

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 18, 2016

Council Chamber

CONVENE: 9:02 a.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Mike White, Vice-Chair
Councilmember Gladys C. Baisa, Member
Councilmember Elle Cochran, Member
Councilmember Don Couch, Member
Councilmember Stacy Crivello, Member
Councilmember Don S. Guzman, Member (in 10:15 a.m.)
Councilmember Michael P. Victorino, Member

EXCUSED: VOTING MEMBERS:
Councilmember Robert Carroll, 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)

Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor
Teena Rasmussen, Economic Development Director, Office of the Mayor
Tracy Bennett, Economic Development Specialist III, Office of the Mayor
Kenneth Yamamura, Economic Development Specialist II, Office of the Mayor
Jeremiah Savage, Economic Development Specialist II, Office of the Mayor
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Kimokeo Kapahulehua
Julia Pahukula, Pomaikai Elementary School
Ruth Balmus, Pomaikai Elementary School
Hayden Hondo, Pomaikai Elementary School
Bryson Cagasan, Pomaikai Elementary School

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Shairene Bayle, Pomaikai Elementary School
Kanata Kuwahara, Pomaikai Elementary School
Sage Campbell, Pomaikai Elementary School
Melia Lee, Pomaikai Elementary School
Faith Cie, Pomaikai Elementary School
Kate Welch, Curriculum Coordinator, Pomaikai Elementary School (did not testify)
Arthur (Art) Vento, President and Chief Executive Officer, Maui Arts and Cultural Center
Jaydon Isobe, Teacher, Pomaikai Elementary School (did not testify)
Terry Vencl, Executive Director, Maui Visitors Bureau
Lisa Paulson, Executive Director, Maui Hotel and Lodging
Yuki Lei Sugimura
Sydney Smith, President, Maui Coffee Association
Alexa Betts Basinger, Vice-Chair, Maui County Sisters Cities Foundation
Cory Vicens
Mercer "Chubby" Vicens
Teya Penniman, Manager, Maui Invasive Species Committee
Lui Hokoana, Chancellor, University of Hawaii Maui College
Jeanne Skog, President and Chief Executive Officer, Maui Economic Development Board, Inc.
Mitzi Toro, Owner, The Maui Cookie Lady
Penny Levin, Planning Coordinator, Indigenous Crop Biodiversity Festival; and Project Coordinator, Ekupaku Kaaina
Amy Hodges
Tamara Sherrill, Executive Director, Maui Nui Botanical Gardens
Rick Collins, Clinical Director, Maui Youth and Family Services and Aloha House
Robin Newbold, Chair, Maui Nui Marine Resource Council
Mike Fogarty, Director, Maui Nui Marine Resource Council
Lori Teragawachi
Brett Fahenstock (did not testify)
Noelani Sugata, Executive Director, The Paia Town Association
Joylynn Paman, Executive Director, Association of the Fishponds of Maui (Ao`ao O Na Loko I`a O Maui,)
Cindy Reeves, Maui County Administrator, University of Hawaii Manoa of College of Tropical Agriculture and Human Resources (CTAHR)
Warren Watanabe, Executive Director, Maui County Farm Bureau
Malia Cahill, Executive Director, Maui Huliau Foundation
Emily Severson, Community Outreach Liaison, Maui Nui Seabird Recovery Project
Others (+10)

PRESS: Akaku: Maui Community Television, Inc.

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CHAIR HOKAMA: . . .*(gavel)*. . . Okay. Let's get this meeting to order. This is the Council's Committee on Budget and Finance. We are reviewing the Mayor's 2017 Budget proposal. This morning present are the Vice-Chairman, Mr. White.

VICE-CHAIR WHITE: Good morning, Chair.

CHAIR HOKAMA: Committee Members, Ms. Baisa.

COUNCILMEMBER BAISA: Good morning.

CHAIR HOKAMA: Good morning. Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha, Chair. Good morning.

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 and aloha, Chair.

CHAIR HOKAMA: We excuse Mr. Carroll and Mr. Guzman. Before we start the review, first everyone turn off your noisemaking devices. That means it's your phone, your iPads, your iPods. Anyone wishing to provide testimony will be given an opportunity to speak before the Committee. By Committee rules you have three minutes and three minutes only to speak to us. State your name, if you represent an organization state that organization's name. We shall assist you with your time. When the green light is on please speak, yellow light means you have 30 seconds to conclude and red light like the intersection means you will stop. Everyone will have the same amount of time to give their thoughts before this Committee. With that, first name Kimokeo Kapahulehua please come forward. Following Mr. Kapahulehua is Kate Welch.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. KAPAHULEHUA: Good morning, Chair Hokama, Vice-Chair Mike White, Member Gladys Baisa, Elle Cochran, Don Couch, Stacy Crivello, Mike Victorino. I'm here to represent the Hui O Wa`a Kaulua, Moana Pasifika Voyage, and I have before you stories of sustainability hosting Moana Pasifika traditional voyaging canoes on Maui. We have a total of five canoes. That's coming to the IUCN in Oahu and the County of Maui has been fortunate enough to be the only county that have a support the hosting these

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canoes prior to the arrival in Oahu. I have before you the performance period project description, project summary, the introduction of Hui O Wa'a Kaulua, the Maui's own double-hulled voyage and sailing canoe. It talks about the problem need target groups and gives you a list of things, the use of the community resources having the canoes to come here and understand the sustainability on the County of Maui taking them to various places on this island, showing them the green initiative and eco-friendly places that we have on our County prior to them going to the IUCN. And listed is the itemized budget. I wanted to ask you for the support as you well know that Polynesian Voyage Society Hokulea is around on the wide world voyage and it's brought many attentions to many countries and many, many educational institutions. We're proud to say that our voyaging company is the child of Hokulea and we are here since 1976. Our first canoe that launched was the Mo'olele in Kaanapali and since '76 we've been around and been partners with you at Kamehameha Iki Park in Lahaina and we appreciate you supporting us down there. But now today the world comes to Maui and hosting five of the canoes; Fiji, Tonga, Samoa, New Zealand, and Cook Islands. And so we look forward for you to support us on our Moana Pasifika program that's coming for the IUCN meeting in Oahu. And we'll be the first County to have the pre-event for the canoes and then we'll be joining them with our canoes from the island of Hawaii, Maui, Oahu, be there already but Kauai is shortly to launch their canoe Namahoe and so you'll have three outside island which will be Namahoe, the last of the voyaging canoes to be launched, that's 72 foot so we're organized with Polynesian Voyage Society called Ohana Wa`a. So we look forward for you to support us in this effort of Moana Pasifika. Mahalo everyone.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Question. Bully, would you happen to have that outline and the schedule and the watch? Did you give that to us or are you, do you have a copy that you could give?

MR. KAPAHULEHUA: We gave 18 copies to that people --

COUNCILMEMBER VICTORINO: Oh, okay, okay.

MR. KAPAHULEHUA: --in the front.

COUNCILMEMBER VICTORINO: We just haven't received. Okay. We haven't received it yet. Okay. I apologize. Thank you, Mr. Chair. I would just like to go over it if I could. Thank you, Chair.

CHAIR HOKAMA: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. Good morning. Thank you for being here. And so is there a dollar amount you folks are asking for?

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MR. KAPAHULEHUA: We're asking for the total of \$30,000 to host them here for, we have planned for them to be on our island for three days. And that will already include with a partnership with the bio crop people in helping us to take them to these places on Maui.

COUNCILMEMBER COCHRAN: Thank you very much.

MR. KAPAHULEHUA: Thank you --

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Any other questions?

MR. KAPAHULEHUA: --Councilmember Elle Cochran.

CHAIR HOKAMA: Having none, Mr. Kapahulehua, thank you for being here this morning.

MR. KAPAHULEHUA: Mahalo, Chair Hokama.

CHAIR HOKAMA: Mahalo for being here. Kate Welch? Hi.

MS. PAHUKULA: Hello. Aloha, I'm Julia Pahukula and these are my fourth grade classmates from Pomaikai Elementary School. We are here to encourage you to continue to support the Office of Economic Development which supports the Maui Arts and Cultural Center.

MS. BALMUS: Pomaikai is a unique school. We are the first school in Hawaii to be totally arts integrated. What does that mean? We don't just learn about the arts and make the arts. We use the arts to help us understand and demonstrate our learning.

MR. HONDO: Currently, we're the only school on Maui that is a recognition school. We're the top 5 percent of schools in Hawaii. This means that arts integration is working. Thanks to the Maui Arts and Cultural Center, we are able to make this happen.

MR. CAGASAN: We are going to show an example of a science and dance integration. We will be doing a dance that we created about electrical circuits. We will be doing a canon which is a fancy dance term of a sequence because in a closed circuit the electrons get pushed to a conductor that follow each other to a resistor. In our case, it will be a light bulb. Watch as we travel from the energy source to the resistor and back to the energy source to complete the circuit.

COUNCILMEMBER VICTORINO: Can they come in the middle, Mr. Chair?

CHAIR HOKAMA: Come in the middle.

COUNCILMEMBER VICTORINO: Come all the way down. Right there perfect.

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... (dance performance by students) . . .

... (audience applauding) . . .

MS. BAYLE: Wow! I had so much learning science through dance. The Maui Arts and Cultural Center helps our teachers learn new and better ways to teach us all through the arts. When I learn using drama I get to work with others to create our scene. The arts let me show I understand in different ways. This I why I think school is never boring.

MR. KUWAHARA: Learning through the art, arts challenge me in different ways. I have to think of new ways to solve problems. Who says school has to be boring? It's fun to work with others. Learning through the arts challenge me in different. . .I mean make me wanna come to school even on the weekend!

AUDIENCE: Laughing.

MS. PAHUKULA: So, we urge the Maui County Council to support the Office of Economic Development to continue to provide meaningful experiences for our education.

CHAIR HOKAMA: Thank you.

... (audience applauding) . . .

CHAIR HOKAMA: Kate Welch? Art Vento next.

... (audience applauding) . . .

MR. VENTO: Aloha and good morning, Council, Council Chair, and Councilmembers. How do you follow an act like that? Well the fact of the matter is we don't have to follow an act like that. That's your future leaders of this County, that's the future leaders, the future learners in Maui County. There's a lot of, we're talking about the Office of Economic Development today and the Maui Arts and Cultural Center by the numbers is a pretty impressive facility. What we saw earlier is there's always a story behind the numbers that make the feel good happen as to what happens. Just a sense of the numbers of the MACC so you can get an understanding, so far to date 177,538 people have come through the front doors. That's just to date, that's three quarters of the year and we're on pace for the 250,000 people that came to the MACC last year. To date, \$4.36 million in economic impact has happened in Maui County. On pace to reach our 5.4 million that happened last year. We tracked the 6,300 checks that were issued out of the Maui Arts and Cultural Center last year and 89 percent of them stayed in Maui County. We've done 1,191 events this year and we're on track for the 1,700 events that we did last year. Of that, 27,000 people came to free events at the Maui Arts and Cultural Center on pace to reach the 50,000 of last year. Four thousand six hundred and ninety-three artists have performed on our stage including students from each band in the public schools, some of the kids that you just saw here. That also includes some of the world-class performers from all around the

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world. In essence, we bring the best of the world to Maui and showcase Maui for the best, for the world. One item that you should know is that when you look at the funding requests from the Maui Arts and Cultural Center, every single dollar that you grant the Maui Arts and Cultural Center, the MACC goes out and gets \$10 more to match that number. We are in a one to ten ratio of what the support is that you give us. You can see there's the numbers, but you can also see there's kids that are impacted every day by the MACC. There's adults that are affected, there's everybody in this community in one way, shape or form is one degree of separation from something that happens at the MACC. We ask for your support. We take your support seriously. We don't take it for granted. And every year we come back and say how can we do more. We're not about or, we're about and, at the Maui Arts and Cultural Center. What can we do and to what we've already done and add to that? So we ask your support and you'll hear other testimony today from other people that have been impacted but those kids are actually on a field trip today. This is all part of their learning process and we hope that you support the MACC. Aloha.

CHAIR HOKAMA: Questions? Having none, Mr. Vento, thank you.

MR. VENTO: Thank you.

CHAIR HOKAMA: Jaydor Isobe? Jaydon Isobe? Terryl Vencl? Following Ms. Vencl will be Lisa Paulson.

MS. VENCL: Aloha, Mr. Chairman and Councilmembers. My name is Terryl Vencl. I'm the Executive Director of the Maui Visitors Bureau. As you may know I'd like to share with you that we now have a new PR Director who is in our midst today, actually all of our directors are here for an opportunity to question later if that's your wish. We've been very fortunate as we've climbed out of the great recession to have continued gains in visitor arrivals and expenditures. We've also had growth in FY '16, even into '15, back into '15 the number of seats coming in to our island. When I look on the horizon, I have concerns about keeping up still forever with the competition and in this case some of the newness of the competition. New resorts and new destinations are at our heels. I also have concerns of keeping up with the demand to fill the seats that we have because if we don't keep those seats filled, they will go away. I have concerns of moving the international visitors to Maui nui. While we appreciate the airlift from Hawaiian, from our Asian and oceanic countries, if they, if people fly on another airline the wait is long and difficult at the Oahu airport. In order for us to grow that business, we have to make ease of travel a priority. It's not in the cards in the near future for Maui to have immigrations and customs at our airport. So we have to look for ways to move those international visitors to Maui and less wait times and to make the experience more tolerable. The Mayor put an additional 200,000 in the Budget this year for that very reason and we can talk about that further later. I have two new programs that have been, that have approached us for sponsorship in next year. One is a new golf tournament, I'm not at liberty to say what that is at this point but I can tell you that it will, it would be funded similarly to the current golf tournament and it would bring in a similar \$20 million economic impact. The views, the vignettes, and the things that we get on TV out of those golf tournaments are really

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things that we can't, we would never have the money to pay for. The other item is a CMI project. There's a group called Incentive Resource Group. They are high-end incentive, an association. We have the opportunity to bring those folks to Maui nui in 2017. At this point I'd like to thank you for the funding that we've received in the past that has helped us to secure a great number of new CMI business. I guess I'll save the rest of my comments until a little later on. I will be here, Mr. Chair, for questions.

CHAIR HOKAMA: Okay. Thank you. Any questions on testimony currently presented? Having none, thank you, Ms. Vencl. We look forward to additional comments. Lisa Paulson? And following her will be Yuki Lei Sugimura.

MS. PAULSON: Good morning, Chair Hokama and Members of the Committee. My name is Lisa Paulson, Executive Director of the Maui Hotel and Lodging Association. I'm the legislative arm of the visitor industry. Our membership includes over 160 property and allied business members in Maui County, all who have an interest in the visitor industry. Collectively we employ over 20,000 local residents and represent over 19,000 rooms. On behalf of the Maui Hotel and Lodging Association I ask for your support of the 4.2 million funding for the Maui Visitors Bureau in the County's Fiscal Year 2017 Budget. As the economic engine for the County, the marketing and promotion of Maui as a destination is crucial to the future viability of our island. The County funds are critical in giving us the ability to compete against other sun destinations, especially when we are seeing an increased amount of competition with new resort locations and other destinations deeply discounted air/hotel packages. I do want to thank the Maui County Mayor Alan Arakawa, the County Council, and the Office of Economic Development for their foresight and fiscal planning to invest in the visitor industry. The results of Maui Visitor Bureau's efforts have positively impacted the economic health of Maui County. Their success is tangible, resulting in an economic engine that provides salaries and wages to a significant portion of Maui County residents. The visitor industry directly employs 40 percent of our residents and indirectly that percentage goes up to 75 percent. The tourism industry has an overwhelming economic importance to Maui and therefore it is our responsibility to continue to care for the industry that supports so many of us today. As a global leader in tourism marketing we strongly believe in the value that Maui Visitor Bureau brings to our community and we urge you to support their important work. Thank you for the opportunity to testify.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Thank you, Ms. Paulson, for being here. I know we talk about this almost every Budget. I was wondering if we can be a little bit proactive this year and can you give us an estimate, if you don't have it now which I doubt you would, but prior to, you know, the next day or two can you give us an estimate of how much each of your members contributes to advertising and marketing Maui?

MS. PAULSON: I could definitely survey them and get you that number.

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COUNCILMEMBER COUCH: Yeah.

MS. PAULSON: Not a problem.

COUNCILMEMBER COUCH: Yeah, we'd like to know.

MS. PAULSON: Absolutely.

COUNCILMEMBER COUCH: Thank you.

CHAIR HOKAMA: Any other questions for Ms. Paulson?

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And along with that what particular areas do your members put their dollars towards? You know this advertising, how much is brought in, or how much is put in and where do they target? Because I think that's important. You want to go certain areas. You want to go an expand to the Asian market. Are they doing the Asian market and that's what I'd like to find out please.

MS. PAULSON: Okay.

COUNCILMEMBER VICTORINO: Thank you.

MS. PAULSON: Absolutely.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR HOKAMA: Other questions? Ms. Paulson, thank you so much for being here.

MS. PAULSON: Thank you.

CHAIR HOKAMA: Yuki Lei Sugimura, followed by Sydney Smith.

MS. SUGIMURA: Good morning, Budget Chair Hokama, Members of the County Council. My name is Yuki Lei Sugimura and I'm actually here to support the Office of Economic Development's Grant for Festivals of Aloha. Before I do that though I just wanted to say I'm thrilled to see Terryl here and I think as we all know she's retiring and it might be one of the last times she testifies to start this all off from Maui Visitors Bureau. So thank you, Terryl, you've done a fabulous job for Maui nui. I just wanted to give you kind of a brief background of Festivals of Aloha to show how many years we've been around and what we do and maybe talk about the different things we've done and our accomplishments. I think it's fitting that we are speaking after the Maui Hotel and Lodging Association and MVB because what we represent is an organization that once the visitors get here we provide substance to their total experience as visitors here in

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Maui nui. The Festivals of Aloha is actually an offshoot of Aloha Week which we knew started in 1946. Nineteen ninety one it was born to be Aloha Festivals, and then in 2008 all the different counties took over and here we are. In 2016 besides doing this, this is probably a calendar of events which many of you may be familiar with, we're also adding some additional events to provide added value to your I think it's 44,000 that we have in the Budget for Festivals of Aloha for this year. We are having additional days under the banyan tree. Molokai is doing a jubilee which is a ball. It's kind of exciting, they're bringing back really old Hawaiian culture. In Hana I always get impressed with what they do with one whole week of activities and I, poke contest or is always they have to catch the fish, it's not only serving the food but you have to catch the fish to make it. They do amazing things. We have about 130,000 hits on our website. We have 97 vendors, food and craft vendors throughout the festivities that we have over the 2-month period. We reach out and bring out 40 practitioners and 55 entertainers throughout Maui County and this is how we like to spread aloha. Thank you very much.

CHAIR HOKAMA: Any questions for Ms. Sugimura? Having none...oh, Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And maybe Ms. Rasmussen would be the one to answer this but I notice there's a large increase, almost doubling, what's the reason for that?

MS. SUGIMURA: So I remember, maybe Teena Rasmussen is better to speak of it or Sandy, but I remember though last year's Budget sessions there was questions about our grant processing and to give you, before they, I'll tell you what the impact is, is that I believe what's in there is for 88,000 which is double. And so what happens with us because the Budget is passed for July 1 implementation and we begin our festivities in September, by the time the County processes the grant it is well into our festival and so it gets kind of mixed up in terms of Tri-Isle RC&D will not spend a dollar until they have the grant in hand. Anyway, I also want to say that Hawaii Tourism Authority matches this and so with the Hawaii Tourism Authority match is how we survive as well as cash donations and ribbon sales until we get the County in place. So I think this is a way of trying to solve that gap. Sandy probably explains it better.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions? Having none, thank you very much for your testimony.

MS. SUGIMURA: Thank you.

CHAIR HOKAMA: Sydney Smith. And following her will be Alexa Betts Basinger.

MS. SMITH: Good morning, Chair Hokama. Good morning, Council. My name is Sydney Smith. My husband and I own Maliko Estate Coffee, a commercial coffee farm in Makawao where we also grow tropical flowers for sale. I'm the current President of the Maui Coffee Association, a member of the Maui Flower Growers Association, and I'm

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on the Ag Working Group. Our agriculture industry is drastically changing this year. Those of us in the agriculture business depend on the support and advice we receive from the Office of Economic Development. Even though a majority of our island is agriculture land there is only one County employee whose job description is solely concerned with agriculture. That employee is the very capable and knowledgeable Kenneth Yamamura and he is with OED. The challenges ahead really call for an increase in staff for this all important part of our economic engine. A division or office of agriculture could benefit everyone who lives or visits Maui County. Inspectors and assessors who have agriculture qualifications could pay for themselves by more accurately identifying true agriculture enterprises. Our economy is like a machine with lots of moving parts. When one of those parts stops working, the whole machine breaks down. Agriculture doesn't just provide jobs, it provides the vistas we've come to know and love, it provides our sense of place and maintains thousands of acres of land for the benefit of all. None of us, even the most cynical among us want to see erosion and invasive species take over. As we move into a new era of agriculture we will need to proactively assist new farmers and ranchers and that includes integrating our business model into our greatest strength, tourism. Like it or not the visitor industry is the fuel that runs our economic engine. The high cost and high-tax burden of doing business in Hawaii requires creativity on the part of the farmer and rancher and the government. The USDA and HDOA are supportive of the ag tourism model and offer workshops every year to encourage it. In just two short years the Office of Economic Development has made the Made in Maui Festival one of the most successful events on the island. Our agriculture producers are promoted and featured and help make this event what it is. The building of food hubs in each community will help with the new Federally mandated food security measures and fulfill demands from the agriculture sector. Thank you.

CHAIR HOKAMA: Thank you. Any questions for Ms. Smith? Having none, thank you for your testimony this morning.

MS. SMITH: Thank you.

CHAIR HOKAMA: Alexa Betts Basinger, to be followed by Cory Vicens.

MS. BETTS BASINGER: Good morning, Chair, Councilmembers, and thank you for hearing us today. I'm Alexa Betts Basinger and I've been involved with Maui County Sister Cities Foundation since 2012. I've served on the Board of Directors, in 2013 through 2014 I was the Treasurer, and I was just recently elected Vice-Chair. The good news is that after a renewed year of energy we now have a 17-member Board of Directors leading the way. They're truly representative of the community at large. They are more invested in the mission. They bring fresh ideas for growth and success and are committed to contributing. Our new strategic plan fulfills the original mission and bylaws of the foundation moving beyond just hosting. And the new committee structure utilizes the hands-on skills and experience of our directors and members. Among many tasks this year, reconnecting and re-establishing relations with our 26 sister cities throughout the world is the priority. We are working hard to bring our files up to date and have already reached out to the Territory of American Samoa. We

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are celebrating our 30th anniversary with them this year. And just a few days ago we reconnected with Albi, France our sister city since March of 2001. Albi, France as you know is the birthplace of the French explorer Francois de Galaup, comte de Laperouse who came ashore at La Perouse Bay 230 years ago on May 30, 1786. In addition, this year is the 150th anniversary of Sun Yat Sen. We have been asked by his family and the Sun Yat Sen Foundation to consider a relationship with his birthplace village of Cuiheng, Nanlang Town, Xiangshan City, Guangdong Province, People's Republic of China. Our exploratory committee will be reviewing the request for recommendation to Administration and Council. The importance of solid international relationships should not be underestimated. We live in a global economy. We depend on global resources. And we understand our unique location on this planet. Thanks to the help of Maui County's OED, we are able to make progress each year to meet this challenge culturally and economically. Mahalo.

CHAIR HOKAMA: Questions for the lady? Having none, thank you very much for your testimony this morning. Cory Vicens, followed by Mercer Vicens.

MS. VICENS: Good morning, Chair Hokama, Councilmembers. I'm Cory Vicens. I'm here on behalf, I sit on the Council or the Advisory Committee for the Maui Food Innovation Center and I'm asking for your support for the Innovation Center. The Innovation Center's mission is to build a stronger, economically diverse and sustainable Maui nui by supporting a value added industry for locally grown and produced food. I am by trade a chef. I studied at the Culinary Institute. The branches of food are vast today. You can become a chef; you can enter into the world as a publisher. I left as a consultant but I did work in the digital space so my career has been vast. I'm excited to see this program and this center and the consideration of it here on Maui. I think the opportunities for Maui itself economically and for our food entrepreneurs is huge. The jobs it'll create, the foods that will be made here and be able to have visibility, greater visibility nationwide, regionally, internationally. So exposure as I just said economically but the Maui Food Innovation Center is capitalizing on a program called incubators, food incubators across the country, there are 436 nationwide. There is none as of today in Hawaii with the exception of Maui's foray in to this field. An incubator makes it financially possible for a small startup. I am a home cook. I make the best barbecue sauce. I make the best cookies and I want to get it to market. How do I do that? Well I know I got a good recipe, my friends tell me it's really good but where do I go from there? This Innovation Center will harness all of the resources. We have partnerships currently in the business sector, consultants such as myself, marketers to help you get that. The facility itself will have a wet room, a dry room, a packaging room that I can come in. The Maui Food Innovation Center will have three locations. The main building which will be 4,000. There's currently a 1,500-square-foot space, and then a 500 space for nutritional and microbiology to test the products to get it to market. I'm impassioned. I love food. I love that this can support our community and bring chefs, farmers, and food entrepreneurs into the spotlight. I think people are hungry for anything that is Maui and I think that it is time for us to stand and be a part of it. So thank you for your consideration.

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CHAIR HOKAMA: Thank you. Any questions? Having none, thank you for your testimony. Mr. Vicens, to be followed by Teya Penniman.

MR. VICENS: Good morning, Chairman Hokama, Chair White, Members of the Committee. My name is Mercer "Chubby" Vicens and Mr. Chair if it fits in your agenda I've got two items I'd like to speak on while I'm here and I'll try and combine them if possible. First of all, I'd like to speak on the support for actually for maintenance of the transportation facility. Many times what happens in many business is that you either buy a building or you buy equipment or you support a cause and sometimes fall short along the way but not providing the wherewithal and the means to support this effort. In this particular case it's maintenance. For some reason that has been downgraded this year and without the proper maintenance of our facilities in the Transportation Department we cannot provide the kinds of services that the kupuna need, want, and deserve. So I think it's very important that we think about how we're going to look at this transportation funding as a total package, one that trains drivers to be the best that they can be, take care of the people that the way we need to take of them. And finally take care of the equipment so that they don't fail at the most crucial times. Thank you for allowing me to say that. Mr. Hokama, I am here in support of the County Budget request for the Maui Food Innovation Center and this goes again back to MEO. As you know we have a Core Four program that takes people that are interested in becoming entrepreneurs; people that want to run their own business, people that feel that they have a product that they can offer the market. We send them through about a 12-week program, we teach them how to handle their finances, how to market, all the little things, and then we send them off into the world and say good luck. The Maui Innovation Food Center has added an element to this. It has said to them, here is an opportunity for you to bring your product, try it out, see what we can do with leaders of the industry to tweak it to make it a better product and then we'll put it out on the market. I'm proud to announce that the Cookie Lady who is a graduate student of the MEO program was a recipient of a \$5,000 award recently. There were three members of our graduating class in that. We've got another 12 coming up in the near future in phase two of it and we're excited at MEO that here is an opportunity not only to teach them the intricacies of learning a business but allowing them that extra ladder, that extra rung to climb so that they can become, they can take their product to market. I've tasted recently some of the most wonderful donuts that I've ever had. It's a cross between a donut and a cake donut and it's made out in Kihei by a husband and wife and I swear to God it's to die for. And yet how do you get it to market? Well you get it to market by bringing it to the people at the Food Innovation Center, which she did, and they're helping her. So I'm hoping that this business becomes successful. So while it's \$500,000, it's spread out over 2 years. So I think that it's a good bang for our buck, it'll support some of the programs that are going on now that we're trying to implement at MEO and why not reward the person who wants to be the best they can be. Thank you very much for your time, Mr. Hokama and Members of the Committee.

CHAIR HOKAMA: Any questions? Having none, Mr. Vicens, thank you for your comments this morning.

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MR. VICENS: Thank you very much.

CHAIR HOKAMA: We appreciate it. Teya Penniman, followed by Lui Hokoana.

MS. PENNIMAN: Good morning, Chair Hokama, Vice-Chair White, Councilmembers. I'm Teya Penniman, Manager of the Maui Invasive Species Committee. We had the opportunity last month to appear before the energy, Economic Development, Energy, Agriculture and Recreation Committee and give quite a bit of an update about the coqui frog project. There were a lot of good questions that came up and as I mentioned at the Pukalani hearing the other night we are concerned about the fact that there is no funding in this year's Budget allocated or proposed for continuing the coqui frog project. We understand that we got, have a large chunk of funding coming right now and there's probably an expectation to see results. But our concern that that's going to likely result in us having to lay off the ten folks that we're just hiring because of the gap in that funding. So would request either an addition to the Budget or a Budget amendment later on. I also want to note, give you an update about little fire ants. I know that we have previously explained that the largest infestation in Nahiku we've had recalcitrant landowners just this last week we were finally able to gain permission to control the most mauka property. This is huge news for us and we're very pleased that that is finally moving forward. County funding is absolutely critical to continue work on this horrible pest that is present on Maui. We want to stop it from infesting other areas. County funding also of course provides support for Miconia and a host of other invasive plant and animal species on Maui, Molokai, and even Kahoolawe recently and we hope to at some point be able to restart our work on Lanai. I want to give huge mahalo to the Office of Economic Development under Teena Rasmussen's leadership. They're doing an awesome job of managing all these grants. When I look at all the different people here and the host of services and projects that are covered it's truly amazing what they're able to accomplish as well as the advocacy by Rob Parsons and Kenneth Yamamura and all their staff at all levels really exhibit a high degree of professionalism. I'd be happy to answer any questions now or later. Thank you.

CHAIR HOKAMA: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Mr. Chair, is she going to be available as a resource at a later time or would you rather us come up with the questions now?

CHAIR HOKAMA: No. We'll take up grants when we take up grants.

COUNCILMEMBER COUCH: Okay.

CHAIR HOKAMA: This is testimony.

COUNCILMEMBER COUCH: Thank you.

MS. PENNIMAN: Thank you.

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CHAIR HOKAMA: Okay. Any other questions for the Chair or Ms. Penniman? Thank you very much for your testimony. Lui Hokoana, to be followed by Jeanne Skog.

MR. HOKOANA: Aloha mai kakou. My name is Lui Hokoana and I am the Chancellor of your college, Maui College. I would first like to extend my gratitude to Maui County, its Legislative and Administrative Branches for supporting Maui College for many years. As a lifelong resident of Maui I am proud of the fact that Maui County is the only county municipality in the State that supports its community higher education institution. I congratulate Maui County for its foresight and vision to support Maui College in our mission to educate and train Maui's people to create a high-skilled workforce that contributes to the economic liability of our Maui citizenry. I'm here asking for your support for the Maui Food Innovation Center. The center will serve as a catalyst for the transforming food production in our local community, supporting local agriculture, generating new businesses and jobs, contributing to more locally produced foods, and providing greater food security. The Food Innovation Center, when fully built will be a research, development, and manufacturing facility supporting the development of value-added food products. Let me share a few examples of what the center will do. Farmers struggle to find markets for their onions and strawberries when the local market is saturated, often from cheaper imports. They struggle to sell seconds and culls, which can be as high as 50 percent for some crops. They struggle when a vendor breaks a contract for a field of ready-to-harvest taro. Farmers need a place to process food to add storage life and value. Food entrepreneurs need assistance with packaging, labeling, food safety requirements and nutritional testing. Everyone in the food business needs food safety training. The college just graduated its first food business cohort, accelerating the growth of 12 new food businesses on Maui. An additional 12 businesses started their training last week. Based on what our students tell us, and what we have heard from our listening sessions, we believe the training we are providing is a viable solution to address Maui's transition from a large-scale agriculture operation to smaller farms and diversified crops. The current Budget request bridges the critical time before the facility opens and begins generating self-supporting revenue. It allows us to move our programs forward supporting Maui's agriculture sector and new food-based businesses. I ask for your support for the Maui Food Innovation Center. I have copies of a fact sheet about the center that I have left with the clerk and mahalo for the opportunity to provide testimony and for your continued support of your college, Maui College. Mahalo.

CHAIR HOKAMA: Questions for the Chancellor?

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, real quick, and thank you, yeah I got that fact sheet and noticed that there's pending 3 million from State Leg, how's that looking right now?

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MR. HOKOANA: It's on the House side at 7 million so we think in, when it goes to the negotiation it'll come to the 3 million.

COUNCILMEMBER COCHRAN: Thank you. Thank you, Chair.

CHAIR HOKAMA: Other questions, Members? Thank you very much for your presence.

MR. HOKOANA: Thank you.

CHAIR HOKAMA: Jeanne Skog, to be followed by Mitzi Toro.

MS. SKOG: Good morning, Chair Hokama and Committee Members. It's nice to see you this morning. I'm Jeanne Skog, President and CEO of the Maui Economic Development Board. I first want to thank you very much for your partnership as we reach and assist businesses in Maui County, including entrepreneurs seeking to launch new businesses here. In this era in Hawaii and Maui of adjusting to a post-Senator Inouye world it is promising to see so much interest and capability in starting new businesses on Maui. An entrepreneurial culture is very much alive here. County funding has enabled us to create new ways to assist and help new businesses navigate and thrive to benefit our community. While new business startups make up 60 percent of our reach, it is worth noting that 40 percent are businesses that are already established and thriving but they still see the need for help with whether it's legal, accounting, planning, or marketing just to stay current on the best practices to help their businesses. With your funding we have also broadened our network of seasoned mentors themselves successful and seasoned entrepreneurs and tech assistance providers. They want to give back to help others succeed and they've really stepped up enthusiastically to be part of this scene. The AMOS Conference had another exciting year with nearly 600 attendees, including those from 11 countries. Its economic impact was about 1.2 million and you'll be hearing more about the details of that from another colleague. Your partnership has been equally important in our efforts to retain anchoring activities such as the Pacific Disaster Center and the Joint Information Technology Center and the jobs associated with them. They are as important to our economic resiliency as anything else we do. As you know our workforce goals align with the needs of sectors we target. You've made it possible for us to prepare our students for careers in these sectors using your funding to leverage others 10 to 1. Our programs integrate areas such as engineering, research, 2 and 3-D design, photography, digital media, robotics, et cetera, et cetera. It is the best feeling to see a student who have come through our programs now working in those sectors so it's come full circle. Finally, we appreciate your consideration of the studio concept we are launching. A piece of that studio concept includes using space in our center as a tool to help attract more film projects to Maui, so we thank you again for the partnership.

CHAIR HOKAMA: Questions for Ms. Skog? Thank you for your testimony this morning. Mitzi Toro, to be followed by Penny Levin.

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MS. TORO: Hi, my name is Mitzi Toro and I'm the owner of the Maui Cookie Lady. I'm here to testify on behalf of the Food Innovation Center at UH-MCC. Our company started three years ago as a fundraiser for my dad who passed away. I am a school teacher and it was never meant to be a business. We just started at Wailuku First Friday with a few cookies on a plate and in three years we've grown very quickly, very fast. We did Costco, we were one of the highest grossing Maui-based Costco road shows. We are in hotels, airports, we started our online shipping last November. Eighty percent of startups fail in the first two years and we just made three years. It's really not easy to run a business on Maui and I'm a school teacher so I don't have a business or marketing background. With that it's been very challenging to learn the business and I'm so busy in the business I don't have time to work on the business. The Food Innovation Center is an entrepreneur's dream. It brings all the resources to us here in one place. It was a two-month accelerated program and we learned so much from that program. We have learned about distribution channels, we had consultation, food safety, food technology and it brought so many free resources I didn't even know was available. We got consultation from the SBDC, the MEO, MEDB, the Maui Food and Technology Center. I know employ seven people. I'm really proud of that. Six of my seven people are born and raised on Maui, one on Molokai. And we have leads into two NFL teams and one NBA team sells our cookies in their box offices and we were contacted last week by American Airlines by the commodities office in Dallas Fort Worth to provide cookies for the airlines. I can't do that type of production on my own with my limited skill set. I am a teacher turned cookie-preneur and I need help on every level and I can't do without the Food Innovation Center. I don't want to be another sad statistic of a startup business that blows up and then moves the production on to the mainland. Adoboloco came on to the scene the same time as we did. They just moved their production to Oregon. Wally Amos, Famous Amos, he has his cookie company on Oahu. He's a friend of mine and he told me he just moved his production to California because he can't find a co-producer in Hawaii, or a co-packer. So another company, they haven't announced it yet but a really well known company is about to move their facilities and production to San Diego. It's very expensive to ship the items here and to ship them back. So I'm just asking that you please support the Food Innovation Center because we're about to introduce Cookie Butter so it will be the first cookie butters from the state of Hawaii. It's Trader Joe's top selling item as of 2012 and I need the Food Innovation Center to produce this at a mass level and to produce these big accounts that want us and I want to keep the production here. My husband is born and raised here. My daughter, both her tutus are here and our family. Sorry to be emotional but it's really important for me to keep it on Maui. It means a lot to me. So, okay thanks.

CHAIR HOKAMA: Thank you for your testimony. Any questions, Members? Thank you very much again for sharing your thoughts with us. Penny Levin, following her will be Amy Hodges.

MS. LEVIN: Aloha mai kakou. My name is Penny Levin and I'm wearing two hats today. I am the Indigenous Crop Biodiversity Festival Planning Coordinator and I'm also the Project Coordinator for E Kupaku Ka Aina which is a small nonprofit here in Maui. I'm testifying in support of the OED Budget. They've been really fabulous, innovative,

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and have had a huge amount of foresight in choosing the projects that they fund. I've heard it from a lot of them today and that includes the Indigenous Crop Biodiversity Festival. If some of you are probably familiar with the fact that the Indigenous, the World Conservation Congress is coming to Hawaii and the ICBF is one of only 4 approved parallel events that will be happening, 167 nations are coming, 8,000 to 10,000 people and the Indigenous Crop Biodiversity Festival is the mechanism that is bringing World Conservation Congress participants to Maui County as well as joining up with the Pacific Ocean Summit and as you heard from uncle Bully, the Moana Pasifika canoe voyage that will be coming here before it goes to Honolulu. The ICBF will feature an exciting array of events going from August 24th through the 30th including conservation, site visits, workshops, events at all kinds of venues including Maui Tropical Plantation, the Maui Nui Botanical Gardens. We've got 41 cultural and conservation organizations already participating. And so what we see with this event is that it's not just a way to attract more attention and awareness to conservation and to Maui County but also it's a catalyst for change. You've heard from the tourism industry already and echoing the concerns of Terry and some others that we're quickly having a challenge in terms of competitiveness with what's coming on board around the world. If we make this about conservation, we actually have a really stellar card to play because the world comes here to see that we're a showcase for taking care of aina. And when we become that beacon we also exhibit the fact that we, when we take care of aina we also take care of ourselves both economically, culturally, and geologically, physically. So yes please support the OED budget. They are doing a fabulous job. Changing hats really quickly I'm also speaking in support of Maui Nui Botanical Garden so if I might have one more minute. It's a line item in the Mayor's Budget and the Maui Nui Botanical Gardens currently maintains one of the most complete collections of traditional Hawaiian food crops in Hawaii and the Pacific not limited to kalo and to the Hawaiian bananas. But they're also going to be a very prominent partner in the Indigenous Crop Biodiversity Festival. We'll be hosting special cultural events there as well as dialogue on indigenous crop biodiversity and food security there. So really critically important. When the world comes to Maui in August we'd like Maui Nui Botanical Garden to shine as well. Thank you.

CHAIR HOKAMA: Okay. Thank you for your testimony. Any questions for the lady on her testimony, Members? Okay. Thank you very much for your presence. Amy Hodges, following her shall be Tamara Sherrill.

MS. HODGES: Aloha kakahiaka kakou. My name is Amy Hodges. I'm here to ask your support of the Office of Economic Development in the Fiscal Year '17 Budget. I work for the Maui Nui Marine Resource Council. I'm also a paddler with Na Kai Ewalu Canoe Club in Kahului Harbor, a student of Olelo Hawaii at UH Maui College. I'm a graduate of the Ka Ipu Kukui Fellowship Program, I'm a kalo farmer, a volunteer, and a community member. All of these things have been impacted by the Office of Economic Development. I really urge you to continue to support them. The Maui Nui Marine Resource Council is just one of the organizations and programs I see here today that is supported by funding from OED. These groups are then able to use that funding and to do the work, their work and give love to the people and the land and the sea of this island. The work being done by all these organizations could not be

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done alone just by the County. That money is then turned around, used as matching funds and can be spread across our island. I urge you to continue to support the OED. Mahalo.

CHAIR HOKAMA: Thank you for your testimony. Any questions? Thank you for being here. Tamara Sherrill, followed by Rick Collins.

MS. SHERRILL: Aloha, Chair Hokama, Vice-Chair White, and Committee Members. I'm Tamara Sherrill, I'm the Executive Director at Maui Nui Botanical Gardens and I'm actually going to be testifying tomorrow so I'll keep this very short. I just wanted to express my appreciation and gratitude for the support that you guys have given Maui Nui Botanical Gardens over the years. It has meant the world to us. We've really been able to build it into something quite extraordinary. And also our gratitude to the Office of Economic Development who has been, they're just an incredible professional group of people and they've really helped us a lot. We've really...also want to express our appreciation to the Parks Department who we have a really exciting new partnership with. We're actually taking volunteers now to take care of an endangered species that's on Parks land that's off of, you know not on the property of Maui Nui Botanical Gardens. This is a new thing for us so we're actually taking care of our logo plant, the dwarf naupaka. It's the last 100 plants that exist in the world and it's actually just about a mile away from us and it's the first time that there's been a regular group that's going to take care of those plants. So it's a great partnership and it's a great connection and we're very grateful to the Parks Department. So I just wanted to urge you to support the Maui Nui Botanical Gardens' budget line item and thank you so much.

CHAIR HOKAMA: Thank you. Any questions, Members? Thank you for being here this morning. Rick Collins, followed by Robin Newbold.

MR. COLLINS: Good morning, Budget Chair and County Council. My name is Rick Collins, and I'm the Clinical Director for Maui Youth and Family Services and I'm also here to represent our tri-agency Aloha House and Malama Family Recovery Center. I'm here to support continued funding for the Maui Arts and Cultural Center. We've had a great partnership with them in a program that they offer called the Artist in the Community. This is where they bring visiting artists out in the community. It's a free outreach to us and to our clients. They meet in our programs with our populations of people at Aloha House, they've met with a number of the kids at Maui Youth and Family Services and this includes some really, really big stars for the kids. I got to see Jake Shimabukuro with a number of the kids and I know John Cruz, Brother Noland, and actually all the Rough Riders have showed up to do a performance at Aloha House. But it's not just the intimate performance but it's also the talk story that they do with the clients, sharing their own stories and their own challenges in their families and their personal lives with substance abuse, mental health issues. That's just been very inspiring for our kids and our adult clients alike and it's something that I know they come away with feeling like it's such a special event for them for someone of that stature to come and perform for them and to be in such a small setting, wow, who would give their time to someone like me. And I know that that has really impacted

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our clients. They've also comped [sic] us tickets for a number of their events for free which has also been a cool event for the groups to go to that which they wouldn't otherwise get. So I just ask for your continued support for that and we look forward to that continued partnership with the MACC. Thank you.

CHAIR HOKAMA: Okay. Thank you. Any questions for the gentleman? Having none, thank you for being here. Robin Newbold?

MS. NEWBOLD: Aloha, Chair. Thank you for having us today. Councilmembers, it's a pleasure to see you again. I'm Robin Newbold. I'm the Chair of Maui Nui Marine Resource Council. I also sit on the National Marine Sanctuaries Advisory Council and on the NARS Commission so I try to keep contact with the County, the State, and the Federal government and we'll all work together to try to protect the reefs. I want to thank the OED in particular for supporting us. Thank you for supporting them and them for supporting us. I'm just in such awe of all the fabulous programs that are going on on Maui as a result of your support. It's really amazing. I can't imagine how those could happen without you so thank you for that too. In 2015 we had quite a few accomplishments, one was that we became our own 501(c)(3) so we're now our own nonprofit which should make it easier for us to fundraise although we need to find the time to fundraise of course. So we're very appreciative of the funding that OED gives us and it's been so dependable, reliable, and that's what an organization needs to grow. We've been doing this since 2007 and, you know, by 2016 we now employ quite a number of people mostly through contracts; one employee and four people who are under contract and we keep needing more and more because our projects keep growing. We did complete an annual report this year and I've e-mailed it to all of you. It looks something like this. So please when it comes in take a look at it. It certainly, it covers our accomplishments and our impact and our plans for the future and it also talks about there's a page with our financial statement so you can see that we've been really good stewards I believe of your funding. All of the money that you give to OED that then comes to us goes directly into program services. We also have quite a few volunteers and those volunteers make up about 92 weeks' worth of work last year meaning almost the equivalent of 2 extra employees if you will. So we really have quite a good base. One of the things we completed this year was a report on the status of Maui's reefs and I believe I've sent that to you in the past as well. It unfortunately monitors or has documented the decline in the health of the reefs over the past few years. In the last two decades the number of fish have declined, the health of the reef has declined, the biomass has declined and so the reefs are really needing our help. As you know they're critical to the economy of Maui as people talk about bringing visitors here, it's important that those visitors have clean water and healthy coral reef, lots of fish to look at so that they'll keep coming back and tell others to come back or to at least come visit Maui. So we and that's something else we completed. And I've told you about this before our recovery plan. We continue to use it as our bible. It's not something that sits on the shelf. We reference it every day and try to follow through on the strategies that have been recommended there for us to return the reefs to good health. Thank you very much.

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CHAIR HOKAMA: Any questions for the lady, Members? Having none, thank you for your testimony this morning. Mike Fogarty?

MR. FOGARTY: Thank you, Chair, and thank you, Council. Mahalo for your broad support of OED and so many important community groups and nonprofits in Maui nui. With regards to MNMRC which is Maui Nui Marine Resource Council in 2015 OED support was leveraged 70 percent with volunteer and in-kind value. I am one of those volunteers. I'm one of the directors and I do the back room stuff helping to develop the new nonprofit. That leverage increases to 80 percent when you include private donations that we're now able to bring in as a nonprofit organization. And that support continues to grow year over year as we increase our outreach and education programs thanks to your support. OED's support has been critical to our ability to grow in to a more effective nonprofit in our mission of clean water, healthy reefs, and abundant fish and that benefits Maui's community and it also supports our visitor industry. We will continue to be good stewards of your support and again mahalo to OED and County Council. Thank you.

CHAIR HOKAMA: Thank you. Any questions for the gentleman? Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you folks very much for all your work. Ms. Newbold and yourself and others mention how the reefs are very important to our tourism industry. So how much...and then we heard from the, previously the other tourist industry representatives. What's the percentage or is there a count that you can point to that they help assist you in the work you folks do to help protect that in a sense industry via your work?

MR. FOGARTY: As far as the resources that go into those programs to support the reefs? Is that, I'm sorry...

COUNCILMEMBER COCHRAN: From those industries, yes.

MR. FOGARTY: The Visitors Bureau?

COUNCILMEMBER COCHRAN: Yes.

MR. FOGARTY: We are currently seeking support from the Visitors Bureau. There's just so many, so much to do with so few people on our organization right now and that's why your support is so important. That's going to allow us to expand and that outreach program is designed to address that particular problem. In fact, that's a very near-term goal that we have.

COUNCILMEMBER COCHRAN: Okay. Excellent. Well very good.

MR. FOGARTY: Thank you.

COUNCILMEMBER COCHRAN: Thank you very much for your time and efforts. Thank you, Chair.

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CHAIR HOKAMA: Other questions? Having none, thank you very much for your presence. Lori Teragawachi?

MS. TERAGAWACHI: Good morning. Good morning, Chair, Members of the Council. My name is Lori Teragawachi and I am here on behalf of the Maui County Sister Cities Foundation and asking for your support to OED for the support they provide to the Maui County Sister Cities Foundation. But first of all I want to personally thank you for your commitment, all of your commitment and dedication to Maui County and its citizens. You know your task on the Council is not an easy one and I commend you for giving so much of your time and energy into making the decisions you do for our county so thank you so much. I've been involved with the Sister Cities Foundation for the last three years and I have been Secretary for the Foundation for the last year. We currently have 17 board members and approximately 39 members and many of them are sitting here in the Chamber. Last year the membership participated in a strategic planning retreat and when we revisited our mission we identified some areas for growth. So the members of the foundation is currently transitioning to doing things differently to become more effective. Our membership is striving to live the mission which states, and I wanted to share this with you, to promote activities and programs that provide and facilitate communication, education, economic development, mutual understanding and aid between the people of the County of Maui and people of cities of other nations. We were so excited during the strategic planning retreat we even came up with a new tagline and that is sharing the spirit of aloha with the world. So we have three main areas of focus this year. The first is to, and you had heard this from Alexa, the first is to reconnect with all of our current sister cities. We currently have 26 sister cities in 13 countries. And the first step which we've already started will be to reach out to our existing sister cities and start nurturing those relationships. We want more to just have them as a name on our brochure. Secondly, plans are to engage our members, committee members more by getting them involved with various committees. We are really great at the hospitality function for sister city participants or sister cities that come to visit Maui but we have the capacity to do so much more. So during the strategic planning retreat we created committees our members could get involved with; the youth committee, business development committee, public relations, and fundraising. And lastly, we have a lofty goal to be recognized as an organization for all things international here in Maui County. So today my goal was to share the direction of the Sister Cities Foundation to give you some confidence that--it makes you really nervous yeah--to give you some confidence in knowing--

CHAIR HOKAMA: Okay. Please conclude.

MS. TERAGAWACHI: --in knowing that we have plans to do great things. Thank you for allowing me the opportunity to testify.

CHAIR HOKAMA: Questions for the lady, Members? Having none, thank you very much for your testimony.

MS. TERAGAWACHI: Thank you.

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CHAIR HOKAMA: Brett Fahenstock? Brett? Noelani Sugata?

MS. SUGATA: Good morning. Aloha, Chair Hokama and Councilmembers. My name is Noelani Sugata, and I'm the Executive Director of our Paia Town Association. I am here to support the Maui County Office of Economic Development. Here is a brief summary of what we've been working on with the funds we have received. First, trash receptacles have been purchased and installed in heavily used areas in Paia, the County parking lots, and Paia Post Office. Daily removal is provided by a long-time resident before he goes to work in the morning. Three more receptacles are being made on Maui and will go in similar public locations. Paia is a much cleaner community thanks to the grant money from the rubbish removal and maintenance program. Also, OED funds have been used for other beautification projects. Recently the PTA sponsored the painting supplies for the community mural at the lower Paia parking lot. What was once a dull wall filled with graffiti is now a beautiful mural that stretches from the back of the parking lot and extends to the entrance. We are thankful to have partnered with art advocates 808 Urban and the many individuals that came out and showed their support. Also, we would like to thank the Department of Public Works for giving us permission to paint the wall. We are looking forward to working with like-minded organizations and individuals on future beautification projects because as the saying goes, many hands make light work. Prior to the community mural project, grant money was used to promote events such as Small Business Saturday, and Paia Gives. Our merchants have been featured in local and national publications. This type of exposure provides free advertising and encourages residents and visitors to come to Paia and support local business. In conclusion, the PTA has accomplished a lot during a short period of time. We are very grateful for these funds from the Maui County Office of Economic Development and appreciate the support we have received to make Paia a community we all can be proud of. Thank you for your time.

CHAIR HOKAMA: Thank you for being here. Any questions for the lady? Having none, thank you again.

MS. SUGATA: Thank you.

CHAIR HOKAMA: Joylynn Paman?

MS. PAMAN: . . .*(spoke in Hawaiian)*. . . Aloha everyone and wonderful to be in front of all of you today. My name is Joylynn Paman, Executive Director of `Ao`ao O Na Loko I`a O Maui, it stands for the Association of the Fishponds of Maui. We are a nonprofit that was formed back in 1998 and I've been with the nonprofit ever since and we restore the native Hawaiian fishpond Ko`ie`ie located in South Maui in Kihei near Kalepolepo Park. We have been very fortunate to have a very successful program over the years. Our main, there's actually two different things that we do. We do a native Hawaiian fishpond restoration project where we have the community come and they help us rebuild the wall, and then the second component of our programs are education and outreach and we host a lot of school groups and community groups at our site

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promoting native Hawaiian culture and our, also educating them about fishponds and the importance of them within our ahupua`a system. We are very fortunate to receive funding from...we're asking funding from the Office of Economic Development to support one of our education and outreach programs. Several years ago we had a small grant to purchase some canoes to do a very unique tour of our fishpond area and the immediate marine area and so we take guests on this canoe, on our canoes and we take them along the walls of our fishpond and then further out into the marine reef and we are able to explain to them how important the ahupua`a system is. We integrate a lot of cultural protocols in the work that we do and it's a unique and overwhelming experience for many of the visitors that have participated in this tour. So with the support of OED this year, we're going to be able to repair some of the canoes that we have as well as market it much better. In the past we've been very low key, just very simple with marketing it but we've seen the dramatic impact that this has had with the people that have gone on the tour. In fact we have repeat visitors come on and just the other day we had somebody who's coming on for their fourth time and bringing many more people with them. So we know it's a success, and we also are going to be conducting additional tours with the support from OED. With the money that we are going to be earning with this fund is we're going to be able to turn that around and leverage it more into our program with being able to restore the fishpond more as well as be able to provide more education and outreach for our students here on Maui and our community organization. So mahalo nui for everything that you all do and for OED for supporting us.

CHAIR HOKAMA: Thank you for your comments. Any questions for the lady? Having none, thank you very much for your testimony. Cindy Reeves?

MS. REEVES: Good morning, and thank you, Mr. Chairman, Vice-Chairman, and Councilmembers, for this opportunity to address you and request support for the Maui County Office of Economic Development Budget for this year. My name is Cindy Reeves, and I am the County Administrator for UH Manoa Maui Cooperative Extension. We've worked very closely with OED over the past year to be a strong and relevant partner, supporting the economic development of Maui County through our agricultural focus. I am here today however primarily to thank all of you for supporting our efforts and having faith in our work through your support of our budget line within the Office of Economic Development Budget. Although our funding for 2016 was only just executed last month, through our partnership with the Office of Economic Development we have collaboratively selected seven projects that will strongly contribute to the County's agricultural economic development over the next year. And now that those projects are off and running, I look forward to reporting those results to you during next year's Budget hearings. However, our Fiscal Year '15 funding is now in its final stages and I'm excited to share with you that we've been able to leverage the county's support by more than doubling your investment in the following ways in this past year. CTAHR, in partnership with the Office of Economic Development and the Chamber of Commerce was able to obtain a grant for nearly \$70,000 from the USDA Agricultural Marketing Service to develop an interactive online marketing database as an extension of the Made in Maui County event. In this way we are working together to enhance the marketing and availability of agricultural

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value-added products being produced in the county. Our identification of root rot in mamane and sandalwood trees and fungus in turf has saved the industry and landscaping industries here in Maui at least \$36,000 in lost plants and turf in the past year. We've cultivated a relationship with a California distributor of protea flowers who's interested in marketing Maui-grown cultivars and we have two local growers who are interested in producing the cultivars for this growing industry. On Molokai and Lanai, we have successfully worked with local growers on irrigation management of more than 12,000 acres of crops. Sorry 1,200 acres of crops. We have also a grant that is currently being reviewed by the Hawaii Department of Agriculture that will help us to convert our low-elevation farm which is currently fallow into a 1/8-acre learning plots for new and beginning farmers in the coming year. We are also a partner with UH Maui College and the Maui Food Innovation Center, an addition to the OED budget this year that we are also in support of. We are working hard to be a good partner for the county, to meet the needs of the citizenry, and to explore new directions in extension outreach. But we can only accomplish this with County support. So I thank you, I thank you, and I thank you again, and I thank the Office of Economic Development and their leader Teena Rasmussen for your support of our line item and the overall budget for this coming year. Thank you.

CHAIR HOKAMA: Thank you. Any questions for the lady, Members? Having none, thank you for your testimony. Warren Watanabe?

MR. WATANABE: Good morning, Chair Hokama, Vice-Chair White, and Members of the Budget and Finance Committee. My name is Warren Watanabe, Executive Director of the Maui County Farm Bureau. I did testify at the Wednesday public community meeting but, however I wanted to add to our Farm Bureau item that we do leverage funding the MEDB for our summer intern program for ag business with the hope of these students pursuing a career in agriculture. We also partner with the Maui Visitors Bureau to promote local agricultural products. At this time, I would like to focus on some other partners that are in the budget. The soil and water conservation districts, they provide a valuable and necessary service for our commercial producers with implementing conservation plans. This is a critical service to the County that is provided by mainly volunteers. CTAHR CES research is critical to viability of farmers and ranchers. Pests and diseases are an ongoing battle. Varietal trials keep us ahead of, keep us ahead to remain competitive and provides a valuable service to, and CTAHR provides a valuable service to the ag industry. The Maui Food Innovation Center. You heard Chancellor Hokoana speak to this issue. Commercial farmers need a value-added market to supplement the fresh market. Our large producers dump tons of unmarketable produce. We can also partner with our ranchers to utilize the lower end cuts. I don't know if you are aware but in the proposed Senate budget there is a proposal, line item to purchase Dole land on Oahu for \$107 million for 8,000 acres and so we need to be supportive of ways to keep Maui agriculture viable in light of neighbor island competition. I also ask for your support of MISC and I think it's important. Invasive species is an important issue but it's also an important issue for agriculture. Thank you.

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CHAIR HOKAMA: Thank you. Any questions for Mr. Watanabe? Thank you very much for your testimony. Malia Cahill?

MS. CAHILL: Aloha and good morning, Councilmembers. My name is Malia Cahill. I'm the Executive Director of Maui Huliau Foundation. We run various environmental education programs for Maui youth ages 12 through 18 from all schools. We partner with Hawaiian Canoe Club so that's where our programs are located. As part of our largest program which is an environmental filmmaking program that is in its sixth year we work with the Office of Economic Development to make three short films about various organizations that are funded by OED. This is a small, less than \$10,000 grant but it allows us both to educate our students as well as helping these organizations tell their story. This year we are working with three different groups, the Indigenous Crop Biodiversity Festival as Penny testified on earlier, the South Maui Volunteers who are doing amazing--I saw you down there--who are doing amazing work in Kihei, I actually did not realize the full extent myself until I was down there, and the Maui Conservation Alliance which we all know how important they are. Not only, as I was saying before, not only do our students benefit from these programs but they're, we have done this grant previously, not the year before but for two years consecutively before that and we were able to give voices to these sometimes relatively small groups that are funded by the Office of Economic Development that maybe wouldn't have resources to like media resources to tell their story and also may not have as much involvement with youth. We share these films at our annual film festival at Iao Theater. It's on June 4th this year if any of you would like to attend. We also put them on our YouTube channel where organizations can then embed them in their website and we work with them to use those films as a resource. We also share them, we've been selected now over 50 times, our student films have been selected in national and international film festivals so that gives our students the opportunity to represent Maui and Hawaii to an international community and gets these issues out in front of an international community. So I think it's a very innovative program. We're very grateful to Office of Economic Development for funding this and also just be, working with all these organizations over the years makes me realize how many really crucial important organizations OED does fund. So thank you for your support. Mahalo.

CHAIR HOKAMA: Any questions for the lady? Having none, thank you for your testimony this morning. Ms. Lono, Hana Office, anyone wishing to provide testimony?

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

CHAIR HOKAMA: Thank you. Ms. Fernandez, anyone on Lanai?

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

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

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

CHAIR HOKAMA: Thank you, ladies. We have a Emily Severson.

MS. SEVERSON: Aloha kakou, Mr. Chairman, Vice Chairman, Members of the Council. Thank you for the opportunity to address you today. I am Emily Severson, I live in Kula, and I am the Community Outreach Liaison for the Maui Nui Seabird Recovery Project. Project Manager Jay Penniman regrets that he is unable to be here but instead he is at a previously scheduled meeting with the US Department of Energy, Solid State and Lighting group in Chicago to present our work on seabirds and the impacts of our night time lighting. He hopes to return with new technological advances that will help our nocturnal wildlife. First and foremost, we want to thank the Council and the Office of Economic Development for their past and ongoing support for our Hawaiian wildlife and the aina. Thank you. With shrinking State and Federal funding sources, the fact that the Maui County is stepping up to assist is extremely laudable. Maui Nui Seabird Recovery Project is benefitting from the support of the Council and the Office of Economic Development by becoming a more effective advocate for seabirds and their habitats in Maui County and Hawaii. The position I fill is currently funded through OED and provides Maui Nui Seabirds to reach the visitor industry, our schools, civic organizations with educational and volunteer opportunities to help our native seabirds. We have used local vendors to print both brochures and shirts for the project. We have long-standing partnerships like the Humane Society and those that we're developing like Hawaii Hawks Bills, West Maui Kumuwai, Ridge to Reef, and Coral Reef Alliance. I have work plans that include innovative ways to connect our visitors and locals alike with a more deeply connection to our seabirds including the Kahului Airport display, airplane reading and viewing, guest engagement and staff training at shoreline hotels. A 2011 US Fish and Wildlife Service report on birding demographics in the US said birders spent 15 billion on their trips and 26 billion on their equipment in 2011. It also said that bird watching by state residents only tells a portion of the story. Many people travel outside of the state to bird watch. That year, Hawaii reaped the benefits with over 73 percent of total birders coming from other states. Birds are a big draw for people to travel to Hawaii. An estimated 47 million or 20 percent of the US population are bird watchers and 38 percent of them travel to watch birds. I'm sure some of you are bird watchers. Mahalo nui loa for your generous commitment, caring, and protecting the seabirds of Hawaii.

CHAIR HOKAMA: Thank you. Any questions for the lady? Having none, thank you for your testimony this morning. Members, with no objections, that was ending of request for testimony. We shall close testimony for today's meeting.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: So ordered.

. . .END OF PUBLIC TESTIMONY. . .

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CHAIR HOKAMA: We'll be in recess until 10:45. . . .(gavel). . .

RECESS: 10:34 a.m.
RECONVENE: 10:48 a.m.

CHAIR HOKAMA: . . .(gavel). . . Okay, we'll get back to order. Before we go through the grants component. Members. we're gonna go through some operational reviews with Ms. Rasmussen. So as I told you last week, we have more requests than money. We have a lot more requests than money from this week's listing. Sharpen your pencils, sharpen your knives. Ms. Rasmussen, why don't give us some comment on the operational component of your program.

MR. BAZ: Mr. Chair, I apologize, but we did review the operations of the Office of Economic Development last, it seems like a while ago.

CHAIR HOKAMA: Yeah, I know we did with the Mayor's Office.

MR. BAZ: Yeah, so there is two operational sections that are listed under their grant appropriations; one is film industry promotion and the other is energy programs. So I don't know, Mr. Chair, if you would mind bringing those up first?

CHAIR HOKAMA: Yeah, I'll let Ms. Rasmussen make, give us some opening comments.

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

**DEPARTMENT OF OFFICE ECONOMIC DEVELOPMENT
GRANTS**

MS. RASMUSSEN: Okay. Okay, so primarily we're here today to talk about grants and of course our operations that deal with that. As you can see from the testimony this morning, OED grants cover a broad spectrum of services and I think that just the fact that these organizations, these nonprofits and organizations throughout the community do this work for the County, we can see that it is an incredibly efficient process to have these third-party providers. And if we had to pay for these things ourselves it would be completely unaffordable. So I really commend all of our grantees and all of the work that they have done over the year. We have two programs that we have money under film industry and energy and these tend to be the work of the Film Commissioner and the Energy Commissioner. And so because those are more directed to a commissioner's work I didn't, I would like to maybe cover those first because then we can actually go into the different pots of money and the line item grantees after that if that's acceptable to the Chair.

CHAIR HOKAMA: Yeah, that's fine. Why don't you proceed.

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MS. RASMUSSEN: Okay, so I'd like to first start with bringing up our Film Commissioner Tracy Bennett.

CHAIR HOKAMA: Members, also I would inform you that the Department and the program did respond under ED-1, -2, and -3 to Committee questions. So if, when you have time you can refer back to those responses from the office.

MS. RASMUSSEN: Okay, so we have Mr. Bennett here and he's going to talk to you about the program and how he was able to promote our film industry with the Film Industry Promotion Fund that you gave OED.

CHAIR HOKAMA: Okay, thank you.

MR. BENNETT: Aloha, Chair. Aloha, Council. Tracy Bennett, the Film Commissioner. Happy to be here today, thank you. Our Fiscal Year 2016 was our best year yet, actually for many years. Two thousand twelve, 2013 we saw 1.4 and \$1.6 million in production spent here and for this year we just eclipsed \$11 million. We've had a couple major productions here, couple major television shows that chose Maui as their location. Many of you might be familiar with Guy Fieri and his Food Network show Diners, Drive-Ins, and Dives. He filmed here for two weeks, hired 40 crew members, and those shows will air in June on the Food Network so you will see Maui highlighted very much. Feature film Inquisitor was filmed here last year and will be available on Netflix in May. That also employed about 50 crew members here in Maui county. A couple reality shows were here, A&E Network Surviving Marriage that has done very well with television ratings highlights Maui. Many of you know Anthony Bourdain and his popular series on Travel Channel and CNN called Parts Unknown was here and on Molokai. We just finished shooting an MTV reality show, MTV's number one rated reality show called Are You the One. It's a dating show. They filmed at a home in Haiku for 30 days and then different areas of the island; parks, some of our tourist attractions. They spent just over \$6 million here. And then this past weekend we also had Sony Pictures here filming four days of a press junket for the soon to be released Angry Birds movie. They spent over a million dollars here during their stay and the actors that were here as part of their contracts were told to use social media as their tool for letting the world know where they were and what they were doing. So there were over 17 million followers to the 6 actors that were here that saw Maui being highlighted and helping our industry. They also hired a film crew, all Maui based. And in this past year since I've presented before you last time, we had 38 union crew members based in Maui County. We are now up to 45 and we have 3 more that are eligible to join. One of the highlights for me this year for the Film Office was hosting a film night from local filmmaker Matt Yamashita who's based on Molokai. He had two films called the Sons of Ulu and the Roots of Halawa. I'm sorry, Sons of Halawa and Roots of Ulu. We showed those films at the McCoy Theater at the MACC and those sold out I think within a day. It was an incredible presentation by a local filmmaker and those films are getting awards nationwide and worldwide at different film festivals. So that was a really amazing time to have Uncle Pilipo come over from Molokai, Ms. Crivello, and Mayor Arakawa were in attendance as well and the sold-out theater was able to see two amazing documentary films. Matt Yamashita is also part of a film

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crew that is filming on the Hokulea and I will join him in New York in early or mid-June when they arrive there as he completes his documentary with them. And then also as previously testified by Jeanne Skog there's office space up in the Kihei Tech Park that MEDB rented to, or leased to a Chinese production company. Jackie Chan's company was here filming for a couple of weeks several months ago and they found this area and used it as office space and it was incredibly advantageous for us to make that deal with them because it's in a perfect area. And I'm working with Jeanne currently on attracting other productions to use that facility because it's perfect for film production. They have high-speed internet and they have the capability of coming and going on a 24-hour basis whereas a lot of productions when they do come to Maui they base themselves out of hotel rooms and those become inconvenient to hotel guests. So this is really a perfect area for us to utilize in bringing productions here and having this office space available. So thank you, Jeanne, for making that available. Looking forward to our year ahead we have several other films being pipelined and Sony is now considering us for a remake of Jumanji starring Dwayne Johnson and Kevin Hart and some of those folks were here over the weekend as well for the Angry Birds press junket. So we're going to be in discussion shortly with Sony and try and attract them here over Oahu. So alright, so some of the trade shows that I've been in attendance have been a big part of us bringing more work to Maui and tripling the amount of spend over the last year. Other film festivals that I attend are Sundance, the International Film Summit, South by Southwest, and also attend the Association of Film Commissioners International Trade Show which happens, starts this Wednesday in Los Angeles. Then the Association of Independent Commercial Producers Trade Show which is in New York in June, I attend those regularly with other film commissioners from around the world and we're able to trade secrets so to speak on attracting more business here. The funds that I do get in my budget for promoting film industry are crucial in keeping what our tax incentive here offers in the State of Hawaii and Maui County to producers, studio executives, and decision makers in that world. And it's important for me to show the face and keep my promotional materials up to date as far as what Maui has to offer. And I see the progress really going forward and I'm very thankful to have that opportunity.

CHAIR HOKAMA: Anything else?

MS. RASMUSSEN: I think that's...any questions for Mr. Bennett?

CHAIR HOKAMA: Members, questions? We'll go right down the line. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, and thank you very much for that comprehensive overview and I'm heartened to hear that you and OED and Maui County is making head roads in an industry for the longest time was taken to Kauai and Oahu because of their proximity and their ability to work with their OEDs. So I'm glad to hear this. Let me ask you two quick questions. First of all, you mentioned the number of union production people. You're almost up to 45 now?

MR. BENNETT: Correct.

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COUNCILMEMBER VICTORINO: Okay. And so and just so that the public understands their type of work they do what and what specifically? Just so that the public understands what kind of work these people do.

MR. BENNETT: Well the...

COUNCILMEMBER VICTORINO: Just kind of overview if you don't mind please.

MR. BENNETT: Sure. Sure, the trade crafts, the union trade crafts within the motion picture and television industry are folks that are grips which is they're sort of carpenters, I guess for lack of a better term, electricians, camera operators, camera assistants, hair, makeup, wardrobe, locations, teamsters, those sort of jobs that encompass being a union member.

COUNCILMEMBER VICTORINO: Okay. And what, if you'd give me like in this past year, what kind of payroll would that have equivalent to the actual productions themselves? A rough estimate if you have one.

MR. BENNETT: I don't have an exact number --

COUNCILMEMBER VICTORINO: Okay.

MR. BENNETT: --but a union wage is much higher than a typical non-union production that comes here. For instance, the MTV show that was here, they hired 135 local people and about 30 of those were our local union members and they worked for roughly 35 to 40 days. So the union pay scale is 15 to 20 percent higher than it is if you're a non-union member.

COUNCILMEMBER VICTORINO: And I think you hit another, and I'll make this my final question and let others ask, Mr. Chair, the ancillary services that you just mentioned beyond just these union workers and their production setups and their responsibility, what would you equalate [sic] the value to that part of the business? You know like they stay at hotels, they eat, they do other things that helps the local economy along with hiring extras. I know there's a whole gamut of items that occur whenever you do a production. What would you equivalent, what's the equivalent--excuse me my tongue is twisted this morning--the equivalent of that portion of the business?

MR. BENNETT: It's really incredible actually. We call that a second-tier spend when a production comes on location here they need hotel room nights, they need rental cars, they need local catering, they need local construction companies, they need local construction goods.

COUNCILMEMBER VICTORINO: Yes.

MR. BENNETT: For instance, the MTV show had 3,300 room nights in a matter of 6 weeks which is pretty incredible and they were placed at the Wailea Beach Marriott simply because the Marriott had the availability because they were going through a

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transformation right now. So they had looked at a couple other resorts but, you know, hotel room nights is really big. They rented 42 vehicles, they used 2 local catering companies, they hired a security company locally. So it's, you know, it goes widespread when a production does come here yes.

COUNCILMEMBER VICTORINO: Thank you, and, Mr. Chair, I'd be interested if we had some kind of range of numbers for all of that if that's possible, Teena. Just to give us an idea on the fiscal picture of this because we understand that it helps bring in money. But how does it get back to the local economy and if you're talking not only hotels but catering there's got to be a lot of aspects in that. And not regarding the other types of spending that they may do personally which is not accounted in this whole equation yeah? So I'm just curious because I think this is one of those industries that with the shutting down of HC&S and others, you know, this could be one of those areas if we continue to move in that direction, Mr. Chair, can be a real economic boost in the long run for this County, and I think we have a lot of value to offer them. So thank you, Mr. Chair, and thank you, Teena and Mr. Bennett, I'm sorry I couldn't remember your name.

MR. BENNETT: Sure.

CHAIR HOKAMA: Okay, we'll go down the line and have the Members ask their questions. Today is the grants day. I'm not planning to reschedule.

COUNCILMEMBER VICTORINO: Okay.

CHAIR HOKAMA: Okay. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Thank you, Mr. Bennett, for coming down to the floor and explaining further about the industry. I had the great opportunity to be on the set of one of the Jackie Chan productions, and I did see that they work late, late at night, and it's almost like 24-hour production. One of my questions is when you, when they contract with subsidiary or at the second tier type spending, they do hire local people. And I noticed that they have a lot of them there that are on standby, but are not being paid for the standby time. Is there any process to make sure that when they do hire locally, some type of contract review is, you know, done on the, on the behalf of our locals? 'Cause it, that in particular case was a halau that was contracted for one scene, and they were there for at least 14-15 hours, and I felt sorry for them. So I, you know, I came up to them and I said well how, you know how are you getting paid? And they were just being paid one lump sum for a scene. But yet if they had been charged per hour it would've been substantially more. The other fact is, tell me the barriers that are in front of us that prevent us from getting ahead of Oahu because it seems like they seem to get more of the I guess productions. What are those barriers and what are the solutions for us to capture a lot of that market? Is it because of the unions or is that something that...explain to us those barriers. And then lastly the permitting process, is there any way that we can streamline to allow these productions to have the permits that they need in a more I guess efficient manner? I noticed that when I attended that site visit they were doing that location

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shoot on that particular private property because they weren't able to get the permit from a more public access location which may have been a, more beautiful scenery. But given the fact that, you know, they weren't able to get the permits they were required to do it on that particular scene. So is there a process that we can make it easier for them? So I know that's a lot of questions to be asked but if you could.

MS. RASMUSSEN: Yeah. Well, Councilmember Guzman, I'm going to recommend just in the interest of getting through our grants today that we come back and do an entire, you know, bring Mr. Bennett, and we'll bring more answers and bring some industry people in and we can have that long discussion.

COUNCILMEMBER GUZMAN: Okay.

MS. RASMUSSEN: Because I think you asked really good questions today and it's definitely something we want to address with the Council. But in the interest of time and then, you know, giving us time to look, you know look for some of the answers as far as that. So --

COUNCILMEMBER GUZMAN: Okay, that's fine.

MS. RASMUSSEN: --if that would be acceptable, yeah.

COUNCILMEMBER GUZMAN: That's fine. Thank you, Chair. I'll waive at this point, or yield my questions. Thank you.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: No questions.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: I'm interested to know how much does your portion actually is in collaboration with these filmmakers that come to Maui or production. Do they contact you first or do you outreach to them or do they just happen to be on Maui and...

MR. BENNETT: It's actually a little bit of all that. You know the funds for film promotion are me actually going out and promoting Maui as a film destination in a variety of ways; through videos, through a presentation that I have of photos and different shooting locations, whether they're private property or County property or State property and the permitting process that's involved. There are many productions that come here on their own. There are many productions that come here that don't need any County assistance, they only need a State permit or they're shooting on private property which sometimes I don't even know about. For example, the Surviving Marriage television show on A&E needed no County support and they were shooting here for six weeks before I ever knew they were here. But, you know, we don't give financial assistance to any incoming productions, it's all used to promote Maui as the destination.

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COUNCILMEMBER CRIVELLO: One more question. Are you in collaboration with the commissioner from, on Oahu with the State?

MR. BENNETT: I am yes, whether there is full support that I would have to answer at a later time.

COUNCILMEMBER CRIVELLO: Okay.

MR. BENNETT: But, you know, she, Donne Dawson is her name. She's the State Film Commissioner. She oversees the tax incentive and she handles all the paperwork that production sends to get their tax incentive rebate back.

COUNCILMEMBER CRIVELLO: Okay.

MR. BENNETT: You know there have been some questions about the level of support that we receive. You know Oahu gets 97 percent of the film production that comes to Hawaii. So we have to have coordination and support from the State Film Office as well as the Local 665 union and the Teamsters union and the Screen Actors Guild as well to help support the neighbor islands. So Justin Woodson, Representative Justin Woodson is a very big voice for Maui and for the neighbor islands right now in the legislative session and trying to get the neighbor islands recognized and get some more business here, yes.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Chair. Yeah, Mr. Bennett, it sounds like if you have, if you weren't made aware of a shoot for six weeks that you're not getting a lot of cooperation from the State it seems to me.

MR. BENNETT: Well it is that sometimes. But, you know, when a production comes here, depending, especially the reality-based television series that come here, they operate on a non-disclosure agreement so that when they hire a crew here and they don't need any County or State assistance through permitting then, you know, you'd usually never know about it. And there's, you know, 20 crew members that will work on a show that didn't need any permits and I would never know about it. So it's not even so much the State at that level, it's just, you know, just a level of confidence that shows have to keep; especially when there's an award, you know, a show, a reality show has an award, a cash award at the end that not many people get to know about it.

COUNCILMEMBER COUCH: Okay. On your Goals and Objectives on Page 441, real quickly I noticed Goal No. 1, sub-item 1 number of IATSE Local 665 union workers registered and working in Maui County in 2015 it's 122 and your estimate in 2017 is 44. That seems to be going in the wrong direction.

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MR. BENNETT: I'm going to guess that that might be a typo. It's always hovered somewhere around 30 to 40. Yeah.

COUNCILMEMBER COUCH: So the 122 may not be an actual?

MR. BENNETT: That's correct.

COUNCILMEMBER COUCH: So you're thinking more like 22?

MR. BENNETT: Twenty two sounds more like it yes.

COUNCILMEMBER COUCH: Okay. Because that's part of the, as you said that's part of the problem is we're not, we don't have the union workers here and have to transport them either from the mainland or over. So are we working on getting that going or is that kind of a chicken and the egg thing?

MR. BENNETT: We are, yes. So the, what's formally known as the Maui Film Studios is now called Pan Pacific Studios and they are managed by a company called Cinelease out of Los Angeles. Cinelease is a major provider of grip, electric, and camera gear throughout the world and they actually own and operate several studios around the US. And they now are the managing partner of Pan Pacific Studios here and the head of Cinelease is in coordination with Henry Fordham who's the Business Rep for Local 665 on Oahu and they are scheduling several classes here on Maui to train and vet crew members in a variety of positions to get them vetted to join the union.

COUNCILMEMBER COUCH: Are they also looking for...and this is my last question, Chair, are they also looking for folks? 'Cause I know some people who actually live here, go to the mainland, LA especially, for three or four months out of the year and then come back. Are they looking for those folks that actually live here but have to work on the mainland?

MR. BENNETT: Correct yeah. We would, you know, ultimately would like those to be Maui based people who live here permanently. We do have several crew members that live here and travel to Oahu to work on Hawaii Five-O. They just finished season six and they're going into season seven in July. So in that timeframe between April and July most of those crew members like to come back to Maui and work. So we have a couple things lined up for those folks.

COUNCILMEMBER COUCH: Thank you, Chair.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and all the Members brought up key points that I had. But I guess for Film Commissioner here, are you at the table during any of these bargaining unit agreements of sorts? I'm not sure if I guess unions all kind of operate the same way for figuring out wages and things of that nature. Are

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you at all involved or have some kind of pull or say, you know, to comment in those negotiations?

MR. BENNETT: I am not involved in those. However, I do make my voice heard to Henry Fordham, the Business Rep for Local 665 and that I do believe the collective bargaining agreement when it comes up next I believe is in two years. There needs to be some discussion about, there's one major thing that prohibits Maui from getting some business and qualifying for the tax incentive and that is productions think they lose the extra 5 percent they're getting on Maui by having to bring over crew from Oahu. And per the collective bargaining agreement you have to provide roundtrip transportation, you have to give hotel and per diem to those folks. So the productions think that they lose that 5 percent so why come to Maui, why not just stay on Oahu? So that's a very key critical point that I try to make my voice heard. But I am not part of that collective bargaining discussion.

COUNCILMEMBER COCHRAN: Thank you, Chair, and that's a point too that when as he stated Oahu workers come here but check out when you send Maui to Oahu. They don't get the same --

MR. BENNETT: No they do not.

COUNCILMEMBER COCHRAN: --extra pay by the union. So just saying, Chair, there's a lot of discussion needed to be had here in regards to that. I just spoke to two people, they've gone out of state to continue to work, to earn a living right now as we speak. And so a lot of work to be done here in this industry. I'm very much in favor and but that thing with Oahu centric kind of thinking is not helping us. So...

MR. BENNETT: That's also an area where Justin Woodson, Representative Woodson is assisting in that process in getting more union vetted people in Maui County.

COUNCILMEMBER COCHRAN: Okay, very good. Thank you, Chair. We can discuss further on another day. Thank you.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much and I am very excited to see that attention is being put here and that there's potential. I have a union nephew that I'd like to get to Maui. He works in Hollywood and so does his wife and I asked him the question about the extras and he said their extras get paid even though they may not be used that day but they always get paid. So I thought that was really interesting and that'll be good for our folks if we can, you know, if they're going to sit there for hours at least they're getting paid. I don't know if they get, what they get paid because I didn't get in to it with him but they do pay them. But I think this is wonderful. There's so much potential here. But, you know, when we were lobbying for the break we could sense the competitiveness between the folks on Oahu and us. Of course they would much prefer to have this business there so it makes perfect sense. But, you know, we have

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Maui to offer and they don't. So I think we can use that and thank you very much for your hard work.

MR. BENNETT: Thank you.

CHAIR HOKAMA: Okay, Ms. Rasmussen, continue please.

MS. RASMUSSEN: Okay. So the next program that our commissioners, we have a commissioner for is our energy. As you know we have not had an Energy Commissioner for over a year, but we still did manage to do the Guernsey Report and we used the fund for that, as well as we supported the Maui Energy Conference, and of course all of our staff was involved with MEDB on co-producing that. And then we did send the Energy Coordinator to a conference as well so that's what happened this year. Now our new Energy Commissioner will be starting on May 16 and I will tell you we will be, he will be making the rounds to the Council to meet each of you individually. He's very excited to be here. He's a real go-getter. He's very, very knowledgeable. I think you're going to be very, very pleased when you get to meet him. And so I certainly will hope that you will support this program funding. In the past we were able to use that funding for a lot of those PPA agreements to you know just whatever Mr. McLeod needed to put all of those agreements together and so I think we've done a lot. We've leveraged it by far at least ten times over. So I would like to give this new commissioner the chance to do that as well.

CHAIR HOKAMA: Okay. Proceed, let's go to the...anything, any questions in this energy area, Members? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. On Page 446, your Goals and Objectives, all of a sudden electric consumption reduced annually in kilowatt hours it went from 378,000 to 2,900 and then to not available. That's one and then the other is Goal No. 2, No. 2 increase off-grid physically connected to the power generation and it went from 12 to 7 to 7. I'm assuming that's going to be an increase each year but the success measurement says the number of County facilities with partial or full off-grid generation so it kind of looked like we had 12 in 2015 and now the estimate is going down to 7, that we lost 5.

MS. RASMUSSEN: You know, all I can say is that we desperately we desperately need to get our Energy Commissioner back so that we can get accurate numbers because when we're doing this on, we truly, you know, he knew all of those numbers and what those were. So we need to get back on track and get some actual real data and I would welcome coming back after we give Mr. Redell a month or so on the ground to meet with people to come and do another, a session with you in Mr. Guzman's Committee and we can do, we can talk about all of these things. But he needs a little time on the ground. So thank you for your understanding on that.

COUNCILMEMBER COUCH: Thank you, Chair.

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CHAIR HOKAMA: Okay. Any other one has a question regarding the energy component? Having none, let's go to the grants component.

MS. RASMUSSEN: Okay.

CHAIR HOKAMA: We'll take up grants under Agriculture Promotion.

MS. RASMUSSEN: Okay. Thanks.

CHAIR HOKAMA: So that's from 11-25 till 11-28.

MS. RASMUSSEN: Okay, under Agriculture Promotion, we funded I think, you should have received the document that showed what we did fund out of this program. We have of course provisos with the Maui School Garden Network, Hawaii Farmers Union, the we funded the Food Technology, Maui Food Technology Center which is different than the college's Food Technology Innovation Center and this is a group that does technical assistance for food companies. They took a group to the Tokyo Gift Show. We provided export readiness training and we did the Tokyo FOODEX Show. We have funded a project at Kahanu Gardens at the National [sic] Tropical Botanical Garden, we had some miscellaneous expenses for the Kula Ag Park, our Agriculture Coordinator did a, food safety auditor training, we sponsored the National Association of State Departments of Agriculture that was actually hosted. It was a national conference that was hosted here in Hawaii and so we were a small sponsor of that and we got a seat at that conference and we worked with CTAHR on that. And then we have funded Hawaii Tropical Fruit Growers and the Barrio Fiesta, we have reserved money for the Barrio Fiesta. So also we will be giving a grant to Haliimaile Pineapple Company, it is in already in process for improvements to their certified kitchen processing room for their flash frozen pineapple of which they exported \$300,000 worth of fresh frozen pineapple to Japan last year which we're very excited about that. So any other questions on that fund?

CHAIR HOKAMA: Okay. Members, current year we approved 772,683, the Mayor is requesting 1,407,890 million. We're almost doubling this pot, the proposal which I wish we had double the amount of money to consider. Any questions in this Agriculture Promotion area? Mr. Guzman? Mr. Victorino?

COUNCILMEMBER VICTORINO: No, Chair. I think when we get to that portion of what we need to do then we're going to have to make some hard decisions. I believe that's what I'm hearing from you. Thank you, Mr. Chair.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No, but again hard decision.

CHAIR HOKAMA: Thank you. Ms. Cochran?

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COUNCILMEMBER COCHRAN: Chair, are we discussing Goals at all or not yet? Just, you just going through the specific grants and numbers?

CHAIR HOKAMA: If you have a goal that you want to tie it into, a specific project under Ag Promotion that'll be fine.

COUNCILMEMBER COCHRAN: I guess...

CHAIR HOKAMA: I'm just trying to make your time fit the review requirements and have you folks be able to ask regarding the specific grants.

COUNCILMEMBER COCHRAN: Well I was just trying to...some of the goals I guess are in and have relations to the college initiatives what have you. And so as we all know schooling, DOE, State, and here we are always being asked of to help support, enhance, you know, collaborate, which is wonderful but again we're the County and we have County initiatives that we would like to, you know, have at the top of the list. It's great to like I said collaborate but...

CHAIR HOKAMA: Pose your question and then we can...

COUNCILMEMBER COCHRAN: Okay. Let me just go straight--

CHAIR HOKAMA: I can determine.

COUNCILMEMBER COCHRAN: --to Goal 2, so I'm looking at Page 435. Goal 2, Items 2 and 4 and that has a relation to the Kula Ag Park and some water pumps. So 1 sort of is saying the same as the other in my interpretation it seems because 1 is saying you want to replace, Goal 2, Item 2 replace 4 existing water pumps. Number 4 says secure replacement parts for these pumps, and in both estimate in 2017 you say yes and yes. So in one question, in one hand you're saying you want to urge and look towards accomplishing this but in the end you're saying yes, you got the money to do it. So what is this really telling us?

MS. RASMUSSEN: Well first of all this was all a State grant that we received and so we've actually, I think, you know, quite the opposite for particularly our agriculture programs. Many of our programs we've actually leveraged a lot of them with State funding and not, you know, we're not necessarily I mean asking the County for more. We've actually leveraged a lot. So this was a State grant that we received to do water improvements. We did the relining of the reservoir and for any funding that was leftover we were trying to get the pumps replaced. We did not have enough funding leftover so we did do, purchase parts for the pumps. So that was all State money.

COUNCILMEMBER COCHRAN: Okay. And, Chair, if I can ask in regards speaking of State money the 5 mil for the expansion, where is that right now as we speak?

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MS. RASMUSSEN: The \$5 million expansion for the, and then the \$1 million match from the County, that is sitting with the Governor right now and as of right now the Governor has not released the funding. It has, he has had it since December of 2015.

COUNCILMEMBER COCHRAN: And I believe he needs to sign it within a week or two?

MS. RASMUSSEN: It expires June 30th. The, our current sales agreement lists April 30th as the deadline and we will be extending that to June 30th and then that will be the last extension because the funds will lapse if the Governor doesn't release it.

COUNCILMEMBER COCHRAN: Okay. Okay. That's all for now, Chair. Thank you.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And following up on Ms. Cochran's questions, you know, we've got, since we decided to buy and expand the Kula Ag Park we've had HC&S announce that they're going to have some land available. So is it, is that could be a reason that he's withholding the funding and if so, if he withholds the funding then our million goes away...it comes back to us?

MS. RASMUSSEN: Yes, the County's million would come back if the Governor let the funds lapse. But we do not have any inclination of what the Governor is thinking. Unfortunately, I can't add to that conversation.

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

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Nothing, thank you.

CHAIR HOKAMA: Mr. White?

VICE-CHAIR WHITE: Thank you, Chair. Of the Ag Promotion funding that is for this fiscal year it doesn't seem like there's much being spent on your communication ED-2. Do you feel that that will all be spent down by the end of the fiscal year?

MS. RASMUSSEN: Yes actually and the Haliimaile Pineapple Company grant for 25,000 is not on that list. So that, since we printed that list for you that has been added and we are very confident we're going to spend down the fund by the end of the fiscal year. And a lot of grants are still in process so it's difficult, you know, just, they may not show as an encumbered at this point but, you know, they're in process.

VICE-CHAIR WHITE: I know that you've spread it out during the year --

MS. RASMUSSEN: Right.

VICE-CHAIR WHITE: --which makes it much easier except at Budget time.

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MS. RASMUSSEN: Exactly.

VICE-CHAIR WHITE: Okay. And then the expanded amount for the Hawaii Farmers Union, could you share with us what that is for?

MS. RASMUSSEN: Yeah that is for the Farmers Mentor Program and they did, they have had a successful graduation of the first cohort. I believe they graduated seven. They graduated seven and they are in the midst of a second one now and they want to keep that going. And so they requested that, that's what they would need in order to keep that program going.

VICE-CHAIR WHITE: Okay. Just to keep it in our minds they're doing this with the 25,000 grant that they've received for Fiscal '16. Are they projecting that they're going to be able to ramp it up significantly enough to require the \$75,000, is the \$75,000 on top of the 25?

MS. RASMUSSEN: No.

VICE-CHAIR WHITE: Okay. So the 75 is instead of 25?

UNIDENTIFIED SPEAKER: Yeah.

VICE-CHAIR WHITE: Okay. Mr. Yamamura you were going to mention...

MR. YAMAMURA: Kenneth Yamamura, Ag Specialist. Thank you, Chair and Councilmembers. Because they've had some early success and now looking at what's happened with HC&S they're looking eventually to establish a food hub and to do that they need to grow farmers. That's the bottom line and of course it's organic farming but I think well worth the effort to grow farmers. We don't seem to have a problem with conventional farmers, we can find conventional farmers. But if they're going to do a food hub for the organic growers they need to build their farming base.

VICE-CHAIR WHITE: Okay. Thank you. And then the Food Technology Center, or Food Innovation Center, why is that being asked of the County to fund instead of being funded by the college?

MS. RASMUSSEN: Well I do know that they are asking the State is to do the build out and so this money that is coming through the Legislature hopefully this session will be able, they will be able to finish the build out. They have been working actually quite a few years on this project. It actually goes back to Clyde Sakamoto. So they have not come to us before because they were still trying to get the build out completed. When HC&S made their announcement I think there is a renewed look at the Legislature and, you know, wanting to help agriculture in other ways and this is seen as one of those possibilities. And so the Food Technology Center came to us asking for this for their operations for their first two years to get going. They are confident, because the first question I asked them is if we're paying for your operations how are you going to

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pay for it after the grant is finished? They are very confident that they will have everything in place and funding in place and the build out that they will be able to do that. And they will not, they are already operating in another kitchen on the premises of UH Maui College. So they're going to be able to operate without the full build out being finished yet. And so that's what we would like to expedite rather than wait for the actual big center to be finished. So that's kind of...yeah.

VICE-CHAIR WHITE: If they are already operating, they have operating funds assigned to them, do you have a breakdown of what would happen with our funds? Would that be supplanting State funds or...

MS. RASMUSSEN: Right now they are only operating with a USDA and an SBA grant that they've received. So our funding will come in after those two grants are completed. They would not have operation money without that. I mean yeah so that's what got them started.

VICE-CHAIR WHITE: And if they're, if this funding is for two years is there a reason why you're asking for it all in one year?

MS. RASMUSSEN: I think that because they'll be hiring staff I think it's the ability to tell people that they would have a job for at least 24 months versus 12 months. I think it would make it very difficult for them to operate on a 12 month, you know, kind of string. And it is, you know, they are just asking for this one time to get themselves, you know, past this Federal grant and then allow them to get the, you know, everything else in place. So I know it came late in the process and you weren't all educated prior and the college does apologize for that. But I think that they are really, there's an event in fact on April 28th which you all have been invited to that's going to tell a lot more about this project. And they're available any time and as you know you have the Chancellor here and he's available at any time to talk about this. But I see this now as a good transition project again as we're trying to build entrepreneurial farms and now we have much more land to do that on.

VICE-CHAIR WHITE: No I understand all of that. But, you know, there's a, I think there's a concern about the State's commitment as well and as you know we're continually asking for some fairness from the State with respect to our TAT share and if we got that, this request might be reasonably easy. But this request is equal to the total annual increase that the County of Maui has gotten in the last 18 years. So, you know, we now get 200 or about \$508,000 more than we got a long, long time ago. So this uses up that entire increase and yet our costs for, that come to us from the State in regards to a variety of different things like bargaining agreements and arbitration awards have increased our cost by millions and millions and millions of dollars and yet they don't provide us a level of fairness. So it's just makes this kind of request coming from a State organization just that much harder to feel comfortable with I guess. I don't argue the importance of it at this time. I'm just feeling like the State projecting a \$1 billion surplus might be able to afford to do it themselves.

MS. RASMUSSEN: Well they, I know the college is looking at all streams of funding.

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

CHAIR HOKAMA: Okay. Any other questions in this program area? If you do have, let the Chair know. Ms. Rasmussen, give us some comments regarding Business Development Technology Grant projects.

MS. RASMUSSEN: Okay, if I could get, get our. . .my sidekick Jeremiah Savage. By the way Mr. Savage is our new Grants Manager.

. . .(silence). . .

MS. RASMUSSEN: You want. . .Mr. Chair, do you want to take these all together or. . .

CHAIR HOKAMA: All together and then the Members can ask you --

MS. RASMUSSEN: All together, okay.

CHAIR HOKAMA: --specific questions about a particular grant --

MS. RASMUSSEN: Okay.

CHAIR HOKAMA: --if they have any.

MS. RASMUSSEN: Well, let me just say in here I wanna just preface this with a statement. Our office is working on trying to build an entrepreneurial ecosystem, and through that we have used all of the grantees that we have in business development to work together and leverage funding and not overlap what they do. And so we talk. We participate in a strategic alliance. We get together, we strategize and we try not to do any overlap services and every one of these agencies has a place to play in that. So with that if you'd like to talk about any of them specifically I'll be open to questions.

CHAIR HOKAMA: Okay. Thank you, Ms. Rasmussen. Mr. Victorino, questions?

COUNCILMEMBER VICTORINO: You know, Chair, for the sake of time, you know, I know we'll be discussing this more in depth. I'm very familiar with most of these programs who have been there for many, many years. They do great work. As I said and you've said, you know, now it's a matter of finding the dollars to put it together. So I thank you for your efforts and your presentation. Thank you, Chair.

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

VICE-CHAIR WHITE: You mentioned on our worksheet that the Made in Maui County Festival funding request of \$100,000 is transferred from Small Business Promotion. I haven't looked to see what is left in that line item.

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MS. RASMUSSEN: Okay. So yeah so we, Small Business went from 190 to 100 and let me talk about that line item, the Made in Maui County Festival. We'd like to have it be a line item. We think that the event deserves that. After just 2 years I think we've accomplished amazing things with this and 100,000 I think is a very, a figure that's going to be able to last for a long time and we shouldn't be coming back for more. That, one piece that we have not been able to accomplish yet with the funding has been an overall event coordinator. There's been five of us that have been trying to take pieces of the event coordination. It is a very large project. It's very unwieldy. We're working with 140 vendors. We have people in place to do the marketing and promotion. We have people in place to do the vendor coordination. But we need that overall event coordinator. And so that is why I'm asking for a small increase and I believe that funding should be able to be flat from here on out.

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

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: Can you kind of be more specific for the Maui Economic Opportunity for Microenterprise Program and how it differs with some of your other entrepreneur programs or startup businesses?

MS. RASMUSSEN: Okay. So yeah, so the increase that we're asking for in MEO is a very specific reason for that increase. Now this is the agency of course that does the Core Four class. But what we've asked them and one area that we have seen there, it's a troubled area, and that is the area in businesses when they hit the two to three-year mark and they've kind of, you know, they've gone through the startup phase and then they kind of hit the wall because they know they need to go to the next level but they may not have the capitol or the knowhow to take them to the next level. So I talked to MEO about this and I said can't we come up with something that would be for that midrange organization, you know, midrange company and give them some assistance? And we've also talked to MEDB about this as well. But this one specifically they want to purchase the curriculum called Be Strategic and basically it's an addition on to Core Four. It's created by the same people that create Core Four. And so the addition of this curriculum will be targeted to that group of businesses. And so that's what we're asking for the additional 40-some thousand increase.

COUNCILMEMBER CRIVELLO: No I personally from our island I appreciate the Four Core business and even what's held here on Maui with the MEO. I'm just wondering how is that in comparison. Do you have any other programs that does this kind of training for the startups and...

MS. RASMUSSEN: Well we have different, of our grantees that offer a lot of workshops to startups. But that is the only training program per se for startups. And I can't tell you how valuable that program is. We send dozens and dozens of companies to that program. That's the first place we tell them we want them to start is with Core Four. And then I'm also astounded as when we go out in the community how many people have gone through Core Four. So I really want to commend MEO Business

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Development and I know that Craig Swift has just announced his retirement. But I want to thank him for everything that he's done and he's done an amazing job there and he has big shoes to fill.

CHAIR HOKAMA: Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. You know back to the Made in Maui thing, you know, you have an entry fee for the vendors and then sponsorship. Why are we needing to throw money in there too? Is there, can you not start, become self-supporting in that?

MS. RASMUSSEN: We're certainly, that will be a great day. We're not there yet and so that will be something that we'll always strive for. We do need to keep the event gate affordable which is \$5. So I don't see us trying to increase that. But we definitely want to try to increase our outreach to the visitor industry. We think that it's a real natural for them to want to come to an event like this. So that's going to, you know, we're going to try to ramp that up more. And keep in mind that this isn't just about that one-day event but we offer that wholesale buyers day on the Friday before and that event is totally paid, that's absorbed by the event because we don't want to charge the buyers to come in and of course that's where all the big orders have been achieved. So but I feel that this is a very, I feel without this that the event will not be properly marketed. I don't believe we can give the vendors the amount of training that we've been able to give them. We've given them multiple training opportunities. We've leveraged the County funding with as Cindy Reeves told you today with CTAHR that new Made in Maui County Festival website, Made in Maui County website that will be going up sometime this summer where all of the vendors that have ever been in the festival will be able to be listed and they will be able to have the ability to put products up although it will not be a shopping cart website.

COUNCILMEMBER COUCH: But you also charge the vendors for participating.

MS. RASMUSSEN: And we charge the vendors but the vendors do not pay what it would, we would have to charge the vendors probably triple or quadruple if we didn't have this County funding and then it would become unaffordable.

COUNCILMEMBER COUCH: Sure. And lastly I know the, not to disrespect any of our other grantees but the venue is awfully expensive, is it not?

MS. RASMUSSEN: Actually, it is absolutely not expensive for what we pay we get all of the tents set up, we get the complete venue which is just in my opinion perfect because we have the area for the food trucks, you have all the amenities, you have all the docents, you have the ticket sales ability, the MACC has it all. I do not feel at all what we pay the MACC is...in fact they've given us an extremely good price on it. So I would never, I would never say that the MACC is too expensive for this event, ever. We would have to replace so much if we had some big open field somewhere.

COUNCILMEMBER COUCH: Which we have a lot of.

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MS. RASMUSSEN: I can't even imagine trying to build what we've built anywhere else.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, not at this time. Thank you.

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: No thank you.

CHAIR HOKAMA: The Chair appreciates your questions. The MACC wouldn't be built without County of money [sic] funds, okay. Culture, Arts, Tourism program area, Ms. Rasmussen. This is going up about another half million dollars.

MS. RASMUSSEN: Okay. So we have given, under this program, we've given grants to West Maui Youth Theater which is a program called Theater Theater. Another program called Chance to Dance, we inherited these two from the Department of Human Services, African Americans on Maui, and Akaku Youth YBEAM program, the Second Friday Town Party in Lahaina, Fourth of July in Lahaina, and I think that's where, that was it for this year I believe. So this is basically just, you know, for cultural and arts events. And so it's been a fairly flat funding we've asked for and, oh the Maui Fil-Am Heritage Festival also received funding.

CHAIR HOKAMA: Give us comment please, Ms. Rasmussen, regarding Festivals of Aloha. We are being requested to change how we appropriate because there's one entity that doesn't know how to process our money.

MS. RASMUSSEN: Well it just, it's just the case of when the grant gets executed. So they need to give us their grant and it takes us between 60 and 90 days to get a grant completely executed by the time it goes through the 27 steps that we're required to go through. And so their issue is that they were put in a situation where they were having to fund out of pocket and all we're doing right now is trying to give them two years of funding so they can apply for a second grant much earlier in the year and then they would never have this problem again. So next year it would go back to the original funding request. And we've been able to work with some of our other grantees on that like the Fourth of July events happen immediately when the fiscal year starts. But now we're giving them the grant from the previous fiscal year so that they don't have this problem that they can immediately do their event and they don't have to wait for the funds and fund out of pocket.

CHAIR HOKAMA: So, Mr. Baz, you're going to book it in which fiscal year, the previous fiscal year or the fiscal year we appropriate for?

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MR. BAZ: So, Mr. Chair, the encumbrances will occur for both years in Fiscal Year '17. This is to be able, as the Director mentioned, facilitate the grantee to be able to spend monies prior to July 1 so that they can get their activities going for the next fiscal year. The actual expenditures will occur, you know, whatever time period that those actually occur. So if they spend monies before July 1 then it would occur in Fiscal Year '17. If they spend the monies after July 1 then it would occur in Fiscal Year '18. But the way that we're going to be processing the grant in the future will make it so that we're only going to be, we're still only processing one grant per year. But it'll be in time for them to organize their activities before July 1. Mr. Chair, we have other grants that we work on different time periods so that we can facilitate this; one of them is MEO's Business Development Corporation. The grant period is from October 1st through September 30th so that we can allow the grant to be executed and in place before they would actually start operations. It would be a goal of mine to make it so that all of our grants are executed before the grantees actually start operations. But the way that we're currently set up with most activities of the grantees starting July 1st the departments don't have the capabilities of processing all of the required documentation, getting all of the required approvals and signatures and supporting documents by July 1st to get started after the Council adopts the fiscal year budget.

CHAIR HOKAMA: Okay.

MR. BAZ: Mr. Chair, one other category in this section, we moved the Maui Arts and Cultural Center's Arts and Education from the Department of Housing and Human Concerns to Office of Economic Development and that was done to fit more their operational activities; the activities you saw of the children that were here earlier today. That is funded through this grant program. We, the Department of Housing and Human Concerns didn't really quite fit in their venue of what the Department's responsibilities are. But it fits very well into the Office of Economic Development. So that increase that you see in this section is specifically for that grant.

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

MS. RASMUSSEN: And just to clarify. It is not an increase in funding. It is a flat funding. In fact, all of the grants to the MACC are flat funding. So it's exactly what they received last year.

CHAIR HOKAMA: Okay. Thank you, Ms. Rasmussen. Members, we are at that time of the day where I'm gonna share some comments with you. We've checked with the Civil Defense, MPD, we are going to continue with the East Maui function this evening for East Maui residents to give the Council's Committee on Budget and Finance comments on the proposed Fiscal Year 2017 Budget. The Chair also understands that for some of you, you may have some trepidations, and I leave it up to you. The Chair and Mr. Carroll will be there to accept the testimony of our East Maui components. Your offices have been requesting some information regarding how we're gonna move forward on the Budget. I would say that this year, again, because of the uncertainty of 76 individuals at the State capitol and hearing things that we have been made, been

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informed of potentially that 1 billion-dollar Carryover/Savings of the state government, again we are unsure of what will be the County's share. Therefore, the Chair will accept your recommendations on Friday the 22nd at 12:00 noon deadline. You don't need to use Exhibit 1 for your recommendations to the Chair, that will not be required, but your proposal needs to be balanced. If you wanna add a million dollars, you will subtract a million dollars. You need to balance it by funds. I would ask you not to make any changes in Countywide at this time. If you are gonna adjust real property tax rates, you must be specific on the classifications and rates that you will be recommending to the Chair. And Staff will assist you with a spreadsheet after we receive certification numbers from Department of Finance on Wednesday, and you can submit your proposals through a transmittal, that would be fine. Any questions? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Is it possible to get your recommendations? Your. . .

CHAIR HOKAMA: Mine will be done after.

COUNCILMEMBER GUZMAN: After. So currently you haven't proposed...

CHAIR HOKAMA: I've started my cuts.

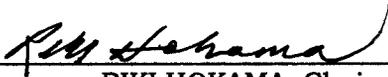
COUNCILMEMBER GUZMAN: Okay. Thank you.

CHAIR HOKAMA: And, again, Members, because of the uncertainty, as I told during Police, I'm looking at this time going above the \$42 million of cuts, that's including Bond and cash. Okay. We are done for today. Tomorrow when we come back we'll start Transportation and Housing and Human Concerns. We'll work with Ms. Rasmussen on when we can reschedule the balance of her grant reviews. Okay, with that we are adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 12:00 p.m.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:160418:mt

Transcribed by: Marie Tesoro

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CERTIFICATE

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

DATED the 9th of May 2016, in Wailuku, Hawaii

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

Marie Tesoro