MEYER: If you...

COUNCILMEMBER COCHRAN: --you're looking...sorry, Mr. Meyer?

MR. MEYER: Oh I just wanted to say that HARC is not really specifically a watershed partnership, they're doing the research group. They're doing research into and development of Koa species, disease-resistant Koa. And Auwahi is actually part of the Leeward Haleakala group. We have split those grants off this year. HARC used to be in Countywide before and Auwahi and still formerly is part of Leeward Haleakala. So there are really eight watershed partnership agencies and ten grantees. There may be a little confusion there. We could make that more specific --

COUNCILMEMBER COCHRAN: Okay.

MR. MEYER: --perhaps in the future.

COUNCILMEMBER COCHRAN: So technically eight is what you folks are shooting for?

MR. MEYER: Correct.

COUNCILMEMBER COCHRAN: Okay. And yeah, HARC came in today to testify and it was also confusing because he said that they have been receiving monies through, but in our chart it didn't show any monies expended to them. So I was wondering like where did it come from and how did it get to them. And so you just explained it was in Countywide.

MR. MEYER: Correct.

COUNCILMEMBER COCHRAN: It wasn't coming out of this --

MR. MEYER: That's exactly right.

COUNCILMEMBER COCHRAN: --pot. Okay. And we can talk more about them. And then in your opening comments under Operations in regards to testing water samples. Obviously, you know, our job is to give potable to our community, but is there any thought or respect given to the water and its effect on plants? Nurseries, you know, people who make a living off of plants that need to use our potable water to grow them.

MR. TAYLOR: Our utility is governed by the Federal Safe Drinking Water Act which sets parameters which are echoed by the State Department of Health through State law

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which sets the water quality parameters. So we try to exceed those, but that is our regulatory guidelines that we're trying to match. I don't know that we really...we don't really analyze water quality subjectively more than that. So our goal is to meet those requirements, and whether or not that meets specific needs of certain users or plants, I really wouldn't be able to comment on.

COUNCILMEMBER COCHRAN: So there's no way for a person who has seen the effects of our County water, detrimental effects, negative impacts upon their planting, plants to question or ask County help, assist or, you know, some kind of restitution? I mean I don't know. So there's no...

MR. TAYLOR: If someone has a specific problem and they let us know, I think I'd have to, need more information about what exactly they're talking about. But if it's something very specific, maybe there's something they can do on their end to remove something they're concerned about. But I don't know that there's much we would be able to do to change our treatment process if somebody has a concern of some micro constituent of some sort that for some specific use. We would really need the specifics of exactly what they're concerned about.

COUNCILMEMBER COCHRAN: Okay. Chair, that's all I had for Administration at this time.

VICE-CHAIR WHITE: Okay. Okay, Members, are you comfortable with the A, B, and C Accounts in Water Administration? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Is this for the Administration Operation too? No?

VICE-CHAIR WHITE: Well Operations comes after Administration.

COUNCILMEMBER CRIVELLO: Okay.

VICE-CHAIR WHITE: So basically we're...well...okay. Director, if you could give us some explanation. You have a reallocation of a Specialty Plans Examiner III, taking it down to a Plans Examiner II on Page 19-7, and then a reallocation to a higher pay scale. Can you provide us some understanding on the thought behind that? And is that a, I'm assuming that's...is that a position that's just been filled or is that incumbent that being...

MR. TAYLOR: Mr. Meyer can get into the details. This has to do with our engineering reorganization. What we're trying to do with the building permit section is move some people around to have engineers only doing engineering work and have plan examiners do the work that the engineers have been doing that isn't engineering. And Mr. Meyer can talk in more detail about any specific position moves. But the goal of this effort is to free up the engineers to do engineering work so they're not doing work that we can get a lower level to do.

MR. MEYER: That's exactly correct. The intent is to try to deal with the building permit process with plans examiners who understand the requirements and can process the

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plans efficiently. In the last year we have been virtually 100 percent within the 30-day and 15-day timelines for review and approval of permits, and we're very pleased with that. But it's because we've taken this approach. But we still need a little further to go to in effect have engineers dealing with more complicated and requirements of permits that need true engineering analysis, and to allow plans examiners and clerks to deal with the more mechanical process of fixture counts and evaluating conformance with building codes and that sort of things. And that's the way we're headed. It's, we think it's going to be much more effective and efficient way to go. That organization, reorganization is still kind of in process at the time being.

VICE-CHAIR WHITE: Yeah. I think all of us would agree that you want to have the engineers doing engineering work, but I guess my question is you're downgrading the position from a III to a II and increasing the pay. So I, that's what I was questioning. It wasn't the, it wasn't really questioning what you're having the examiners do.

MR. TAYLOR: I apologize for that. I think the...let's see, that...trying to think is...about...

VICE-CHAIR WHITE: It would seem to me that you would want to have a Plans Examiner III...is it a person that was in that position at the III level and then you're downgrading them to II? Or is that a position that has been recently filled?

MR. TAYLOR: I wrote this on the org chart which I know I brought, so if you just give me a second I'll pull it out. Okay. So the existing plans examiner, he's an Engineering Support Tech I and I believe in the reorganization he is becoming the supervisor of that group. So there's a reorganization that's tearing this group apart. It's still going through union consultation, and it hasn't yet been approved. I don't remember the mechanics of which position is disappearing and which one it's being replaced with. But what I remember they put in the Budget was the assumption that the reorganization is approved at the levels that we're guessing that DPS classifies them at. When it's all said and done DPS will decide what level it is, whether it's a II or a III and at that point we'll follow the civil service rules. This is the kind of thing that's difficult at Budget when we don't know...it's not at the point where DPS priced it, so we don't know whether it's a II or III, I think we're making an assumption.

VICE-CHAIR WHITE: So a II has supervisory capacity and I would imagine a III does, but does a II also have supervisory --

MR. TAYLOR: Yeah, and...

VICE-CHAIR WHITE: --responsibilities included?

MR. TAYLOR: I'm...that's getting into the details that I don't know, we'll have to get back to you on that.

MR. MEYER: Okay. Holly just handed me a worksheet that shows what we have in process here, and this is, there's, we were thinking this was the fellow who's controlling the permitting right now. It's not. This is a clerk position, this is someone who's

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especially talented at processing permits. She pretty much controls the flow of permits now, and this would be an upgrade to, from a clerk position to as you point out a Specialty Plans Examiner II. And we think she's qualified to do that. But again, as Dave mentioned, this reorganization is in process and being reviewed by Personnel right now.

VICE-CHAIR WHITE: Is this position WW-0200? There may be a mistake on the Details but it says it's a planning, Specialty Plan Examiner III going to a Plan Examiner II, not a clerk. Anyway, I just bring it up because there's a significant increase and at the same time the position is being downgraded.

MR. MEYER: Right.

VICE-CHAIR WHITE: At least in the Details. So anyway, I think we've, we understand where you're headed and we, I think we would all agree with the reorg.

MR. MEYER: Okay. Let us get back to you on that if we could.

VICE-CHAIR WHITE: Yeah, that'd be fine.

MR. MEYER: Thank you, sir.

VICE-CHAIR WHITE: And then the next question, on the Premium Pay, I realize that at least from your presentation was is that the majority of the Premium Pay is to cover overtime due to increased workload. And how much of that workload is due to hours not available because of the five vacancies in the engineering department or engineering group? Is, does that impact...

MR. MEYER: Most of that is related to the upgrade in the customer information and billing system that we anticipate. It's not specifically related. There's, when you do that kind of upgrade, you're essentially asking people with the same jobs to do in addition to their normal job to complete the upgrade and installation of a new version.

VICE-CHAIR WHITE: Okay. So this doesn't have, there's no relation --

MR. MEYER: That's correct.

VICE-CHAIR WHITE: --to the --

MR. MEYER: So that's really what that's all about.

VICE-CHAIR WHITE: --current shortage of engineers?

MR. MEYER: Correct, doesn't have anything to do with engineering.

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VICE-CHAIR WHITE: But I would assume that if you need, still need to get the same, reasonably the same amount of work out, that you're going to have to pay some overtime to the engineers.

MR. TAYLOR: So, Mr. Chair, basically with the vacancies of the engineers, we would use that money for Premium Pay. The Premium Pay in engineering is mostly due to the MAPPS project. That's a one-time, special extra work. I think when we put in the Premium Pay this year it was based on the assumption of full staffing. The extra Premium Pay was for the MAPPS project. So although that's an IT-driven project, every department is having to put a lot of hours into our own business processes, how do we things, go to a lot of meetings, do a lot of flowcharting of our business processes because we're trying to coordinate all these, this coding that has to be told to the consultant about how we need things and what can be done. So it's the extra work for MAPPS I think that's driving the Premium Pay more than the shortages.

VICE-CHAIR WHITE: Okay. And then there's a separate amount for MAPPS as well, right?

MR. BAZ: Mr. Chair? On Page 19-11, DWS Engineering Premium Pay is \$20,000 for the MAPPS and \$10,800 is the 1-time lump-sum payments for the Bargaining Unit 3 and 4 employees.

VICE-CHAIR WHITE: Right. Yeah, the same as we've done in the other departments, correct?

MR. BAZ: Yes.

VICE-CHAIR WHITE: Yeah. Okay. And then with respect to the computers on Page 19-14, I'm assuming that you're in contact with the IT Department to make sure that everything is...is that, are you guys under the same replacement rollout program that the other departments are?

MR. TAYLOR: Although we pay for our computer upgrades out of our Budget, they're all coordinated through IT and they decide what to do, we just pay for it. So they do all of that for us, we just have to provide the funding for it. So we're on the same program as everyone else.

VICE-CHAIR WHITE: Okay. And the water meter inventory increase of 300,000. Can you share with us where you are with your water meter inventory and the purpose of the additional funds necessary?

MR. TAYLOR: I think Ms. Perdido would be more than happy to share the details of that.

VICE-CHAIR WHITE: She's always more than happy. And I believe it's Ms. Ho.

MS. HO: Good evening.

MR. TAYLOR: I apologize, Ms. Ho. Mrs. Ho.

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MS. HO: Holly Ho, Water Department. Good evening. Currently we are looking at the age of all of our meters and transponders. Our meters were put in back between probably 1997 to 2000. We had a change out back during that time. We changed all the meters. Transponders we changed out in 2007. The transponders are the, how we read the meters electronically with the laptops, and currently we are changing out about maybe 700 meters a year that have been either stopped or not working, and transponders about, 1,500 about. So we're looking at I know on Molokai which was one of our first meter change outs, we are going to have to start changing meters. We've just had a rash of transponders not working that we're working on changing out now. So we are looking at re, changing out meters in the next probably five years, and starting to look at the, you know, what we're gonna do, we're gonna look at large meters first 'cause that is a lot of our revenues. And just for your information, 5/8-inch meters, the percentage is approximately 86 percent are 5/8-inch meters just for your information, 7 percent is about, is 3/4 inch, 1 inch is about 3 percent, and then the balance is about 4 percent. So large meters are a smaller amount but it does, it's a lot of our larger revenues. Currently, we, whatever we have in inventory we use for stopped meters or transponders, and we are going to come out with a plan more thoroughly like we are changing out Molokai and we'll get Molokai and get them all done. And then we'll be looking at a program probably to start changing out sections like we did before.

VICE-CHAIR WHITE: All right. Thank you. From, with respect to the billing system, one of the proposals that was made by Hawaii Water Services Company in their most recent PUC application was to change the way they charge for electricity. So instead of us trying to guess what the electricity charge is going to be and building that into the basic fee or the basic rate, my understanding of the way it will work with them is that they've calculated how much it costs on average to pump 1,000 gallons of water. In their case it's, I believe, 4.6 kilowatt hours. And so they take whatever your water usage is by 1,000 gallons times that 4.62 factor times the previous month's energy charge from the, from Maui Electric. Would that make...well first of all, the billing systems that you're looking at, does that, is that possible with those billing systems? And if it's possible with them, is that something that we should be at least taking a look at?

MR. MEYER: That's a very good question. And it's difficult for us to answer because we're really not comparable to the Old Kaanapali Water or Hawaii Water Systems or for that matter Kapalua. I had a hand in designing the rate structure at Kapalua. It's been in effect now for, since about 1993, and basically that system has a gravity-fed surface water system for non-potable. And then it has well water, groundwater that serves as potable water. And as a result when you have 100 percent of one type of water that is very sensitive and exclusively comes from the ground, it's very sensitive electrical rates, you have a situation where you can index your water cost, your consumption to the electrical rates and it works very efficiently. As a matter of fact I think those rates that went into place in '93 or '94 in Kapalua Water is still in effect today because they're designed to rise as the cost rise and decline as the cost decline. We don't have that luxury. We have a number of different districts and a number of different

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combinations of surface water and groundwater, and when it rains you have an abundant supply of surface water, especially Upcountry. We don't turn on, haven't turned on in the last 18 months for example the Pookela Well, but for a matter of about 2 days, of course we run the 2 wells in Haiku because they supply Haiku, but we've been almost exclusively on surface water which is close to being free in terms of at the source of the flume or the Piiholo Plant. That compares rather dramatically with the cost here in Central District where we have to pump. So you would almost have to go to a district-by-district rate structure in order to try and index for electricity costs. You would be sort of fighting an averaging of the cost otherwise, and it would be very difficult to predict from period to period and district to district what your cost structure was going to look like because of the difference in rainfall.

VICE-CHAIR WHITE: Yeah, I think your, being a financial guy you're taking it to a much more granular level than I was suggesting. I was suggesting that you have a total cost of electricity and all the ratepayers pay the same whether...because right now whether if I'm Upcountry getting gravity-fed water in my pipes, I'm still paying for the pumping in Central. And if I'm in Central I'm still pumping...I'm still paying for the pumping that comes during a drought Upcountry. So because we have a blended rate, I mean a flat rate across the County, I think it could work because it...the challenge I've had with each Budget is that we never know what the hell is going to happen to electricity charges, and this would just simply make it a true charge and give you guys a lot more precise rate structure to depend on for all your other costs.

MR. TAYLOR: Mr. Chair, right now...you asked your original question was could the new billing system handle this. Right now because Honolulu's system doesn't do that, it's not an option. Once we have our own system and if that's what we want to do, we could do that. I believe the Big Island does that now, and what their board does, I think their board meets a few times a year and adjusts that rate. We could somehow do a rate study to try to figure out some equation. I mean it could be done. I mean there's no question it could be done. I think the Council would...we'd have to deal with it from sense where the annual Budget establishes an equation where we don't have to come back to Council every two months to change the rate structure every time electricity changes. But I'm sure something like that, you know, can be mathematically done, we'd have to work out the clinks.

MR. MEYER: Thank you. Just one additional one comment. I think that's, that would be a great objective to try and more closely match our expenses with our revenues and have that happen for the Council's benefit and for our benefit, automatically or more closely on a period-to-period basis. So thank you, that's a good suggestion.

VICE-CHAIR WHITE: My understanding is they just simply take the rate from the previous month and that gets plugged into the computer and it gets applied to all the ratepayers. So okay, enough of that. I think...thanks for that discussion. And under Other Services, you've got a healthy increase there for the billing system, outside contract services for meter replacements and the rate study. Would you care to comment anymore on outside contract services for the meter replacements?

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MR. TAYLOR: I'm not sure if Ms. Ho addressed that about how we're planning on perhaps hiring an outside company to do that. Maybe you could add to what that money is for.

MS. HO: Yeah. We put some in the Budget to possibly hire some outside contractors to replace the meters and transponders. With the money that we had put we're estimating about 3,000 meters per year could be changed out if they're the 5/8 inch. But if it's different, if it's not then we would have to, you know, the large meters it would be less. But that's what we put in some extra money to contract out the change out for the meters.

VICE-CHAIR WHITE: So doesn't it work out to \$75 per meter? You said 2,000 meters?

MS. HO: Three thousand. And no, it's about...

VICE-CHAIR WHITE: Three thousand.

MS. HO: Wait. Where's my meter page. I think the cost of the meter is about \$55 and the transponders about, they come out to about \$117 for a 5/8-inch meter.

VICE-CHAIR WHITE: Okay.

MS. HO: And we're estimating probably about \$50 per meter to, if we had someone change out meters, an outside source.

VICE-CHAIR WHITE: And does the meter and transponder get changed out at the same time?

MS. HO: We would do that if the transponder is older, you know, we'll have to look at if it was just recently changed we wouldn't, we would just change the meter out, but most of the times we would change out the meter and transponder.

VICE-CHAIR WHITE: Okay. I know you said this earlier, but when was the last rate study done, Mr. Taylor?

MR. TAYLOR: About four years ago. I know it was during my time here. It was probably my second year, so probably four years ago. I remember Ms. Hajnosz came and gave the Council Water Resources a briefing on it at that time.

VICE-CHAIR WHITE: Okay. And then on Page 19-19 under Professional Services there's a \$25,000 increase, additional funding due to anticipated increase in projects. Can you explain what types of projects are covered by that?

MR. TAYLOR: Yes. I actually brought a list.

VICE-CHAIR WHITE: I would expect you...

MR. TAYLOR: So...

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COUNCILMEMBER VICTORINO: He's getting smart.

MR. TAYLOR: So these are small professional services contracts that are unpredictable, and here's what, here's the list of what we did this year and we really struggled for money. There's all these actions going on at the State Water Commission and at very short notice our attorneys say you need to hire a consultant and do a study of this and we need it in three weeks. So we've got some ongoing Commission contested case hearings that may have those kind of things where we need to hire an engineering financial consultant, we hired an economist to do a study of things once, and those tend to be at very short notice. We have various legal issues. Somebody will write us a letter saying your tank is on my property, your line doesn't have an easement, and all of a sudden, you know, we need to go do a survey, we need to get an appraisal, that kind of things. We've got some other legal issues going on with EA/EIS lawsuits where again Corporation Counsel says can you get this surveyed, can you have an engineer do a study on that. Those come up at short notice. The Water Use and Development Plan is mostly being done in-house. We don't have a prime consultant for that. We don't have any consultant for that, and there may be small professional studies again on economics, on different pumping schemes, on various things that come with Water Use and Development Plan. Rate and fee analysis, there could be some minor items that we need special reports from City and County of Honolulu. And then there are the safety and hazardous material investigations. Sometimes we're doing some work and we find asbestos, we find contaminated soil. So these are the kind of what I'll call small professional services contracts that tend to be under \$25,000 that just pop up. As we're doing more projects and have more of these legal issues, more of them are popping up and we're struggling to find funds when they pop up.

VICE-CHAIR WHITE: Okay, thank you.

MR. TAYLOR: And that's, to date I think we have \$74,000 just this year.

VICE-CHAIR WHITE: Okay, thanks. Members, as we've been going through this, if you've got other questions. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I wanted to go back to the rate study and actually not the rate study, I'm sorry, it's the billing system that I want to talk about. You know I understand Director Taylor is trying really hard to get this money and I'm not sure that everyone remembers the details of the contract we have with the Honolulu Board of Water Supply that takes care of our billing. And maybe we could explain why this is so important that we get it done, Mr. Taylor, because of that contract and the conditions and the terms in it.

MR. TAYLOR: Thank you, Member Baisa. As probably most Members will remember from the media, Honolulu who's been doing our billing for decades converted their system a number of years ago, had a lot of problems. Our contract with them, we have a ten-year contract with them that increases substantially in cost every year. The reason it increases in cost is that every year that we're on it they want us to pay a

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bigger share of their hardware costs. That's the deal we made. It also includes a six month, either party can get out of it within six months. So essentially because when Mr. Lau came to this I think this was in Policy and Intergovernmental Affairs I think for an intergovernmental contract on this billing system, he had shared with this Council that it was his wish that we migrate off of his system as soon as possible. So because of that, that's why the contract has these increasing steps. The longer we stay the more we have to pay. And also they can cancel with six months' notice. We are concerned because not only every year does it get more expensive but because even with all the money in the world, it would take us much longer than 6 months, probably closer 18 months from the time we got money to the time we're weaned off their system, we feel like we're at risk if that happens sooner rather than later. So we feel sort of between a rock and a hard place that we want to get started as quickly as we can to get this migration done. The longer we stay with Honolulu, the more our costs go up because the annual cost goes up every year, and the more risk we have of getting a notice saying, you know, we're going to cut off in a year or something. So that's why we feel we're ready to do it. Kauai also is in the same situation. They've already made their decision to go with a particular vendor. There is some potential cost savings if we do the same thing which is what we're planning. So we're trying to match their timeline. We also have some human resources, someone...one of our senior accountants who just recently retired is interested in being our consultant to do primary interaction from our system to the implementer. That's something that may not be available forever so because she knows our business processes and she's not part of our staff right now, she's the perfect person to be this consultant. So this one-time thing. So we feel that the stars are aligned. The sooner we do it the less it will cost and the more likely we'll have a successful project. Where the longer it goes on the more it costs and the less likely that we'll have a successful project.

COUNCILMEMBER BAISA: Thank you very much. I think that's very relevant information as we look at this. The other thing that I heard that I wanted you to explain was about the idea of outsourcing. What are we outsourcing? And can we do that?

MR. TAYLOR: I'm sorry, I don't, I'm not sure what exactly...

COUNCILMEMBER BAISA: Somewhere in here, in this Other Services it was mentioned that you wanted to outsource.

VICE-CHAIR WHITE: The...

COUNCILMEMBER BAISA: Or that Holly was going to outsource something.

VICE-CHAIR WHITE: The replacement of the meters.

COUNCILMEMBER VICTORINO: Yeah.

MR. TAYLOR: Oh, so meter replacement, when there's...when a meter and has to be replaced our field operations group does that, and they're the same group that responds to emergency callouts and things. On Molokai there's I think four employees

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there, four permanent employees there, and they do everything. So to have them commit to this is perhaps just too much for them to do, they can't do their other work. So we're looking at possibly if they can't fit this in just hiring a company to do this for us on a one-time basis.

COUNCILMEMBER BAISA: And there's no problem with doing that?

MR. TAYLOR: Whenever we outsource anything we have to go through Department of Personnel Services where the Director of Personnel Services looks at what we're doing and there's a numbers of exemptions in State law that we have to comply with one of them. One of them is I don't remember the exact language, something like very temporary work, something like that, of a one-time nature or something like that.

COUNCILMEMBER BAISA: I got dragged in on Kono so I'm kind of aware of it.

MR. TAYLOR: Right. So we're well aware of that and whenever we do outsourcing of consulting work there's an internal process that we have to go through to make sure that is vetted through the Director of Personnel Services who has to make a decision about whether or not we're allowed to outsource or not.

COUNCILMEMBER BAISA: Okay. I just wanted to clarify those. Thank you very much. Thank you, Chair.

COUNCILMEMBER CRIVELLO: Chair?

VICE-CHAIR WHITE: Ms. Cochran, followed by Mr. Couch.

COUNCILMEMBER COCHRAN: Thank you, Chair. And thank you, Ms. Baisa, for bringing up the billing aspect, 'cause I was trying to cross reference as you state, wastewater, sewer is combined with yours so I, speaking to that Department the other day, it looks like they're paying an additional \$392,000-plus for their portion of the billing system and how that goes to you to Oahu or how does that work?

MR. TAYLOR: Actually, yeah, I don't know that we told them this yet, but what's in their Budget, I saw their presentation yesterday, that's...so we pay Honolulu Board of Water Supply and we charge a portion of that to Wastewater. The billing system conversion we're talking about, we have it in our proposed Budget, and in this Budget amendment, BF-38. I don't know that we've communicated with Wastewater that we intend to charge them a, their fair share of the ultimate cost of this, but I'll let them know that tomorrow. That's something we could, you know, if it's approved we could come up with a fair-share plan and have them pay some portion over, you know, X number of years. But what's in their Budget this year is not part of the implementation of the new system, it's just their share of the existing system.

COUNCILMEMBER COCHRAN: Okay. So they have a surprise coming too. And 'cause is that 500,000 in your Budget that you're...I'm trying to sift through all this. Is that figure in here for your, this billing? Where did I see that? Or no, am I...

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MR. BAZ: On Page 692 of the Budget it's in Other Services, 953083, \$552,000 is for the Phase II cost of the project.

COUNCILMEMBER COCHRAN: Okay, okay. All right. Got it. Okay, thank you. Thank you, Chair.

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

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And on Page 693 I know you talked a little bit about this, Mr. Taylor, but the 25 desktop computers that you're buying, you're buying them from ITS, is that how it's working? Or you're paying ITS for them? 'Cause ITS has that contract.

MR. BAZ: Yeah, so, Mr. Chair, if I might? Member Couch, so since Water Supply is an enterprise fund those computers that are being replaced by ITS in Water Supply are...yeah, so basically this charge is just what goes back to ITS or goes...is what allows ITS to buy the computer systems or the replacement hardware lifecycle contract.

COUNCILMEMBER COUCH: Right, it's the lifecycle contract. But just an accounting thing, I didn't, I don't recall seeing on the ITS side getting money from this fund. Maybe I missed that.

MR. BAZ: It doesn't show up in ITS, it shows up in our General Fund as an interfund --

COUNCILMEMBER COUCH: It'll just be in...

MR. BAZ: --revenue.

COUNCILMEMBER COUCH: Okay. All right. Thanks.

VICE-CHAIR WHITE: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Is there a contract for our billing, the, to do all the new changeover for us?

MR. TAYLOR: There is no contract because we don't have a funding source yet. We have done a...we've gotten prices, we're ready to enter into...to do a procurement, but we don't have a signed contract yet because we don't have a funding source to commit to the contract.

COUNCILMEMBER CRIVELLO: So you don't...well no funding so you don't even have a timeline yeah?

MR. TAYLOR: We have a timeline because we have talked to vendors. We're ready to sign a contract probably within a couple weeks of getting funding. So we have a preliminary

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contract, we could finalize it in the time it would take Council to, even if the Budget amendment was approved we would really hammer that out after it passed out of committee. By the time it got to first and second reading we'd certainly be ready to sign a contract by that point.

COUNCILMEMBER CRIVELLO: Okay, thank you.

VICE-CHAIR WHITE: Just for clarification, I thought that the ability to co-op or to do it together with Kauai had a deadline of February? Has that been extended?

MR. MEYER: Thank you. Yes, Kauai has actually signed a contract with the consultant and signed a software license. The pricing on that is provisional in the sense that it presumes that we're going to join them. If we do not, Kauai will experience a price increase and will have to pay a greater share of that consulting contract. So they decided this was so much in their interest that they were willing to step forward and take the risk that we would join them in this arrangement. If we don't it's...and we don't have a funding source, so be it. Everyone's aware that that's the risk, but that's the position Kauai is in. They're proceeding right now and they're working with the Honolulu Board to get the test data files transferred over so they can start working on them right now.

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

COUNCILMEMBER GUZMAN: Yeah, I had a question on you mentioned earlier on a different fund that you were using it for some litigation matters, but I'm also looking on 19-14 which is the Claims, Settlements, and Judgments, this additional expansion of 185,000. What is...I mean if you cannot say in open session just let us know, but what exactly is this additional monies for?

MR. TAYLOR: Ms. Ho can explain that. Where it's different than, what I was talking about was professional services --

COUNCILMEMBER GUZMAN: Right.

MR. TAYLOR: --like engineers and things for ongoing things. Ms. Ho can explain this is for settlements, but she can explain the type of things those are without getting into the details of what they are.

MS. HO: Yes, on the Claims, Settlements, and Judgments, those are for anything that comes against the Department. Broken waterline, say someone's waterline broke and flooded something and claims that come against us, and...

COUNCILMEMBER GUZMAN: Yeah, I know what those are.

MS. HO: Okay. Well in the past year...

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COUNCILMEMBER GUZMAN: Specifically what you've adopted here in 2016 is 17,600 and you're asking for an additional for 185,000 which is substantially more so there's something else pending that dictates to ask for that greater amount of money. I know what settlements and claims are, don't mock me. Tell me some specifics.

VICE-CHAIR WHITE: Mr. Guzman...

COUNCILMEMBER GUZMAN: I'm a little bit tired.

MR. MEYER: Thank you. We're intentionally trying to fuzz that up a little bit to camouflage the casualty involved and the casualties involved. If we identify a specific amount and I can tell you that these amounts are tied directly to existing casualties and existing claims and liabilities, and I'd prefer not to take it any further.

COUNCILMEMBER GUZMAN: Don't we have a litigation fund that handles those amounts?

MR. BAZ: Mr. Chair?

VICE-CHAIR WHITE: Go ahead.

MR. BAZ: We do have a General Fund litigation fund, but this is specifically funded by the Water funds itself, not by General Fund monies. Yeah, so it comes...it's in their Department.

MR. MEYER: Yeah, we apologize for being purposely vague here but it's something that --

COUNCILMEMBER GUZMAN: Thank you.

MR. MEYER: --perhaps should happen in executive session if we want to take it further.

COUNCILMEMBER GUZMAN: Yeah, yeah. That's...

MR. MEYER: Thank you.

COUNCILMEMBER GUZMAN: I just haven't had anything come up in COW that relates to Water aside from, you know, whatever. I can't get into that. But nothing from your Department so far, so I was wondering if there's something else pending down the pipe.

VICE-CHAIR WHITE: Well it brings up an interesting question is that within the rest of the...well with Corp. Counsel they have a limit of \$7,500 with which they can make settlements without Council authority. Does the same limitation apply to the Department of Water Supply? Corp. Counsel?

MR. UEOKA: Thank you, Chair. Yes, we don't settle anything above 7,500 without Council approval. Thank you.

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VICE-CHAIR WHITE: Okay. So I'm...are we right to assume that there are...that the Department has the same understanding?

MR. TAYLOR: Yes, that's correct, Mr. Chair. When we...we always work with Corporation Counsel on these issues. Anytime something comes to an attorney it goes right to Corporation Counsel. All claims go to the County Clerk's Office just like every other department. Although we have our funding, we don't make any decisions about this, it's all run through the litigation group of Corporation Counsel.

VICE-CHAIR WHITE: Is there anything that you can tell us in open session to suggest...so far this year in Claims and Settlements you've got an expenditure of about \$6,000 and you're asking for 185 more. Is there something that you can tell us in open session that says you're going to need to spend that much more next year?

MR. BAZ: Mr. Chair?

MR. TAYLOR: The Fiscal Officer and Assistant Fiscal Officer are, you know, who put these numbers together, are going to tell you how they based this on.

VICE-CHAIR WHITE: Wait, let's...well maybe...well let's just leave that on the table and we'll discuss it...

MR. BAZ: Mr. Chair, I was just going to note that the FY '15 actuals were 380,000 so the previous year had a significant...so I think, you know, they just want to make sure that they have enough just in case there is.

VICE-CHAIR WHITE: Did that come through the Council? Yeah, we'll take a recess.
...*(gavel)*...

RECESS: 7:31 p.m.
RECONVENE: 7:32 p.m.

VICE-CHAIR WHITE: ...*(gavel)*... We will move along since that's something we can't discuss in open session. My next question was with regards to the expenditure on the same page two lines above, we're increasing the allocation for Workers' Comp to 585,000 from 350,000. Is that...

COUNCILMEMBER VICTORINO: Thank you, Chair, for asking my question but you haven't gotten to me yet, but okay. I was going ask that question, but thank you.

VICE-CHAIR WHITE: Well, you know, I said does anyone have any questions and...

COUNCILMEMBER VICTORINO: I said Chair and you went ahead.

VICE-CHAIR WHITE: No, no. Initially everyone said no, but you're right. You can ask it.

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COUNCILMEMBER VICTORINO: That's okay. It's already been asked. That's the question I was going ask. Go ahead. I think it's late.

MR. TAYLOR: Mr. Chair, I have on my notes that I believe FY '15 Actual was 815,000.

VICE-CHAIR WHITE: So...

MR. BAZ: That was for Worker's Compensation.

MR. TAYLOR: That's what he just asked.

VICE-CHAIR WHITE: So, Mr. Baz, is the Water Department self-insured or are they covered under any of our other insurance policies that the...

MR. BAZ: Yeah, Mr. Chair, they are covered under us, but again since they're an enterprise fund those fund payments for Workers' Compensation get paid by them out of their funds. So whatever's appropriated in their Department covers those cost for Workers' Compensation and that money is excluded from the cost allocation plan so that's not doubled charged to them.

VICE-CHAIR WHITE: Okay. So this is basically an increase in premiums essentially?

MR. BAZ: No, this is the...the Workers' Compensation we pay ourselves and so even though we have a third-party --

COUNCILMEMBER VICTORINO: Administrator.

MR. BAZ: --administrator. Thank you. Sorry. We have a third-party administrator that assists us in managing the cases, we pay the claims eventually.

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER VICTORINO: And, Mr. Chair?

VICE-CHAIR WHITE: Mr. Victorino?

COUNCILMEMBER VICTORINO: One more question. Isn't it up to the first 500,000? Because I think it is, but I would like that answered. Okay, so make that a note as far as what we pay upfront because the third-party administrator, our excess coverage if I'm not mistaken was starting at 500,000. I'm pretty certain, but we'll find out.

VICE-CHAIR WHITE: So, Mr. Baz, are you suggesting that we're fully self-insured but we just have a third-party administrator? So we pay them and then we pay all the claims?

MR. BAZ: Mr. Chair, yeah, we, to a certain extent we have excess coverage for large, as you guys were made aware of recently, for large cases, that the Workers' Comp, the excess

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will pay for. We don't know the limits of our payments but, yeah, we do have excess coverage as well.

COUNCILMEMBER VICTORINO: Mr. Chair? An administrator and excess is two different terms, but what I'm saying is we're on the hook for the first whatever it may be.

VICE-CHAIR WHITE: So you want to know what the --

COUNCILMEMBER VICTORINO: That's exactly what I want to know.

VICE-CHAIR WHITE: --deductible is.

COUNCILMEMBER VICTORINO: Thank you.

VICE-CHAIR WHITE: You got that down? Okay. Okay, any further questions in the Administration program?

COUNCILMEMBER COCHRAN: Chair? Chair?

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. I was looking at we had this correspondence BD-6, and it's the breakdown of the interfund transfers of \$47-plus million. And it says from Sewer to Water Supply of 692,340 administration fees for billing. So I'm, now I'm trying to...in Wastewater's, there you said 392 to give you folks for billing and this says that Sewer...so this is the total amount that you're going to be surprising them tomorrow about, the 692,340? 'Cause it's \$300,000 more than what they're thinking they're going to owe you folks.

MR. TAYLOR: We're not proposing any payback in FY '17 from Wastewater for the billing system conversion. That would be something that at the earliest would start in FY '18.

COUNCILMEMBER COCHRAN: Okay.

MR. BAZ: . . .*(inaudible)*. . .

MR. TAYLOR: No, no, for the conversion.

MR. BAZ: . . .*(inaudible)*. . .

MR. TAYLOR: I'm sorry, that may have been incorrect.

COUNCILMEMBER COCHRAN: Or, Mr. Baz, do you know the correspondence I'm looking at?

MR. BAZ: Yeah. Give me a second. Yes.

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COUNCILMEMBER COCHRAN: Okay.

MR. BAZ: But give me a second to look it up in Wastewater's details. But they did have the, there's two items, one is the, what they normally pay for those fees, and then there was addition. Six hundred ninety-two thousand, three hundred and forty dollars is their normal cost of computer services to the Department of Water Supply. The additional 392,000 was under Professional Services. I'm looking at Page 5-18 of Environmental Management's details if you want to pull it up. But --

COUNCILMEMBER COCHRAN: Okay.

MR. BAZ: --yeah, those costs are separated out, 692,000 is the cost of providing Wastewater's billing services that Water Department charges Wastewater, and then 392 was in part for additional for the billing system, for the new system. Yeah.

COUNCILMEMBER COCHRAN: Okay. Okay. Those are some big bills.

MR. TAYLOR: I apologize. I didn't realize Wastewater did put that in there.

COUNCILMEMBER COCHRAN: Yeah.

MR. TAYLOR: So obviously I already told them, so that's good.

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

VICE-CHAIR WHITE: Okay. Mr. Taylor, would you like to go through the grant subsidy detail? The watershed programs?

MR. TAYLOR: Mr. Meyer can go through those, and if he needs assistance on detail Ms. Blumenstein, the Planning Program Manager can help him.

MR. MEYER: Thank you. I'd be happy to try and answer any questions we can. This is a program that we feel is paid off in terms of our surface water as well as groundwater recharge, and we don't regard it necessarily normal that a water utility is in the business of forestry and conservation, but it's something that we see as something we want to be a catalyst in fostering the cooperative effort and the community effort to make sure that we duly do take care of the watershed. One of the things we're looking at and we're trying to document is the effectiveness of native forests as opposed to forests covered with invasive species. And we have a study we're looking at right now with the USGS to analyze the differences between a forest populated with native species which we think are much more effective plants for recharge and for in effect managing the water resources than invasive forests. That's the kind of study that we think will be seminal and create a much greater awareness. So we have a program, we're not trying to be the be all and end all of watershed management, we're simply trying to create an incentive for other folks to have the right impact. And we've spent a fair amount of time trying to select the grantees and manage the amounts and try and leverage what little money we do have available for these efforts. Eva?

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MS. BLUMENSTEIN: Thank you, Chair. Yeah, just like to add we haven't made much, no significant changes from the previous year, although it appears that there are some changes, some amounts shifting around. But we're trying to keep a pretty consistent funding level for all the watershed work. Trying to divvy it up based on previous performance, the results we've seen, whether to the extent the project has a benefit for Water Supply, our customers, and so on. So this year again we based the pre-award amounts on an RFP and then we had the Grant Analysis Committee that's been vetting the different proposals, so we took quite a bit of time to analyze each proposal based on its merits, not just what we've been funding before. And where you see some differences in amounts is what Director was talking about earlier. We have basically the same partners, although some of the funding came through one partner. We're now...we've seen historically we've been supplying about the same...it's the same partners involved. The extent of the work hasn't changed that much, but they are really an individual grantee, so you saw Auwahi previously funded under the Leeward Haleakala Watershed Partnership. Also HARC that was funded through the Countywide Watershed Fund previous, it's now a separate line item. So again, we're asking for a small, I think it's about a 5 percent increase from previous year, and we feel confident that we took a good look at it through the Grant Analysis Committee.

VICE-CHAIR WHITE: Okay, thank you. Members, questions for Ms. Blumenstein or Mr. Meyer on the watershed grants?

COUNCILMEMBER COCHRAN: Yeah, Chair.

VICE-CHAIR WHITE: Ms. Cochran?

COUNCILMEMBER COCHRAN: And yeah, so Auwahi is their own thing now? Or is this like restoring maybe where the windmills are versus up mauka where they've, they started their project? Because I've gone up there to restore trees with them so I'm just trying to figure out why this split, 'cause I know they've been part of LHWRP but now you have a whole separate just Auwahi.

MS. BLUMENSTEIN: They are administered separately now, although there's still some overlap in the land where they both work. So but that's probably true for all the partnerships in terms of sharing resources and staff and so on. But they are administered separately now, they are two separate entities.

COUNCILMEMBER COCHRAN: Okay. And I see that the Honokowai, Wahikuli, Kapunakea project which was new from last year you've deducted 10,000. Is that as you stated you vetted through and their effectiveness or whatever, or did they downsize in acreage or what? Why the drop?

MS. BLUMENSTEIN: I believe actually the request was for 10,000 less this year. Yeah.

COUNCILMEMBER COCHRAN: Oh, well that's rare. Someone comes in for less. Okay, if that's all they need, then wonderful. And then HARC, that was something new, the

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gentlemen Mr. Dudley, I believe, and he's from the North Shore, right? They're based out of Oahu? The company, the...

MS. BLUMENSTEIN: Yeah, Hawaii Agriculture Institute [sic], they're based out of Oahu. What we fund here is for the organization but really for the work that's done and what we benefit on Maui, the Koa seed farms where he's developing wilt-resistant Koa is, that's done here on island.

COUNCILMEMBER COCHRAN: The...

MS. BLUMENSTEIN: They're based out Maunawili I believe.

COUNCILMEMBER COCHRAN: Right. And so we're...or some of these entities that we're funding are utilizing these seeds through that group? Or how...using them for their forest restorations and things? Or...

MS. BLUMENSTEIN: Yes. I know specifically Leeward Haleakala Watershed Partnership uses those and there's also collaboration between the partnerships where those test sites and growth occur. So at least Leeward Haleakala are using the propagated seeds from HARC.

COUNCILMEMBER COCHRAN: And it says it's available to Maui ranchers, landowners, and managers. So what we're funding you mean or the services they provide?

MS. BLUMENSTEIN: Well, the only watershed partnership that is actively restoring Koa is Leeward Haleakala Watershed Partnership, but those seeds and plantings are also made available to other, to, for other needs. But at the same time just the research that goes into developing the wilt-resistant Koa, that's something that really benefits all of the partnerships.

COUNCILMEMBER COCHRAN: Okay. And lastly, Chair, I know this is...you're not...this grant from the State, the water transmission and storage. I know that was adopted this past year, 2.5 mil. What, just a status on that. Has it been accepted? Implemented? Utilized? Where is, where are we at on this 2.5 million?

MS. BLUMENSTEIN: Which item is that?

COUNCILMEMBER COCHRAN: Sorry, Page 69...oh.

MR. BAZ: Yeah, Mr. Chair and Member Cochran, this is grant revenue so the Grant Manager, Ms. Blumenstein wouldn't have knowledge of this. This is for a capital grant. Yeah.

COUNCILMEMBER COCHRAN: Okay.

MR. BAZ: And for a capital project.

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COUNCILMEMBER COCHRAN: Oh.

MR. BAZ: So if maybe the Department could respond to the status of this capital project later, but maybe finish the grant --

COUNCILMEMBER COCHRAN: Okay, okay.

MR. BAZ: --subsidies first. Yeah.

COUNCILMEMBER COCHRAN: That's fine. Sure. That's all for now, Chair. Thank you very much.

VICE-CHAIR WHITE: Okay, thank you. Members, any other questions on the grants? Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, thank you. And go back to the grant page because I was in when I...okay. So the question I have was really on the HARC one, because I thought was being...was originally came out of Countywide if I'm correct, right?

MS. BLUMENSTEIN: That's correct.

COUNCILMEMBER VICTORINO: So we've been doing this for a number of years, it's just that this year we've totally separated it to show it as a line item?

MS. BLUMENSTEIN: That's correct.

COUNCILMEMBER VICTORINO: Okay. So that, you know, there's no confusion. It's not new, it's been there, and same thing with Auwahi Forest Restoration, that's been there but it was combined with, was it East Maui?

MS. BLUMENSTEIN: Auwahi was combined with Leeward Haleakala Watershed.

COUNCILMEMBER VICTORINO: Leeward, Leeward. Thank you.

MS. BLUMENSTEIN: Yeah. So we've been funding them for going back years and years.

COUNCILMEMBER VICTORINO: Okay. So we're not funding anything new, it's just really separating them so we can distinguish what these specific amounts are?

MS. BLUMENSTEIN: That's correct.

COUNCILMEMBER VICTORINO: Okay.

MS. BLUMENSTEIN: Now we consider them to be more...less permanent grant subsidies now.

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COUNCILMEMBER VICTORINO: Okay. And finally, the last question I have as far as the HARC one, again HARC really is trying to at this point Koa seed resistant to disease based on geographical locations. That's what he told us. Is that your understanding?

MS. BLUMENSTEIN: Yes.

COUNCILMEMBER VICTORINO: Okay.

MS. BLUMENSTEIN: They're really trying to find trees that are representative of ecoregion on the island.

COUNCILMEMBER VICTORINO: Ecoregion, right? Okay. All right. So I just wanted that clarified. Okay, thank you very much. I got it. Thank you.

VICE-CHAIR WHITE: Ms. Crivello or Mr. Guzman, any questions on the grants? Okay. Mr. Couch? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

VICE-CHAIR WHITE: Okay. Well, it appears to me that you all have been doing a very good job of pulling these grants together and responding to, you know, those that are out there doing all the work, so I appreciate what you've done and I really appreciate your efforts, Ms. Blumenstein.

MS. BLUMENSTEIN: Thank you.

VICE-CHAIR WHITE: Thank you. Okay, moving on. We'll leave the 2,500 grant revenue for discussion during CIP unless you guys have a quick response to that, the status of the grant revenue, the project that that is providing funds for?

MR. TAYLOR: That was a one-time appropriation that is being incorporated into an FY '16 CIP project that we are going ahead with.

VICE-CHAIR WHITE: Okay, thank you. Moving into Operations. Members, beginning on Page 5...I'm sorry, 699, Goals and Objectives. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. You know on your maintenance, No. 3, Goal No. 3 or Goal 1, subject 3, the hydrants flushing. I know that has been a real...it's still in many people's mind a waste of water, but I understand why you do it. You're upping it to 5,000 from 4,181. Are there that many more new hydrants or are you doing standpipes also? Because it basically says maintain high water quality with Upcountry unilateral flushing program.

MR. TAYLOR: I will ask either the Field Operations Chief or the Plants Operations Chief, whichever one knows why we're upping that to come down and explain that because I don't know. So either Dean or Bobby, whichever of you knows the answer to that, come on down.

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COUNCILMEMBER VICTORINO: Oh, just like the Price is Right, come on down. All right.

MR. TAYLOR: So, Mr. Vida who is our Field Operations Division Chief is coming down to answer that question.

COUNCILMEMBER VICTORINO: By the way, I didn't want Mr. Vida to feel unused if he sits back there. So I'd like to see Bobby come on up.

MR. VIDA: If you hear the word uni-flushing, that means we're flushing more water...

COUNCILMEMBER VICTORINO: Can you identify yourself first? Not everybody know.

MR. VIDA: Bobby Vida.

COUNCILMEMBER VICTORINO: Okay. Okay, go ahead.

MR. VIDA: Yeah, we're flushing longer, now it's all metered as we're flushing. And then what we're doing, we're starting from the source going all the way back.

COUNCILMEMBER VICTORINO: Okay. So when you say metered that means when you flush and you use 50...1,000 gallons, it'll show, that meter will show 1,000 gallons used?

MR. VIDA: Right.

COUNCILMEMBER VICTORINO: Okay. I think that was one of the questions we had for many years is how much water was being wasted. Okay.

MR. BAZ: No, Mr. Chair, I just want to make a clarification. It's not...they did 4,181 actuals in FY '15, they actually had estimated 10,000 in FY '15 was their goal. So they actually reduced their goal from 10,000 to 5,000 because that's a more reasonable goal than 10,000.

COUNCILMEMBER VICTORINO: So how much they have done to this point? If you can, if you have that answer?

MR. BAZ: Yeah.

MR. VIDA: I'm not sure on the answer now.

MR. BAZ: Yeah, I can pull that up in a second here.

COUNCILMEMBER VICTORINO: You know the source man right there. You need source information, go to Mr. Baz.

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MR. TAYLOR: I think Mr. Vida might be able to help by explaining it's not just flushing to flush, they're flushing to meet certain water quality standards which he can explain why they're flushing. And you don't just flush just because. And he may be able to explain better why we're targeting a certain number.

COUNCILMEMBER VICTORINO: Okay.

MR. VIDA: The flushing program, as we flush we flush so we have a reading of certain amount of chlorine and then we just move, go back down towards to the consumers.

COUNCILMEMBER VICTORINO: Okay. So that's to make sure the chlorination is being not backed up or deteriorating?

MR. VIDA: Right. That we know the chlorine is there.

COUNCILMEMBER VICTORINO: Okay, okay. And only Upcountry, you don't do town?

MR. VIDA: If we do town, we have automatic flushes at the dead ends.

COUNCILMEMBER VICTORINO: Okay, okay.

MR. BAZ: Yeah, thank you. So, Mr. Chair, we have as of December 31st, 2,864 hydrants have been flushed, so they're looking for this year to meet the 5,000 requirement.

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

COUNCILMEMBER GUZMAN: Chair?

VICE-CHAIR WHITE: Yes, Mr. Guzman?

COUNCILMEMBER GUZMAN: Yeah, I have a question. Yeah, I get a lot of those calls from some constituents Upcountry about seeing all that water being flushed. There's no other way to recapture that water and then bring it back to the treatment plant or wherever you need to...or where it starts off at as the source? You can't recapture that water?

MR. VIDA: Well, if we do that, we would have to add in say an equipment operator, tanker, also flagmen, so would be real costly and then the narrow roads wouldn't be able to put in the tankers, yeah.

COUNCILMEMBER GUZMAN: Yeah. It's quite disturbing for some people to see all that water being flushed, yeah, so just had to ask that question. Thank you.

VICE-CHAIR WHITE: Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I know exactly what a Member is saying. You know people tell me you folks grumble about wasting water and then you watch all that

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water running down the road, but I understand why they're doing it, they have no choice, they have to flush those hydrants. And it's gotta be done, it's for our safety.

VICE-CHAIR WHITE: Okay. Any other questions on the Goals and Objectives? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. On Page 700, on Goal No. 2 we have replacement of 3 well pumps and 2 booster pumps per year. Can you tell me how many pumps and booster pumps do we have to replace total or how many more to go?

MR. TAYLOR: So I'll bring down our Plants Operations Division Head, Mr. Dean Tanimoto who can talk about our total amount that we have. This is ongoing.

COUNCILMEMBER CRIVELLO: I understand. But I'm just addressing your goal.

MR. TANIMOTO: Okay, good evening. Dean Tanimoto, Plant Operations. Yeah, the replacement of well pumps and booster pumps generally on a rated life, an efficiency rating. And generally when efficiency goes down we try to replace the pump with a more efficient one. And we have a replacement and maintenance schedule that we follow.

COUNCILMEMBER CRIVELLO: So just about how many pumps and --

MR. TANIMOTO: Well...

COUNCILMEMBER CRIVELLO: --well and booster pumps total?

MR. TANIMOTO: Yeah, for, you know, just for a general number our system has, you know, like 44 well pumps and 65 booster pumps in our system.

COUNCILMEMBER CRIVELLO: Okay. And then you do this on a yearly basis?

MR. TANIMOTO: Yearly basis, on schedule or as needed.

COUNCILMEMBER CRIVELLO: I see. Okay, thank you.

MR. TANIMOTO: Thank you.

VICE-CHAIR WHITE: Okay. Any further questions? Okay, move into the A Accounts. Start with Ms. Baisa.

COUNCILMEMBER BAISA: Nothing specific at this moment. Thank you.

VICE-CHAIR WHITE: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Nothing right now, Chair.

VICE-CHAIR WHITE: Mr. Couch?

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COUNCILMEMBER COCHRAN: Wait, sorry. Oh. The...

VICE-CHAIR WHITE: Go ahead, Ms. Cochran.

COUNCILMEMBER COCHRAN: On Page 702, the Regular Wages, adjustments in salaries. That 94,000, is that game to speak about now?

VICE-CHAIR WHITE: Yes.

COUNCILMEMBER COCHRAN: Do you see that? The Recruitment and Retention Incentive for Water Treatment Plant Operators. We brought that up during Mr. Hiromoto's discussion from Personnel 'cause he was looking to raise the bar of retention of employees, and then I recall this incentive program you folks are doing in your Department so I had brought this up to him and thought if it was in conjunction with Personnel and what have you. So just if you can elaborate a little more on what this is 'cause I think, you know, if others can utilize what you're doing in their departments such as Public Works or whoever that have a shortage. I know it's part of the climate in the industry currently, but if there's a...

MR. TAYLOR: So, I'll start and --

COUNCILMEMBER COCHRAN: Okay.

MR. TAYLOR: --our Treatment Plant Operations Division Head, Mr. Linder will be coming down to join me in case there's more detailed questions.

COUNCILMEMBER COCHRAN: All right, good.

MR. TAYLOR: This started many years ago when there was a shortage of surface water treatment plants, operators. That's a special license. Most water systems in Hawaii only use groundwater. We are the only island that has extensive surface water. So there are not a lot of people who have surface water treatment operator licenses. So many years ago this recruitment incentive was added based on analysis DPS did of what does it take to get these guys here. At this point I think they're fully staffed. We just did a new analysis last year that we eventually went through with DPS with this, and we said are there enough that we don't need this or do we need this to keep them because if they leave there's no other way to recruit them? So that's what it's for and it's recognizing that people like Mr. Linder who have this very rare license in the State 'cause nowhere else to get one except to work for us, that we need to keep them because we really can only create those people ourselves. We hire trainees, we train them, and then they're our licensed people, so keeping them is really only the way to get them. And I don't know if Mr. Linder wants to add anything to that. He's had long experience in this Division.

COUNCILMEMBER COCHRAN: Okay, thank you.

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MR. LINDER: Hello, County Councilmembers. Hello. My name's Tony Linder. Mr. Chairman, I'm the Water Treatment Plants Division Manager. There's sort of a long history to this, what is now called the RRI. It was once called a shortage differential and that was when we were truly short of staff. We were mandated to work six days a week and long, a lot of overtime. During the course of time we have built up our staffing levels. As the Director mentioned, there aren't many licensed surface water treatment operators in the State. As matter of fact there's, I think in last count there was about 80 Grade II Operators and about 50 Grade IV Operators, we employ about 24 of those. So the wording was changed to a Recruitment and Retention Incentive due to the fact that a lot of people would come here from the mainland or would get a license and would leave shortly after for one reason or another, either go to a, stay in the islands and go to a private company or they would go back to the mainland. Maybe they weren't quite ready to move to Hawaii or things didn't work out for them. So we have had a hard time maintaining our staffing levels.

COUNCILMEMBER COCHRAN: Okay. Thank you. And is there a number breakdown on what you folks are utilizing for this RRI here out of that \$94,344 amount? So this is basically an incentive via --

MR. LINDER: This is a...

COUNCILMEMBER COCHRAN: --money --

MR. LINDER: Yes.

COUNCILMEMBER COCHRAN: --or wage, wages per se?

MR. LINDER: Yes, Member Cochran, this is a \$400-a-month RRI.

COUNCILMEMBER COCHRAN: Oh, okay.

MR. LINDER: It's \$400 a month.

COUNCILMEMBER COCHRAN: Yeah, money's a good incentive, so all right.

COUNCILMEMBER BAISA: The best.

COUNCILMEMBER COCHRAN: Okay, thank you, Chair. It just, yeah, intrigued me about what that was.

VICE-CHAIR WHITE: Okay, we're gonna take a recess until 8:10. Please be back in your seats at 8:10. Recess. . . .(gavel). . .

RECESS: 8:02 p.m.
RECONVENE: 8:10 p.m.

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VICE-CHAIR WHITE: . . .(gavel). . . The meeting of the Budget and Finance Committee will come back to order. One of the items I skipped over, I had my notes on, was the, on Page 19-29 under --

COUNCILMEMBER VICTORINO: Nineteen what?

VICE-CHAIR WHITE: --Department-wide expenses. There's an item --

COUNCILMEMBER GUZMAN: Twenty-nine.

COUNCILMEMBER VICTORINO: Twenty-nine, okay.

VICE-CHAIR WHITE: --halfway down the page, Water Insurance Expenses. And there's an amount budgeted of \$475,000 and there's no expense in that item year to date. Do you recall what we were going to use that for and are you going to make use of it?

MR. TAYLOR: Yeah, Mr. Chair, my understanding is that is the Department of Water Supply's share of the County's Self Insurance Fund. So at some point that is transferred...

VICE-CHAIR WHITE: That gets vacuumed out of your funds?

MR. TAYLOR: I'm sorry?

VICE-CHAIR WHITE: That gets vacuumed out of your account?

MR. TAYLOR: That's correct.

COUNCILMEMBER GUZMAN: Wow.

COUNCILMEMBER VICTORINO: Okay.

VICE-CHAIR WHITE: Well, that brings up a question. If that's the purpose of that fund, then why is that not being tapped for either your Workers' Comp or your Claims and Settlements?

MR. TAYLOR: Unfortunately that's a question that the Department can't answer. These are the kind of things that are given to us as sort of fixed costs from the Budget Office and the Department of Finance.

COUNCILMEMBER VICTORINO: They can answer.

MR. TAYLOR: Holly knows.

MS. HO: If you look last year, it was I think charged 300...right above it, 305,000. This is the insurance on the buildings and all the property, all the stuff that Risk Management charges the Water Department.

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COUNCILMEMBER VICTORINO: How come they changed the line? How come they changed the line? That would be my only question. If it's the same expense.

VICE-CHAIR WHITE: No, it's because it's gone from --

MS. KAU: B.

VICE-CHAIR WHITE: --a...

MS. KAU: It's B, and last year it was, there was no B. It was 953701 and this year it's B.

VICE-CHAIR WHITE: Got it. We take responsibility for that.

COUNCILMEMBER VICTORINO: Your fault. Okay, I got it. Our fault. Thank you. Okay, got it.

VICE-CHAIR WHITE: So essentially that's another overhead charge? Among 6 million other overhead dollars.

MR. TAYLOR: Again, I...we are not in a position to negotiate with the Finance Director and the Budget Director on these items, so I really can't speak to their validity or lack thereof.

VICE-CHAIR WHITE: Well, there have been hints that there's a little concern there. And we share the concern as we did last year. Okay, Members...gosh, now I've been talking long enough, my computer went off.

COUNCILMEMBER COUCH: Change the timeout.

VICE-CHAIR WHITE: What?

COUNCILMEMBER COUCH: Change the timeout.

VICE-CHAIR WHITE: I know. Okay. Water Operations, Ms. Baisa, questions on Water Operations? Any of the changes on 702 --

COUNCILMEMBER BAISA: No, Chair, thank you.

VICE-CHAIR WHITE: --and beyond. Ms. Cochran?

COUNCILMEMBER COCHRAN: We...looking at 704, would that be under Materials and Supplies?

VICE-CHAIR WHITE: Yes. That's...

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COUNCILMEMBER COCHRAN: Okay, I'm looking at...oh, here's the 500,000 I had a question. The road paving, patching, Road Patching Materials, and you're looking for like half a million for backlog of patch work and road surface repairs. And is this in reference to I guess work that has been done on our roads and now you need to go back and kind of make 'em more nice? Or 'cause then we just had Public Works today and I meant to ask that Department how the two of you could work together, 'cause I guess we've been hearing you folks, you know, aren't in the business of doing roads, more so Public Works is so perhaps they could help assist. I mean I know they got a lot on their plate, but just 'cause they are the professionals at doing roadwork per se and not so much the Water Department. Is there any communication in trying to share, you know, resources and responsibilities on this type of work?

MR. TAYLOR: The Public Works' paving crew is trying to do paving jobs of like. You know they try to do one area and pave it. These are repairs where we dig up a small area, it's usually a trench, we hot patch it, and then when there's enough of them we go back and...or I'm sorry, we cold patch it and then when there are enough of them we go back and hire someone to do, clean them up and hot patch all of them. I think we have 100 right now. Is that what I heard? I think we have 100 as we speak that we're waiting towards the end of the year. If there's no major main line breaks we'll pave them all. So we're finding it more and more difficult to keep up with our hot paving every year. So that's what this \$500,000 is for, it is to recognize that we need to do a better job fixing the roads faster after we do emergency repairs.

COUNCILMEMBER COCHRAN: Okay. And this 500,000 is what you're guesstimating will cover those 100 sites in just this year alone?

MR. TAYLOR: I don't think it's this year, I think that's going to be next fiscal year.

COUNCILMEMBER COCHRAN: Or next, I mean yeah --

MR. TAYLOR: Yeah, based on...

COUNCILMEMBER COCHRAN: --2017 I mean.

MR. TAYLOR: I mean that's correct.

COUNCILMEMBER COCHRAN: Okay. And then three lines down in reference to the Chemical and Other Filter Supplies, \$100,000. I think in main reference to the GAC filter replacement. Was that not part of a settlement of sorts to have these types of filters replaced? Or these are not part of that, whatever lawsuit that had occurred?

MR. TAYLOR: These are not part of that. The settlement Member Cochran's talking about is the DBCP settlement where there's granulated activated carbon on a number of wells to remove that from the water. This, the increase this year is at the Piiholo Treatment Plant where that influent line was. We had to do a upgrade to meet some changes in the Safe Drinking Water Act, and the way we did that is we added granulated activated carbon filters. So those have nothing to do with DBCP, they're outside of that, and we

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now have more of those that are estimated to have to be replaced at a certain interval which is about \$100,000 a year in carbon replacement.

COUNCILMEMBER COCHRAN: Okay. And this is also the area where you're looking to get that tree removal project going also?

MR. TAYLOR: That's correct.

COUNCILMEMBER COCHRAN: Okay. And then the next line down in regards to Mahinahina. What are...Mahinahina you're looking 150,000...oh, I guess that's in conjunction with Olinda also for similar types of equipment or materials I guess at both sites? What are actuators, valves and actuators at Olinda...oh and Mahinahina, so both are looking to get those types of materials?

MR. TAYLOR: Mr. Linder can provide some detail of exactly what the issues are at those plants and what he's hoping to do with these funds.

COUNCILMEMBER COCHRAN: Okay, thank you.

MR. LINDER: Hello. Tony Linder again. These actuators, Councilmember Cochran, there are, on the membrane filtration units there are 16 valves in each one of the machines and those valves operate automatically. The actuator takes a signal from the computer and opens and closes the valve. So where you see Mahinahina, that's a different type of process, that's a direct filtration process. So the best way to sum it up would be on the micro filtration machines there's 16 of these valves and actuators at about \$1,000 each and at Mahinahina there's a total of 16 valves and actuators but they're a different type. So those valves and actuators cost about \$10,000 each. So we...those are, the ones at Mahinahina are nearing 20 years old and the ones at Olinda are probably closer to 7 or 8 years old, so it's time that they be replaced.

COUNCILMEMBER COCHRAN: Okay. Well 20 years for the Mahinahina?

MR. LINDER: Yeah, that's...

COUNCILMEMBER COCHRAN: So they're way overdue it sounds like.

MR. LINDER: Well, not necessarily. It's just it's a completely different type of valve. That's what called a Limitorque valve and it's just a more durable, more robust actuator. It's an older style, it's more mechanical than electronic.

COUNCILMEMBER COCHRAN: Okay. And I don't want to go off, stray off topic, Chair, but there was a testimony last night in Lahaina about that area and some gates being busted down and saying that perhaps there's a, could be a breach of security for our treatment plants up there. So I'm not sure if there's any truth behind that. Are you aware? Any vandalism occurring up there?

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MR. LINDER: Well, as you know there are a lot of gates in that area. I did talk to my West District supervisors today and that's something they would have mentioned to me if it involved the treatment facilities and they didn't say anything about it. I'm unaware of it.

COUNCILMEMBER COCHRAN: Okay. Well no, that's good news. Okay, thank you very much. Chair, that's all I have.

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

COUNCILMEMBER CRIVELLO: I'm looking at Detail, 19-50, Page 704. No, I'm sorry. Going cross-eyed already. Detail 19-50 and this is in regards, which I can appreciate, purchasing of protective safety supplies for our employees, and I know it's to meet union and OSHA safety standards. But I think more important is your efforts to make sure that you're protecting the welfare of our employees. So are this ongoing? Do you, you know, does it have to be according to union/OSHA or is that something that you would do proactively? Because it's an increase of 10,000, from 20,000 to 30,000.

MR. TAYLOR: I believe this increase is specifically for...I think somebody can help me. I think there were some vests or something, some fall vests I think it was. Maybe the Fiscal Officer can help. The increase in safety equipment. I know we just talked about it the other day. It was from one of the divisions for something very specific and I just don't recall what it was. Are those yours? There's a number of safety equipment, I'm not sure whether, which one that was. Tony, why don't you explain --

COUNCILMEMBER CRIVELLO: Okay.

MR. TAYLOR: --what yours was.

COUNCILMEMBER CRIVELLO: Okay.

MR. LINDER: Well, Member Crivello, I'm not sure if it's the one that is part of my group, but we have a \$2,000 price there for a safety harness. That's not quite correct. It's not one harness, we're actually buying 2 for each plant so that's 12 harnesses for \$2,000 and that's for people climbing on top of tanks and things --

COUNCILMEMBER CRIVELLO: Right.

MR. LINDER: --like that, so it is OSHA required. And those, that piece of equipment is sort of like a hardhat. It might look fine, it doesn't have any cracks or anything in it but it has a life and it has to be replaced on a time interval and those have got some years on them, so it's time.

COUNCILMEMBER CRIVELLO: Good. Thank you. Thank you for doing that. That's all I have for now under B.

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VICE-CHAIR WHITE: Okay, thank you. Going back to the Road Patching Materials. It looks like we've spent or we still have about 134,000 out of the 500 we provided this year. Do you foresee, Director...

COUNCILMEMBER COUCH: Mr. Chair, can you use your mic please? We can hardly hear you.

VICE-CHAIR WHITE: That was by design.

COUNCILMEMBER COUCH: Okay.

VICE-CHAIR WHITE: Just kidding.

COUNCILMEMBER VICTORINO: Boy, I thought I was the only smart, you know what, around here.

MR. VIDA: The reason we're carrying that balance right now is because if we should have a 12-inch mainline break on a State highway and the whole road lifts up, that would take about maybe 80,000 right there. So we have little over 2 months left. I have a list of over 100 patches to do, so we'll spend that by the end of the fiscal year.

VICE-CHAIR WHITE: Okay. And this includes not just purchasing materials for the cold patch when you do the work, but it also includes the money for the people...

MR. VIDA: The contractors, yes.

VICE-CHAIR WHITE: The contractors to come in and do the final pave, the replacement?

MR. VIDA: Yes. Yes.

VICE-CHAIR WHITE: Okay. Okay, thank you --

COUNCILMEMBER COCHRAN: Chair?

VICE-CHAIR WHITE: --Mr. Vida. Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, sorry, I had one more. It's on Page 704 under Utilities at the very bottom area, 300,000 additional funding for renewal of Honolua Ditch contract. Can I just get more detail on what that entails?

MR. TAYLOR: Yes. The Mahinahina Treatment Plant gets water from the Honolua Ditch so we have a contract, a Water Supply contract with Maui Land and Pine to provide water transmission service. That contract says we pay a certain price per thousand, I don't remember what it is, and it also says if there are significant costs to the ditch system for repairs, we have to pay our fair share. We are the only real customer. So they have got a couple of large siphons on their system that are in need of major repairs. So as we go into renegotiate the contract we know there's going to be a higher cost to

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renegotiate because we're going to have a larger share of that repair which is, you know, frankly critical to us. Without that system operating that plant would be basically worthless.

COUNCILMEMBER COCHRAN: Okay. And this renewal of the contract occurs this coming year?

MR. TAYLOR: I'm not exactly sure. I know the deputy is handling the details of that and the costs. I don't know exactly where it is in the contract phase. But the important part of that contract is it says that we have to pay our fair share of major repair costs and that's really what this is about.

COUNCILMEMBER COCHRAN: Okay. Okay. Thank you.

VICE-CHAIR WHITE: Okay. Also on the, under Field Operations we have three items, Diesel, Stores Inventory Gas and Oil, then Gas, Diesel and Oil, three categories under 953307B. And in the Diesel we have 98 percent of the cost there remaining, for the stores, of Stores Inventory Gas and Oil we've got 238,000 or 63 percent remaining, and under Gas, Diesel and Oil we have 51 percent remaining of the balance. Can you give us a background on the purpose of these items? And I'm assuming that the diesel is for backup power, and that if you're not using backup power you don't use the diesel. But...

MR. TAYLOR: I think maybe Ms. Ho can answer best which Sub-object Code is for which purpose. I've never been clear on that.

VICE-CHAIR WHITE: It's Sub-object Code 6015, 6019, and 6022.

MS. HO: The 6019 is the Stores Inventory so that's what we, when we purchase diesel and then charge it out to the different divisions, that's our inventory account, our asset account, and then we charge it out to the different divisions. Six zero two-two is the charge for the gasoline from the stores account, correct? And then the diesel is for backup generators. I think, Bobby, is that correct? Maybe Bobby can expand on that.

VICE-CHAIR WHITE: Because you haven't used that because you haven't needed to? Okay. So that's basically an insurance policy. But I'm not sure what you meant when you said the gasoline...oh, the 6022.

MS. HO: That's the actual gasoline used by the Division.

VICE-CHAIR WHITE: Okay. And you still have 50, over 50 percent left for the remaining 3 months, right? Okay. And is that...well, I guess that would partially be due to lower gas prices. Okay, thank you. Okay, Mr. Guzman, any questions?

COUNCILMEMBER GUZMAN: No, I'm okay. Thanks.

VICE-CHAIR WHITE: Ms. Crivello?

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COUNCILMEMBER CRIVELLO: Regarding your expansion request on Page 703 and Details 19-46 and 19-47. Really basic, I recognize that the increase is probably collective bargaining and of that increase I want to know how much is based on Fiscal '15 actuals. And then how are you paying the excess premium pay for this fiscal?

MR. TAYLOR: I know that the Fiscal Officer and Assistant Fiscal Officer have been analyzing where we are to date and maybe they can give you a status of where are we projecting to be by the end of the year. Do we have enough Premium Pay for this year or are we looking at having to do a Budget resolution to adjust that?

MS. KAU: When we most recently analyzed those costs for this year, it appears as though thus far we're okay because we're able to cover the overage with existing vacancies.

COUNCILMEMBER CRIVELLO: I see.

MS. KAU: But we intend to fill those vacancies by Fiscal '17 so we anticipate needing the funding.

COUNCILMEMBER CRIVELLO: I see. Okay, thank you.

VICE-CHAIR WHITE: Okay. Mr. Couch? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. On your PowerPoint presentation, Page 13, gives you...give us a Fiscal Year 2017 stuff. The leak repairs for a million dollars. Is that the stuff that the leak detection squad had come across and now you're addressing the findings of their work?

MR. TAYLOR: That's correct. And that million dollars you'll see in the CIP Budget when we come next week.

COUNCILMEMBER COCHRAN: Oh, okay. All right. Very good. And I guess so then jumping into Page 699, Goals and Objectives, Goal 1, Item 4 [sic], minimize loss of treated water, number of miles of pipes surveyed for leak detection. You just started the program so last year is 0 and then this coming you're estimating 500 miles. Is that the total miles that we have collectively?

MR. TAYLOR: No, we have probably around twice that.

COUNCILMEMBER COCHRAN: Oh, okay. And so far how many miles have you folks done, do you know offhand?

MR. TAYLOR: I...no, I do not have that information with me. It should be on the last quarterly report, but I don't have it with me.

COUNCILMEMBER COCHRAN: Oh, okay. No, no, not a problem. Just trying to, you know, get an idea of there's a million dollars' worth of repairs, how many miles have we done

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so far, and just...anyway. But I guess that could depend on certain...this mile could have all the leaks and the other...

MR. TAYLOR: I can tell you that we put a job out to bid last year that I think it was in the 600,000 or \$700,000 range that was really just handling a very, very, very small portion of the leaks we found. So just addressing all the leaks we've already found, the million dollars isn't even coming close. I mean we're trying to get a better sense of how bad this is to come up with a more comprehensive approach. But this looks like something we're going to be chasing down for many, many years.

COUNCILMEMBER COCHRAN: Okay. Well, better to just start somewhere and work our way through it. Okay, very good. Something we need to take care of. Thank you, Chair.

VICE-CHAIR WHITE: Ms. Baisa?

COUNCILMEMBER BAISA: Yeah. We had a report at one of the recent Water Resource Committee meeting. Remember your leak detection man came, so that information is probably in a PowerPoint, very...that's handy. If we can find it.

MR. TAYLOR: I'm sure it was in that Water Resources Committee --

COUNCILMEMBER BAISA: Right.

MR. TAYLOR: --binder.

COUNCILMEMBER BAISA: Yeah. 'Cause he came to report. 'Cause I was curious to know how this leak detection thing was going because I was in love with the fancy vehicle. Thank you.

VICE-CHAIR WHITE: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah, was a, the leak detection guy doing some work up in the tank right up here on Kuikahi? 'Cause I saw him this morning when I drove down. Nice truck by the way.

MR. TAYLOR: I passed him on the way down too. I'm not exactly sure where they were --

COUNCILMEMBER VICTORINO: Okay.

MR. TAYLOR: --going.

COUNCILMEMBER VICTORINO: Just thought I'd ask that question.

MR. TAYLOR: There's a...they were probably...right across from Bailey House there is a leak, you've probably been driving over for the past...I know I've been driving over it every

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time I go home. You can see it seeping, but it's not geysering so that's scheduled to be repaired tomorrow.

COUNCILMEMBER VICTORINO: I see.

MR. TAYLOR: And they were probably out there trying to locate exactly where that was.

COUNCILMEMBER VICTORINO: Just like the one they just did on High Street across the Protestant church by Wailuku Elementary.

MR. TAYLOR: Yeah, I'm not exactly familiar with what they did.

COUNCILMEMBER VICTORINO: Yeah, that was leaking for about two weeks and then finally they came in and took care of it. So thank you. I appreciate the leak detection team. They're out there and they're doing a good job, Mr. Chair. I've seen them around, and by determining where the exact leak is that saves us a lot of money. And I want to make everybody aware that there's one...if you ever get a chance, there's a, I think it was KITV, remember that one main break where the water shot directly into the house? Okay, it shot from the main break right into the upper level and seeped through the whole house. Remember that, mister...

MR. TAYLOR: To be clear with what Mr. Victorino is referring to, an EMI line --

COUNCILMEMBER VICTORINO: Yes.

MR. TAYLOR: --below Makawao broke and went into someone's house. It was on TV and on YouTube.

COUNCILMEMBER VICTORINO: Yes.

MR. TAYLOR: It was not our line, it was an EMI line.

COUNCILMEMBER VICTORINO: But no, but what I'm trying to say, that's an example of what could happen. That's all I was trying to make. I wasn't saying it was our line. And there was on KITV about in Honolulu where the water actually went into the second story and went down. It went right into the second-story window and there was well over \$250,000 worth of damage in just that one incident. So that's all I'm trying to say. If you can see it, then you understand why we have those monies set aside. I know that we talked about it long time ago, but it came to my mind now. Thank you.

VICE-CHAIR WHITE: Okay. Looking at the electricity charge on Page 19-55. Mr. Baz has applied a Budget Director's adjustment of about 15 percent on the other departments. Is there a reason why he hasn't made such an adjustment on your electrical charges?

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MR. TAYLOR: I do not know why he didn't charge that. I suppose he felt that ours was reasonable based on the uncertainties we have of volume which is, has a large degree of unpredictability.

VICE-CHAIR WHITE: Well, to my earlier point the budget on this line is 12,655,000 and we've spent almost exactly...in fact it is exactly half of that in two-thirds of the year, no three-quarters of the year. So that's some money you could have put somewhere else like CIP or...so anyway. Gosh, I hate to see what this Committee might do with that electrical charge.

MR. TAYLOR: I would just point out when you look at Electricity, I know we submitted last year some kilowatt usages of dry versus wet. This has been I think the wettest year in memorable history. Our kilowatt hour use is so much lower than it was just a couple of years ago because it's just been raining so much. So we've got this sort of perfect storm in a good way in that there are global low, really low oil prices and it's been raining. So this year is really low, next year could be the same or could be much, much higher. So that's the unpredictability that we struggle with is we just don't know this long in advance.

VICE-CHAIR WHITE: Yeah. No, we understand that. Okay, Members, any further questions in the B Accounts? Okay, moving to C Accounts. Mr. Victorino?

COUNCILMEMBER VICTORINO: Okay, okay. Didn't get there yet, okay. No, I don't have any other questions at this time. Thank you.

VICE-CHAIR WHITE: Mr. Guzman, questions on the C Account items? They're on Page 705.

COUNCILMEMBER GUZMAN: Seven oh five. I probably will just allow Mr. Couch to ask the computer questions on the Software Programs for 86,712. So I yield.

VICE-CHAIR WHITE: Okay. Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you for replace, considering to replace the old tractor or equipment anyway, loader backhoe for Molokai. What is it, 24 years old. So I think, you know, you mention you have four crews there and they really work, you know, so I want to thank you for making their life better. 'Cause we don't have rentals. We don't have rentals at all. And even repairs are, you know, just to repair your car is a challenge on our island. So I just want to say I can appreciate that and hopefully throughout it all we'll have a big yes for that. So the pipe locator for Molokai and this...are the...does the loader backhoe need anything else that would go with that or is that sufficient?

MR. TAYLOR: I'm not aware of anything else that goes with it.

COUNCILMEMBER CRIVELLO: Okay. Just asking. Thank you, Mr. White.

VICE-CHAIR WHITE: I was just going to say that backhoe is just reaching its prime.

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COUNCILMEMBER CRIVELLO: Yeah.

VICE-CHAIR WHITE: Mr. Couch? Oh no, you're not going to ask about the computers? Actually, you know, instead of us going down the line we should let Mr. Taylor explain. So, Mr. Taylor, since you didn't get into these particular items. You especially didn't cover the backhoe. And I think Mr. Guzman although had no question really wants to know what a valve exerciser vacuum jetting system is. Because anyone with kids needs one of these.

MR. TAYLOR: Well, we put that in because I heard some questions the other day to the Managing Director about the County exercise program was, so. So our valves, if you look at a, if you see a water valve in the street all you see is a little, really small concrete donut with a little cap, but down in there there's a nut and there's a long stem that you have to turn. And those valves can turn maybe 100 times to open and close. Also, the boxes of those valves they don't have a bottom so they're full of dirt, so when you go to open one and turn those, they tend to be stuck shut, covered with dirt. And if you can get them to crack, the guys get hurt doing them. And then they have to turn them 100 times. So one of the things that I've been really pushing Mr. Vida to implement is a valve exercise program so that the valves don't freeze. But you can imagine nobody really wants to do this work and if they do, they either break the valve because they're over torquing it or they're getting hurt. So what this device does, it's a trailer-mounted, basically a big compressor that hydraulically has an actuator that can rotate down through the dirt, sort of dig its way to the nut and by using the right torque can loosen and exercise the valve. So it's a key part of a valve exercise and a valve opening and closing program that is safer, less likely to break, and when a valve like this breaks now you're talking about a major construction program. You gotta close the valves on both ends, shut the line down, dig out that thing, replace it, et cetera, et cetera. So it seems like a lot of money for a piece of equipment, but this can pay for itself just in a few broken valves which are really expensive to replace. And if they freeze because they're not exercised they're more likely to. So this is a, I think a key part of a long going...ongoing preventative maintenance program of valve exercise, valve actuating and valve repair program.

VICE-CHAIR WHITE: So these are large size valves. What size are we talking about?

MR. TAYLOR: These would be anything from 6 to 36, something like that. That's I think the size of our pipe.

VICE-CHAIR WHITE: Yeah.

MR. TAYLOR: So 9,300 for replacement of drilling and tapping machines. When we go hook up people's laterals, basically the private contractor or plumber puts it in up to the pipe, but we have to go do the connection to the pipe. So this is a drilling and tapping machine to make that connection. A pipe locator, I think that's pretty obvious what that is. The Computer Equipment, I think that's self-explanatory, replacement of four desktop computers and handheld for backflow testing. The Software Program is part

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of our ongoing Laboratory Information Management System. Lab has been transferring from a paper system to a electronic system. This is the next phase of that which is putting into electronic format all of the data that everyone's generating. This will allow more automated reports that go to DOH and really be a huge timesaver. As we are having more and more requirements, we have to do more testing, there's more data. We are trying not to up staff by not using technology and this whole system is a way to do that. It also allows us to share the data with different operational groups who need it, and more automate the data rather than, you know, having people write things down and send copies, et cetera, et cetera. So this is something that's been ongoing for a few years and I believe this is the last phase, is that correct, Dean? One more?

MR. TANIMOTO: One more.

MR. TAYLOR: One more phase. Next we have a vehicle replacement of a 4x4 Ford Ranger. I'm not sure if you got the consolidated memo from all the departments on their vehicles. I know we submitted that with pictures as was requested, so you'll get the full breakdown of mileage and photos with the rest of the County vehicles. Backflow Preventer Test Kit, self-explanatory. A few chlorine pumps. Eighty thousand dollars to retrofit the Waihee Wells emergency generator transfer switch for automatic. Right now the Waihee Wells have a generator. It's one of our primary backups when we have power loss, but it's a manually operated transfer switch so somebody has to go there. When there's heavy rains, when there's heavy winds which is when we tend to lose power no one can get up there. So retrofitting that with an automatic transfer switch will allow that to start even though we can't actually get there. Another vehicle replacement, again you'll see that as part of the vehicle replacement package. Two riding lawn mowers at \$13,000 each. We have six dams. Director of Public Works testified earlier today in his about the dam safety rules, you have to keep the grass on the front of these dams, basically crew cut. They're on hills and I ditto his explanation of why he needs those lawn mowers, we have exactly the same situation and the same need.

VICE-CHAIR WHITE: He was talking about a slope mower and...

MR. TAYLOR: I'm not sure. Tony, are these slope mowers or regular mowers? Regular mowers?

MR. LINDER: Four-wheel-drive industrial...

MR. TAYLOR: Four-wheel-drive industrial mowers, not the slope mowers.

COUNCILMEMBER CRIVELLO: Hundred thousand for slope.

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

COUNCILMEMBER BAISA: No, thank you.

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VICE-CHAIR WHITE: Ms. Cochran? Mr. Couch? Ms. Crivello?

COUNCILMEMBER CRIVELLO: Good job.

VICE-CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: No, I'm okay.

VICE-CHAIR WHITE: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: My question was answered earlier about the goat, so I won't go into the goats. Thank you very much.

VICE-CHAIR WHITE: About the what? Oh, I don't see that on the equipment list. Okay, Staff, do we have any other items we need to cover? Okay. Well, you guys have lost your juice so we might as well...I want to thank...

UNIDENTIFIED SPEAKER: Oh look at him, he's stretching it now.

VICE-CHAIR WHITE: I can. I'd like to thank Mr. Taylor --

MS. YOSHIMURA: Excuse me.

VICE-CHAIR WHITE: --Mr. Meyer and...

MS. YOSHIMURA: Sorry. Mr. Chair? Tomorrow morning nine o'clock County Auditor and then followed by Civil Defense.

COUNCILMEMBER GUZMAN: Are we done?

VICE-CHAIR WHITE: Okay.

COUNCILMEMBER VICTORINO: No, no, you can stay later if you wanted to.

VICE-CHAIR WHITE: So go home and brush up on those two departments for tomorrow morning. And with that I wanna thank the Department. Thank you, gentlemen, for coming in. And with that we'll be adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 8:48 p.m.

BUDGET AND FINANCE COMMITTEE MINUTES
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APPROVED:

A handwritten signature in black ink, appearing to read "Riki Hokama", is written over a horizontal line.

RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:160407:ds

Transcribed by: Daniel Schoenbeck

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

April 7, 2016

CERTIFICATE

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

DATED the 2nd day of May, 2016, in Kula, Hawaii.

A handwritten signature in black ink, appearing to read "Daniel Schoenbeck", is written over a horizontal line.

Daniel Schoenbeck