

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

August 21, 2018

Council Chamber

CONVENE: 9:07 a.m.

PRESENT: Councilmember Riki Hokama, Chair
Councilmember Alike Atay, Member
Councilmember Elle Cochran, Member
Councilmember Stacy Crivello, Member
Councilmember Kelly T. King, Member
Councilmember Yuki Lei K. Sugimura, Member

EXCUSED: VOTING MEMBERS:
Councilmember Mike White, Vice-Chair
Councilmember Robert Carroll, Member
Councilmember Don S. Guzman, Member

STAFF: Michele Yoshimura, Legislative Analyst
Yvette Bouthillier, Committee Secretary

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

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

ADMIN.: Sananda Baz, Budget Director, Office of the Mayor (BF-162)
Linda Munsell, Assistant Housing Administrator, Department of Housing and
Human Concerns (BF-162)
Clyde (Buddy) Almeida, Housing Administrator, Department of Housing and
Human Concerns (BF-162)
Mark R. Walker, Deputy Director, Department of Finance (BF-53(10) and
BF-106)
David Underwood, Deputy Director, Department of Personnel Services (BF-106)
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation
Counsel

PRESS: Akaku: Maui Community Television, Inc.

CHAIR HOKAMA: . . . *(gavel)*. . . This is the Council's Committee on Budget and Finance, our regular meeting of 21 August, 2018. This morning present, we do have Committee Members and welcome and we thank you for being here, Members. Ms. Crivello.

COUNCILMEMBER CRIVELLO: Aloha, Chair.

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CHAIR HOKAMA: Good morning. Mr. Atay.

COUNCILMEMBER ATAY: Good morning, Chair.

CHAIR HOKAMA: Good morning. Ms. Sugimura.

COUNCILMEMBER SUGIMURA: Aloha, Chair.

CHAIR HOKAMA: Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha, good morning, Chair.

CHAIR HOKAMA: And Ms. King.

COUNCILMEMBER KING: Good morning.

CHAIR HOKAMA: We excuse Mr. Carroll, Mr. White, and Mr. Guzman. This morning, we do have some items we need to take under consideration, Members. But before that, we will ask if we have public comment either in the Chambers or at our District Offices. So at this time I'll ask, Staff, has anyone requested testimony in the Chambers? We've had no request. The Hana Office this morning is closed, so therefore, we have been notified by Lanai, Ms. Fernandez and Ms. Alcon on Molokai that there is no one in their district offices to present testimony. So the Chair will give it a few more minutes because of the weather conditions and allow the community another opportunity if they still wish to give comment.

ITEM 162: AMENDING THE FISCAL YEAR 2019 BUDGET: HAWAII
HOUSING PLANNING STUDY (AFFORDABLE HOUSING FUND)
(CC 18-282)

CHAIR HOKAMA: But we'll start, Members, may I direct you please to BF-162, this is under the heading of Amending the Fiscal Year 2019 Budget, subheading the Hawaii Housing Planning Study or the affordable housing study. We are in receipt of a Communication 18-282 with a proposed bill for an ordinance that would place a proviso under the Affordable Housing Fund whereby we would designate \$105,000 for the Hawaii Housing Planning Study. Since this is a budgetary request, I'll ask Mr. Baz if he has any opening comments regarding the proposal.

MR. BAZ: Good morning, Mr. Chair and Members. Thank you for discussing this item. Here we have this morning is an amendment to Appendix A in relation to the Affordable Housing Fund to fund a housing, Hawaii Housing Planning Study. We do have our, from our Department of Housing and Human Concerns, our Division Chief for the Housing Division, Mr. Buddy Almeida and Assistant Housing Administrator, Linda Munsell, to hear...to discuss the project itself. They are requesting \$105,000 to come out of the Affordable Housing Fund itself, so that's why this amendment is front of you

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to review and make a decision on. So, thank you, Mr. Chair, I'll be here to answer any questions that may come about.

CHAIR HOKAMA: Okay. Thank you very much, Mr. Baz. Ms. Munsell, Mr. Almeida, for the Department, comments please?

MS. MUNSELL: Good morning, Chair. Thank you for hearing this. My name is Linda Munsell, I'm the Assistant Housing Administrator for the Housing Division. The 2019 Hawaii Housing Planning Study is one in a series of planning studies that we do Statewide. There is a specific section specific to Maui County. It is the primary study that we use for planning for our, for the housing program. The procurement for the study is done for the entire State by HHFDC and they use a competitive bid process for the project. Each county pays a portion of the cost, as well as other entities within the State who have interested in particular housing specific items. The total proposed contract for this project is just over almost \$610,000. Maui County's portion of that is turning out to be \$102,000. As I mentioned, HHFDC is the lead participating agency, other participants in the study are including HHFDC; the Homeless Programs Office; the Department of Human Services; Benefits, Employment and Support Services; Office of Hawaiian Affairs; as well as the other counties and other entities in addition to those. The scope of work was included in the package of materials that we had sent to Committee based on a request. The scope of work is basically for basic areas specific to the study. One is to gather and analyze the data on the market, housing market itself including housing conditions, demographics, economics, and things like that. We try to project the housing need by the County as well as Statewide by HUD income groups. We also ask questions about elderly households and persons with special needs, and there's some questions about Native Hawaiian status that are particularly, those are specific to OHA. The third item, third major task is to provide an inventory of housing stock by County and Statewide, and then we also gather and analyze historic and current information on for sale and rental housing by County and Statewide. In addition to the four basic things that we asked in our study, there are also some additive items that each county can choose to include in the study. We include some questions having to do specifically with travel, cost of purchase, whether things are affordable, why you are or are not buying, if you're going to move. We also ask questions, in particular this study, we're asking for them to do a review of both Lanai and Hana on their census, for those Census tracts particularly in their low/mod AMI trying to determine whether we've got 51 percent or more low/mod in those areas. In the 2010 Census, Lanai was not included, they were found to be above low/mod. They no longer qualified for certain CDBG funds. Hana was disqualified in the last ACH study--right?--ACS study, I'm sorry, and again no longer included as a low/mod. So, we're trying to do as part of this study include a tiny little study on that and try to include those as well so that we can open up additional CDBG funds specific to those areas. We're also asking very specific questions about out-of-state buyers for the Maui County. Not everyone is interested in pursuing that, but we were particularly concerned our trend is that we're having a lot of out-of-state buyers and so we want to see where that trend is headed. So, when it all came down to it, then our part of the study is hundred and, like I said, \$101,730.21. If you've got any questions, I'm here to help and happy to respond.

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CHAIR HOKAMA: Okay. Thank you. Mr. Almeida, any comments you wish to share for the Department?

MR. ALMEIDA: Thank you, Chair Hokama. Good morning, Committee Members, Buddy Almeida, Housing Administrator. No additional comments, Chair. Ms. Munsell and I are here to answer any questions this Committee may have, and we do thank you so much for taking this up so quickly and we look forward to addressing any concerns of the Committee. Thank you.

CHAIR HOKAMA: Okay. Thank you. We are...we appreciate the response, Members. There is a response, August 16th, from the Department, so if you had an opportunity to review that please do so. But in that response though, one of the things that I would ask if you can help us, since you give us big numbers, especially on Page 2 of 3 in your response to us under number two in the middle of the page you tell us that since 2016 we have benefited from \$150 million in State funding directly into the County. Give us a breakdown on this 150 million and if you could tell us how it was applied please, Ms. Munsell.

MS. MUNSELL: So, the 150 million, of that about 13 million of that was Federal funds that came directly to the County, so those would've been your CDBG funds, your HOME funds, and the HTF funds that we're, we'll be using. You guys see the CDBG list of projects, I don't have those in front of me, but the HOME funds and the HTF project are...HTF funds are going directly to a rental project in Kihei which we hope to be breaking ground with, depending on the weather, on Friday. The rest of the funding is there's a lot of rental housing revolving funds that are coming into the County. Hale Mahaolu is receiving funds from that as well as the Kahului...the Kaiwahine Village, Kenolio Apartments which is in Kihei has received an allocation and the Leilani, Leialii project in Lahaina will be receiving some funds. LIHTC funding is also coming into the County, both phases of Hale Mahaolu Project Upcountry is receiving funds. And altogether it's about...well and it doesn't include also Hula Mae funding that's coming in on Grant-in-Aid funding that we'll receive and the Federal Home Loan Bank. So, those are all some state and Federal funds that are coming in to help us with various construction projects. Those numbers also do not include the funding that is being provided by the various developers nor does it include the construction funding that's going to be obtained and spent here in the County on our projects.

COUNCILMEMBER KING: Chair?

CHAIR HOKAMA: Yes, Ms. King?

COUNCILMEMBER KING: I don't have that document on my...and I just tried refreshing, I'm not on the network apparently, so could we have a hard copy of that August 16th?

CHAIR HOKAMA: Yeah, hold on we'll...okay. Hold on. We'll take a short recess to check on our status of documents. So, short recess, please. . . .(gavel). . .

RECESS: 9:18 a.m.

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RECONVENE: 9:19 a.m.

CHAIR HOKAMA: . . .*(gavel)*. . . Okay, we're back in session. So, we just heard the response from Ms. Munsell on the 150 million. So what intrigues me, and then I'll ask the Committee members for their questions, Department, is the last paragraph in response number two. So, this study you're telling us is how we can make projects like the Lanai project be able to access more funds than just County funds because the study will look at factors that qualify it because we just heard we got booted out of our CDBG status?

MS. MUNSELL: So, CDBG funding is a little different. So, the...those funds can be targeted specifically to projects that serve populations, I think, of 80 percent below, and again, I'm sorry, I'm not a CDBG expert. What you've been excluded from doing is area benefit funds. So, for instance, I believe that for Hana in...for instance, they recently purchased a...it wasn't a dump truck, it was a grader or something for the dump out there, and it was for an area benefit. So, it's not a particular target population that's receiving benefit of those funds, it's the entire population. And so, if you can show that it's 51 percent and above, more than 51 percent of below mod, then you can use funds for those kinds of projects. I think that in the past that they purchased fire trucks for Lanai, and they're excluded from being able to do that now with those funds. As far as the other funds, the HOME funds and the HTF funds target very specific populations. So where the HOME funds serves 80 percent and below, the Housing Trust Funds, they serve 30 percent and below. And so, whatever we build with those funds will be targeted at those populations. So, it doesn't matter in the home and the HTF case whether you're low/mod or not. It's because we're choosing specific populations to serve.

CHAIR HOKAMA: Okay. Well, you know, Mr. Carroll may know his community more specific details but I get it for Lanai. It's one of the outcomes of having a nice chunk of affluent residents against a bigger chunk of very, I would say, lower income generation whereby now the result is skewed because my community is not that affluent. I mean, just go and look there, live with us, you guys know, you know, the numbers is deceiving to the reality of Lanai.

COUNCILMEMBER SUGIMURA: Plus they're not there.

CHAIR HOKAMA: Okay. 'Cause there is no middle class, okay. So, this number, you know, we're gonna lose some benefits 'cause it's kind of skewed. So, does the study help us make the appropriate adjustments for unique communities in our County to take care of these type of concerns or this is not gonna help us at all?

MS. MUNSELL: Well...thank you, Chair. The...those two populations were specifically excluded from use of a particular kind of funding, and so we're trying to correct that. The other thing that the study does is it shows us various needs in the particular communities. Part of what we do in our study is we ask them to break it down by various different areas of our community so that we know that in the Kahului and Wailuku area we have certain needs, in Kihei we have certain needs. And so, what that allows us to do is actually target our funds or at least choose not to make poor investments in certain areas. The 2011 study was done, completed about the same time

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that we were doing the Kulamalu project. And so, one of the things that that study showed us was that in Upcountry, Maui they wanted two-bedroom and one-bedroom units. Sixty-three percent wanted two-bedroom units. Nineteen percent wanted one-bedroom units. And so, when we built that project, we targeted the number of units to reflect that. And so, it's the same kind of thing that we try to do with this data for all of the areas. One of the...it helps us do our planning. For instance, another example just to give you one is the last study, the 2016 study showed that we needed 531 elderly or senior housing units. If I go back and look at what our planning is doing now, we've got 143 units currently under construction. Now, this next study is going to show, alright, has that changed, has the need changed or not? I know that we haven't approached 500 units for the seniors, I know that we're doing 150, sort of. So, we're gonna...when we do our planning, we're gonna try to make sure that our investment is particularly targeted at the entities or the demographics that need those funds.

CHAIR HOKAMA: Okay. And then, you know, one thing that we are aware of on this Committee is that you did a recent housing study for Lanai with the same vendor SMS. So, what was in that study that we're gonna get from this new study that we maybe should've asked in the Lanai study? Because we spent some good money for this housing study, updated housing study. So, you know, again, to do another study, are we gonna get the same results just a little bit expanded because from Lanai it's now the County? So, are we gonna get the same type of results that we got from the newest study we got for Lanai?

MS. MUNSELL: So, the two studies have actually two different intents. The Hawaiian Housing Planning study is actually, is a planning study. It helps us to forecast need and assess trends in our community. It asks a lot of the very same questions each time that we do this so that we can see where we're headed and what we've accomplished if anything, right? The Lanai study is a study that's very similar to studies that individual project developers have to do. It is targeted very specifically at a project or a planned project that they have in mind. It's also it's a snapshot in time. So is the planning study as well but the planning study we're intending or trying to forecast forward. The Lanai planning study or the Lanai study was done also in 2016, so even if we wanted to use some of that data, it's old. So, we wouldn't want to exclude Lanai for instance from the future study, but it's not usable for our planning at this point.

CHAIR HOKAMA: Okay. So, you know, just so we're clear, yeah, so in general for your Departmental, your Division's use of data, anything that's a, that's three years old is outdated and not current enough for you to make good assessments and decisions. Is that a general rule of thumb, three years is pretty old?

MS. MUNSELL: Well, for us. Our planning...

CHAIR HOKAMA: Yeah. Right. For you.

MS. MUNSELL: Yeah, for us. We do it every three to five years. The reason we're doing it now is because we're getting ready to do our con plan and our con plan is a five-year planning process.

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CHAIR HOKAMA: For those that don't know, please, Ms. Munsell.

MS. MUNSELL: Oh, I'm sorry. I'm sorry.

CHAIR HOKAMA: Tell them what is a con plan.

MS. MUNSELL: It's our consolidated plan. It's a five-year plan that we put together for HUD that shows how the Federal funds that we received are going to be used over the next five years. If we don't do a con plan, then we can't justify the use of our plan, of our funding. And so, that...those funds won't come to Maui. They'll be reallocated somewhere else. If we don't...if we do a study and the study says we don't need this, we can't spend our money on that. If it says that we need rentals, we need more rentals than housing units, we should be spending our money on the rentals. So, that's why the timing of this particular one is.

CHAIR HOKAMA: Okay. I appreciate your responses, Ms. Munsell. Thank you. Ms. Crivello, do you have a question or two you wish to pose?

COUNCILMEMBER CRIVELLO: So my question is...thank you for being here. So, will the consultant or the vendor be selected by the counties or by HHFDC? Who was...

CHAIR HOKAMA: It's been selected. It's SMS.

COUNCILMEMBER CRIVELLO: They've selected SMS...

CHAIR HOKAMA: The State procured.

COUNCILMEMBER CRIVELLO: So, we're paying into this study as a whole with SMS?

CHAIR HOKAMA: Department?

MS. MUNSELL: So, the HHFDC actually did the procurement and they solicited bids from, you know, various entities and SMS was selected in the end. All of the entities, the counties included, had an opportunity to review those proposals and score them. So, Maui County was involved in the review and scoring. The procurement is being done as a group but we individually as a County will issue a contract with SMS individually, so we'll need to be doing a purchase order.

COUNCILMEMBER CRIVELLO: Oh, okay.

CHAIR HOKAMA: So, we pay direct to the vendor.

COUNCILMEMBER CRIVELLO: Alright. So we'll have some oversight at least on that part, yeah? That was my main concern. So, I know that you've answered that question, but can you share again what's the timeline for us to have all of this, the studies given back to us?

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CHAIR HOKAMA: Department?

MS. MUNSELL: So, the proposal included a timeline in the study, of course, they were assuming that they were going to start in August, but the basic timeline is about a year. So, if we finish our process here, they can issue the contract with SMS and then once that contract is signed it'll be about a year from then. So, probably October of next year is what we're looking at.

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

CHAIR HOKAMA: Thank you. Mr. Atay, any questions you may wish to pose?

COUNCILMEMBER ATAY: Thank you. Thank you, Department, for being here. Yeah, on the front page, I saw that Statewide the demand of housing funding is 1.8 billion and for Maui County, we were able to acquire 150 million and then your breakdown of, you know, the 13 million for CDBG and so on. I was trying to go deeper into this RFP. I like what you have on Page 16 because all the specific areas of our island. On Page 20, it talks about additive tasks, you know, like assessing the willingness of people who want to purchase a home with resale restrictions. I think we talked about 20 year, 20 year...10 year, 20 year, 30 year kinds of things. I like that kind of added task to find out. One area, I don't know where in the RFP, does it also measure the millennials and in regards to homeownership or acquiring a mortgage versus the desire to just rent? Does that get measured?

CHAIR HOKAMA: Department?

MS. MUNSELL: That is...that's a...that's...I love that question. So, it's a question of generational. Are the change...is your attitude changing towards homeownership versus rentals? I don't know that they ask specifically based on age, but I can look at the previous studies and take a look at that. But, yeah, that's an interesting question. We're seeing...we see overall trends. I'm not sure that it's necessarily broken down by age.

COUNCILMEMBER ATAY: Yeah. The reason why I asked that is the talk in the community amongst the millennials is they want their vacations and they want their nice cars and they don't really want to get tied down to a mortgage unlike the previous generation. So, do we invest in studying that to also plan for more affordable rentals, you know? You know, so, I was looking in here trying look for the additional tasks. I like what was there on 20. In 22 was good because it also does the assessment of Native Hawaiian list, those who are on the waitlist. How many of them are willing to be on a rental housing list? You know, there's a lot of Native Hawaiians that is waiting on the Hawaiian Homes list for their housing opportunity, but while they waiting they still need, you know...can...are they willing to accept rental? I like your additional tasks there. Thank you. Thank you, Chair.

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CHAIR HOKAMA: Thank you. Mr. Atay, you bring up a critical point that needs to be discussed. If that is the trend then you gotta look down the line 'cause eventually then is the County going to be asked to put up senior care housing because there's no place for them to go once they're old and unable to care for themselves, they have no house? They're in a rental, right? So, they gonna have to go to someplace.

COUNCILMEMBER ATAY: Yeah.

CHAIR HOKAMA: So, it's the government's job then to build a senior medical housing for them?

COUNCILMEMBER ATAY: Yeah. Thank you, Chair. You bring another area...I didn't have time to see if this RFP is measuring that, but we've had couple of times in the Chambers where we had representatives from the senior area saying that we need to prepare for this silver tsunami that's coming that will be quadruple the current amount of senior housing demands. How do we measure that here on our island, on Lanai, in the community of Hana, so that we can come up with a strategy of planning housing for senior citizens.

CHAIR HOKAMA: Yeah. So, yeah, we would be interested in age pyramids and everything else. Whether the base can uphold the upper end of the spectrum because we have many inverted pyramids that the base is narrower than the top, so it's gonna collapse eventually. Ms. Sugimura, questions?

COUNCILMEMBER SUGIMURA: Yeah. So, I...I'm curious then also about the study as far as the homeless. Are you looking at...or how are you perceiving that and there's the, you know, hidden homeless as well as homeless? People really want to be...

CHAIR HOKAMA: Department?

MS. MUNSELL: So, if you look at the 2016 study there is a whole section on homeless and often you'll see a reflection in funding based on the findings of these kinds of studies. So, you've seen a lot of money and I didn't cover it here specifically because I don't do homelessness myself, but you will...you saw an increase in funding for homeless projects and homeless needs. So, there's a whole section of the study that is focused on homelessness and that department in the State is involved in the study as well, so they would've been developing the particular questions that they wanted to have addressed in the study for us.

COUNCILMEMBER SUGIMURA: One last question, thank you, Chair. So, because we're doing the study with HHFDC, would this then allow us to receive more funding or would they look at us in a...with a fairer perspective in terms of giving us our fair share or more support?

MS. MUNSELL: So, the study because it's Statewide actually is assessing Statewide needs. So, when the Legislature goes to decide how much funding is gonna go to various things like, you know, the Rental Housing Revolving Fund, we've seen a gigantic jump in that.

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It's because of these studies saying that there is a tremendous need across the State for rental housing. Maui County is a part of that. Now, we're not assessed a particular percentage of those funds. It really has to do with the number of projects that are developed here, but because we know that that funding is available, and we can show need through our study then we can apply for those funds. If we don't participate in the study, then it's hard for us to say that we should be receiving funding because we can show no need. So, that's part of the reason that this study is critical to us.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR HOKAMA: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah. Thank you, Chair. Thank you, Department, for being here. So, I'm seeing in the, that opening memo that there's two things that got decreased or declined, I think, in our scope and one is taking away amount, I guess, of Census tracts and then it refers to Page 23, so I went there and I'm trying to figure out what part did we choose to delete. Is that...what was that?

CHAIR HOKAMA: Department?

MS. MUNSELL: We actually deleted all of them except for Lanai and Hana because all of the other Census tracts are already considered low/mod areas and so they were not being limited as to the CDBG funding that they could receive. Initially the idea was that if those...that study was inexpensive enough then we would include it but it turned out to not be that inexpensive and so we really drilled it down to what we needed to get.

COUNCILMEMBER COCHRAN: Okay. And then we declined to add in fair market rent study on D.4, Page 23. So, what...I think we were talking a lot about...is that about pricing? We don't care with the fair-market rate of pricing for rentals is or whether we need it or not or what does that mean that you're declining that?

MS. MUNSELL: Actually, we care a lot. When we went to the Section 8 folks to talk about their payment standard which is essentially with the fair-market rent helps us establish, they were...they do a couple of things. They have...whenever an inspector goes out, they actually look at comparable rents for units. So, they have an, a feel for how many units are out there and what rents are being charged to the market. So, we've got an idea of what those fair-market rents are. We also have a success rate. You know, are the people who are looking for units being successful in finding units, and then we take a look and see what our payment standard is. And we've got some flexibility to adjust our payment standard within a certain range, and when they looked at all of those factors the feeling was that it didn't make sense for us to invest additional money in the study 'cause I think it was gonna be \$50,000 for the very small benefit that we might have received from it.

COUNCILMEMBER COCHRAN: Okay. And, Chair?

CHAIR HOKAMA: Yes?

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COUNCILMEMBER COCHRAN: Let's see...because I think in the 2016 study it said, because of this fair-market rent we received additional Section 8 funds. So, you don't feel that we need to continue this study in order to continue to receive these additional Section 8 funds in particular for...or so, I guess, there's no, you know what I mean --

CHAIR HOKAMA: Department?

COUNCILMEMBER COCHRAN: --negative impact?

MS. MUNSELL: There won't be a negative impact.

COUNCILMEMBER COCHRAN: Okay.

MS. MUNSELL: If the...the rents are still rising, but within our ability to adjust our payment standards we're still finding success, and so the feeling was that, again, the cost to do it for the very small advantage that we were going to obtain...the last time we did the study it was a...we could see a huge difference between our payment standard, our ability to pay landlords and the rent that was being asked. We're not seeing that right now. So, we felt like the investment wasn't a good one this time.

COUNCILMEMBER COCHRAN: Okay. And lastly, Chair?

CHAIR HOKAMA: Yes?

COUNCILMEMBER COCHRAN: Any reference in here to looking at the illegal rentals, the short-term...I know we have some other side of work we're addressing that issue on, but is there anything here that's gonna even look at that at all?

CHAIR HOKAMA: Department?

MS. MUNSELL: We're not looking at that specifically in the study. What we are looking at though is the non-resident owners. So, we've got...when we look at other trends, we know that 52 percent of the units that are purchased in the County are purchased by people who don't live here. One of the questions is what impact does that actually have? What are they doing with those homes? Are they held off of the market? Are they being rented seasonally? So, we have questions in here that will look at those impacts. Those particular questions and the impact of those questions. We don't ask whether it's illegal or not, a legal unit itself. We're just looking at the number and the impact on our housing inventory.

COUNCILMEMBER COCHRAN: Okay. I mean, legal or illegal, I believe...I feel there is an impact so it'd be good to...and perhaps cross, you know, reference some of our other Planning Department efforts they're doing too.

CHAIR HOKAMA: Yeah. We'll ask their Director that they should talk to Planning upon the results of the study that we are patiently awaiting.

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COUNCILMEMBER COCHRAN: I know. And, I guess, Chair, this is not gonna start 'til next year October, a year...

CHAIR HOKAMA: Pardon me. Ms. Munsell?

COUNCILMEMBER COCHRAN: Is that right?

MS. MUNSELL: No. This will actually finish next year October.

COUNCILMEMBER COCHRAN: Oh, going to finish.

MS. MUNSELL: We're gonna start...no, no...sorry.

CHAIR HOKAMA: Yeah. It's a one-year study and so next year it ends.

MS. MUNSELL: And it will start as soon as we've approved a funding and contracted. Yes.

COUNCILMEMBER COCHRAN: Yeah. Okay. That's all. Thanks. I was like, wait a minute, that's way too long.

CHAIR HOKAMA: Yeah. Thank you. Ms. King?

COUNCILMEMBER KING: Thank you, Chair. Really interesting discussion. I guess, just to follow up on some of the earlier comments. First is, the non-resident owners, does...do their...does their income count as part of that the whole CDBG issue? 'Cause if they're not...

CHAIR HOKAMA: Department?

MS. MUNSELL: No. They're actually...you know, so the 2010 Census for instance, I mean, is specific to residents of the various places and when we do the ACH...ACS, sorry, studies, those are specific to residents.

COUNCILMEMBER KING: Okay. But how did that affect...I mean, 'cause I'm assuming on Lanai that these are non-residents that are affecting the...no, not...they're just residents that are affecting that...

CHAIR HOKAMA: Manele had, yeah, we got residents that, you know, they're just very affluent people --

COUNCILMEMBER KING: Okay.

CHAIR HOKAMA: --that's why they live in Manele. Ms. Munsell?

MS. MUNSELL: One of the things that I would really encourage you in all of your jurisdictions, all the areas that you represent to really encourage your population to participate in

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these surveys. The survey is only as good as the people who respond to it. We know that those populations are low/mod but because they didn't respond to the study it doesn't reflect in the results and so --

COUNCILMEMBER KING: Oh, okay.

MS. MUNSELL: --that's what's happening.

COUNCILMEMBER KING: Oh, okay. That's good to know. And I think that's probably why you're not differentiating between legal and illegal because no one's going to admit they're doing something illegal in a survey, so I appreciate that. One of my biggest concerns, I guess, is it just seems like we just had released to us the County of Maui Affordable Housing Plan and implementation plan which is also another study and the State report on affordable rental housing, so it just seems like to the public they were always doing these reports and we're putting a lot of money into these reports. So, have you been able to cross check against the State report that just came out and the County, we just put 250,000 into and it seems like SMS is doing all this, so, I mean, I just think that from the public's point of view this is all the same information being regurgitated in different studies and I want to make sure that there's some assurance from, you know, the experts who I, you know, deem you to be that we're not just rewriting these reports and spending all this money that there's something meaningful versus what we just spent 250,000 on from the County budget.

CHAIR HOKAMA: Ms. Munsell?

MS. MUNSELL: So, the study that you will, I think, hear in Committee on Thursday, those studies were actually commissioned by the Council. We weren't particularly involved in what the direction of those studies were, but we're very interested to see what the result is, and we will make adjustments based on that but it's similar to these studies. They're targeted at specific uses and I understand what your concern is, but we do use information from other studies even if they aren't produced by us to supplement data. So, I think that the rental study that was done not that long ago, I mean, the 2011 or 2016 study showed that we needed rentals. They followed that up with more specific information that they were trying to target or trying to get.

COUNCILMEMBER KING: Are you talking about the State?

MS. MUNSELL: Yes, the State. We weren't necessarily involved in that specifically but...although there are, you know, obviously reflects on Maui County. So it just...it depends on what the information, specific information. The more questions you ask in a study the higher the cost is, so we don't want to be asking a lot questions that may or may not be pertinent specifically to our needs. If we identify a need or a trend or a problem then we might go back and address that very specifically with, you know, an, either another study or different questions the next time, but the more questions you ask, the more expensive it gets.

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COUNCILMEMBER KING: No, I understand that, but I'm just, you know, this report just came out so hopefully you guys get a chance to review that before and cross check so that we're not, you know, asking the same questions. Just a little, you know, questionable to me that we're...we keep hiring the same firm to do these studies and, you know, are we just...are they just pulling stuff out of other studies and sticking them into the next study? It's gonna be a big question that the public has 'cause, you know, the public wants action. They're tired of studies and reports. So, you know, that's just a comment I wanted to make just to make sure that we're, you know, we haven't...my...you know, I'm still going through those reports, the State report, and the County report but that's just a, that's a big question comes into my mind and I know a lot of the, you know, people who are paying attention to what's happening with affordable housing have that same question. And I understand and I appreciate, you know, your position 'cause I wasn't involved in who got this contract from the County money either or the questions but I do want to make sure that we're not...that we're making the best use of this funding and we're asking questions that have not already been answered in some other study. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Any comments, Department? Mr. Almeida, anything?

MR. ALMEIDA: Thank you, Chair. No additional comments at this time.

CHAIR HOKAMA: Okay. Members, additional questions you wish to pose? Ms. Crivello, anything else for the Department's request?

COUNCILMEMBER CRIVELLO: Not at all. Thank you.

CHAIR HOKAMA: Just so you know, Members, we did fund this 2016. We used the same venue, the Affordable Housing Fund so this is not something brand new or something we haven't considered in the past. Mr. Atay, any further questions?

COUNCILMEMBER ATAY: No questions, Chair.

CHAIR HOKAMA: Thank you. Ms. Sugimura?

COUNCILMEMBER SUGIMURA: None.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Chair, I like the point that, you know, the people need to...our community need to participate.

CHAIR HOKAMA: Yes.

COUNCILMEMBER COCHRAN: So, the more input, the clearer picture we have of what our communities are about. So where...what is this, like a door-to-door thing or people go online...how...where can we put that out there so people can hear how they're gonna participate?

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CHAIR HOKAMA: Department?

MS. MUNSELL: This is typically a telephone survey and then they can follow up with paper as well. It depends...I didn't look, I'm sorry, specifically. I know that they're not doing door to door. That's very expensive to do. So, it'll be a telephone and paper survey.

COUNCILMEMBER COCHRAN: Okay. Alright. I think that's very limiting but, okay. I guess I'll walk my own door to door and ask people. I see it every day anyway, so I'll...can I chime in and give you more information? Thank you.

CHAIR HOKAMA: Well, any suggestions that we...how we can assist the success of the study please make us aware of those efforts that we can support you in. Ms. King, further questions?

COUNCILMEMBER KING: Actually, that was just gonna be my last comment if we can assist and maybe also consider social media, you know, the Survey Monkey or whatever, those kinds of things.

CHAIR HOKAMA: Okay. Thank you. Okay, Members, if there's no further questions you wish to pose, your Chair is gonna entertain a motion to forward to Council passage of a proposed bill for an ordinance amending Appendix A of the Fiscal Year 2019 Budget for the County of Maui as it pertains to Part II, Special Purpose Revenues – Schedule of Revolving/Special Funds for Fiscal Year 2019, Affordable Housing Fund; allowing Staff to make any non-substantive changes; and filing of any appropriate communications.

COUNCILMEMBER CRIVELLO: Chair, so moved.

COUNCILMEMBER SUGIMURA: Second.

CHAIR HOKAMA: Okay, I have a motion made by Ms. Crivello, seconded by Ms. Sugimura. Members, any further discussion on the motion before us?

COUNCILMEMBER COCHRAN: Chair? Sorry.

CHAIR HOKAMA: Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: So, I'm just... 'cause of the Affordable Housing Fund, I know you --

CHAIR HOKAMA: Yes.

COUNCILMEMBER COCHRAN: --mentioned that we have used it before so --

CHAIR HOKAMA: Yes.

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COUNCILMEMBER COCHRAN: --obviously studies to working towards efforts to increasing Affordable Housing Fund is appropriate use of the fund.

CHAIR HOKAMA: Yes. And, Mr. Ueoka, I believe you signed off in 200...200...2016 as well as this current proposal. Any concerns that validates Ms. Cochran's query whether or not it's appropriate out of this specific fund for the use of this study?

MR. UEOKA: Thank you, Chair. We do feel it's an appropriate use of this fund as it does help further funding for these types of projects. Thank you.

CHAIR HOKAMA: Ms. Cochran?

COUNCILMEMBER COCHRAN: Okay. Thank you. And then, lastly, Chair, the ask is for 105 and I think --

CHAIR HOKAMA: Correct.

COUNCILMEMBER COCHRAN: --in the memo it says our portion is 101. Are we just rounding it off to a higher figure or is the 105 the...is that...cause I think in the...

CHAIR HOKAMA: Mr. Baz, you are the one that submitted that amendment.

COUNCILMEMBER COCHRAN: It says 101,730.21.

MR. BAZ: Yeah. Thank you, Mr. Chair. When we began discussions with the Department on the request of this funds, they weren't sure of the exact amount. They knew it was gonna be about that, and it was based on as Ms. Munsell mentioned some of that, the alternatives that they added or deleted. So, the final number is that 101,000 and some change, so yeah. But they'll only spend what's required. They won't spend \$105,000 even though it's available to them, they're only going to spend...

CHAIR HOKAMA: Yeah. This is a proviso that allows the Department or Division up to a maximum of 105,000 from the Affordable Housing Fund for the purpose of the study. As the point made by Ms. Cochran of the 101-point-something-thousand dollars, if that is the exact bill then that is the exact expenditure and the balances remain in the Affordable Housing Fund.

COUNCILMEMBER COCHRAN: Okay. Thank you.

CHAIR HOKAMA: Okay, any further discussion on the motion before us, Members? With none, all in favor of the motion please say "aye."

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed say "no." Motion passes with six "ayes," and three excused.

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VOTE: **AYES:** **Chair Hokama, and Councilmembers Atay, Cochran, Crivello, King, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Vice-Chair White, and Councilmembers Carroll, and Guzman.**

MOTION CARRIED.

ACTION: **FIRST READING of bill and FILING of communication by C.R.**

CHAIR HOKAMA: We thank the Department for being here this morning.

ITEM 53(10): CONTRACTS AND GRANTS: FEBRUARY 2018 (SUPERION, LLC, CONTRACT C6186, ONE SOLUTION UPGRADE) (MISC)

CHAIR HOKAMA: Members, let's take up 53(10) before the morning break. This is under Contracts and Grants, under the February 2018 heading, under subheading of Superior, LLC, Contract C6186, One Solution Upgrade. We are in receipt of communication from the Clerk, dated August 9, 2018, as well as a copy of the Contract C6186 between the County of Maui and Superior, LLC, for the One Solution Upgrade Project which is a Sole Source 17-24; and recertification to change vendor ID and time of performance for Department of Finance Accounts Division. This morning, we have our Director, Mr. Walker, here present to give us comment as regarding the status of this contract. Director?

MR. WALKER: Good morning, Chair, Committee Members. Mark Walker, Director of Finance. This contract was signed in June of 2017 and since that time our Accounts Division has been working with the vendor to find a mutually beneficial time to schedule this upgrade. And unfortunately, due to resource constraints and scheduling constraints on both sides it appeared that the earliest we were gonna be able to get this done was in the Spring of 2019. The resource constraints on our side, of course, is we have our HR Payroll project which is taking huge amount of hours in our Accounts Division and our annual single audit and CAFR which always takes a lot of time so we're trying to figure out a way to squeeze it in and it just look like the Spring of 2019 was gonna be the appropriate time.

CHAIR HOKAMA: What was our original projection, Director, for this project implementation?

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MR. WALKER: I don't know that we had...you know, we wanted to get it done as soon as we could...and let me...I'll finish my story here for you, Chair, if you'll indulge me. During this period we got a new...earlier this year I got a new Accounts System Administrator, Marci Sato and while she was trying to figure out this schedule with the vendor, she did a deeper dive into the contract and what we were getting along with the assistance of our IT Department. As this group may or may not remember, one of the main reasons or the biggest reason we were making this change, I mean, our accounting system's old, it's 20-some-odd-years old, was that the vendor said that very shortly they were gonna stop supporting the IFAS product. During her deep dive with IT, she found out that's not the case. They have not...they've changed their mind and they're gonna continue to support the project. So, she kept digging, you know, we were gonna get some other bells and whistles with the upgrade but in her mind at the end of the day the cost of this in terms of dollars as well as our resources she felt was, outweighed the benefits we were gonna get from doing the upgrade especially since they were gonna keep supporting it. So, she recommended that we cancel the contract which I did effective...well, I sent them a letter on August 1st cancelling the contract. And so, I'm here to answer any questions. Again, the, initially the big reason was they weren't gonna support this any longer and we had to make a change and they have now changed their tune on that and so we just felt that it was spending County money...again, the benefits didn't outweigh the cost in our mind.

CHAIR HOKAMA: So, Council made a financial decision based on faulty information then --

MR. WALKER: Well...

CHAIR HOKAMA: --'cause we approved the project and we expected this to be replaced and we got the brand new system that's better than what was or what is, so now you telling us we're gonna have to live with what is. 'Cause we're not satisfied with status quo, Director.

MR. WALKER: In my mind, the next big upgrade that the County should do should be of their accounting system and, you know, that'll be for maybe others to determine, but this was really a...this upgrade was a Band-Aid that was driven mainly by the fact that they weren't gonna support it any longer. And now that that's changed we felt that the money 144,500 could be better spent by either, you know, it's going back in the General Fund by another department on something else. We felt we could still move forward with this and get by until the decision is made on doing a total upgrade of our financial accounting system.

CHAIR HOKAMA: You know, when we bought into this whole IT upgrade, the IFAS conversion, this payroll, this is not our expectations from what was presented to us in Budget, okay. So, we appreciate though your straightforwardness and I can deal with that. You know, I not happy where we are but I appreciate your straightforwardness and your decision to cancel the contract since you believe it's in the best interest of this County. That's interesting. I'll ask the Members if they have questions that they would like to pose to the Director at this time. I'll start with Mr. Atay for this round. Any questions you would like to ask?

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COUNCILMEMBER ATAY: Thank you, Chair. I'm just sitting here thinking what assure...what is the timeline or assurance of if this group will change their mind or, you know, and not, you know...what's our plan in preparation moving forward? If you're saying eventually we need to do this upgrade, we're kind of like in limbo waiting with this agency if they're gonna tell us they're not gonna support us anymore.

CHAIR HOKAMA: Director?

MR. WALKER: Thank you, Chair. Again, their message to us was there's no plans to stop supporting this particular system. Now, what I'm saying to the Committee is that what we would like to move forward at the appropriate time whether that's in the next year or the next two years is a review of our entire accounting system, not talking about an upgrade of our existing system but a look at a more holistic accounting system that takes into...like our payroll's a separate system, right? I mean at least payroll and HR are gonna work together now, that's one system which is an upgrade over what we have now. Maybe look at a system that integrates with our payroll system so it's not too, you know, right now we download payroll information into our accounting system. So, I just think with our, you know, our Countywide cashiering platform, with our big payroll upgrade and HR upgrade that the next big thing would be to look at our accounting system and whether it's Superior that's the winning vendor or, you know, some other vendor out there instead of an upgrade of our existing system look at a whole new system. Because this is about 25 years old, things have changed, and I know you can get, you know, it's...it will probably not be inexpensive but, you know, it's a different world than it was when IFAS first came out 25 years ago.

COUNCILMEMBER ATAY: Okay. Thank you, Chair.

CHAIR HOKAMA: Thank you, Mr. Atay. Ms. Sugimura?

COUNCILMEMBER SUGIMURA: So, did you say you were trying to cancel the contract? August...we sent them a letter, August 1 --

MR. WALKER: Yes.

COUNCILMEMBER SUGIMURA: --to cancel?

MR. WALKER: Correct.

COUNCILMEMBER SUGIMURA: And so who's gonna replace that or what's gonna happen?

CHAIR HOKAMA: Director?

MR. WALKER: Nothing. We would just continue the way we're going now. We won't get an upgrade. We'll just continue with our IFAS system because they are supporting it and, I mean, again, one of our big concerns is if it breaks and they're not supporting it, well, who fixes it? What do we do now? And so, that was the reason for the...the major

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reason for the upgrade, you know, along with some other bells and whistles we were gonna get with it, but now that the, you know, the contract is canceled, we'll just continue the way we are. Again, my idea of a plan would be look at our whole accounting system holistically and instead of just an upgrade of an old system, maybe look at a new system and do a cost benefit analysis on that.

CHAIR HOKAMA: I thought that's what Council supported, a brand-new system, that's why we gave you the funding 'cause we're sick of IFAS.

MR. WALKER: Right.

CHAIR HOKAMA: Okay. It doesn't give us the data that is required for us to make budgetary decisions with information required. It's not good enough anymore for this Committee nor for this Legislative body as the Council. That's why we're investing. Who is the current vendor, please, Director, that provides you the service?

MR. WALKER: Superior.

CHAIR HOKAMA: Superior?

MR. WALKER: Yes. They're...

CHAIR HOKAMA: I hate to feel like I'm being dragged by a tail and led by a tail, you know, we're the body, we're the head. I don't like the tail wagging us. So, Members, you know what, we are going to talk about the payroll which is part of today's agenda. I'm gonna allow all of you to give comments, but your Chair is gonna plan to defer this and talk to the Department because this is not what we expected out of budget with our financial budgetary decisions, okay. And I appreciate the work of your Accounts Division head, Ms. Sato. Good work. But, Director, you know, we're going let you know and all other departments, IFAS is outdated, it's not good enough anymore, and that's why we spending the money. That's why we doing IT upgrades spending that kind of money, okay. I'm disappointed about this vendor and I'm happy you look for another vendor. I don't care who, but this vendor will not wag the County. Okay. I stopped with...Ms. Cochran, questions?

COUNCILMEMBER COCHRAN: Thank you, Chair. Yeah, actually, I'm looking at the item and I see on the very last page is a billing project cost supplement. So, did we expend any of these things, paid for all these things here that I see?

CHAIR HOKAMA: Director?

MR. WALKER: We sent them a check for...I think around \$28,000 which we'll get refunded to us.

COUNCILMEMBER COCHRAN: Okay. So, I see that was third-party license fee, 27,594, above it, net professional services 103,160, that we did not give.

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MR. WALKER: No, no.

COUNCILMEMBER COCHRAN: Okay.

MR. WALKER: I mean, yeah, the total contract was 144,550, I think.

COUNCILMEMBER COCHRAN: Right.

MR. WALKER: To get into the queue to try to schedule you had to give 'em sort of like a down payment and so we did that. But we requested that be refunded to us and work through Corp. Counsel to get a letter drafted.

COUNCILMEMBER COCHRAN: Okay. Alright, just checking to make sure we...asking what we expended and you said we're getting refunded, okay, but definitely, Chair, I understand your frustration. I feel the same.

CHAIR HOKAMA: Thank you. Ms. King, your questions, please?

COUNCILMEMBER KING: Thank you, Chair. I don't have any questions at this time, but I'm having some technical difficulties because my Granicus that I thought was charging was not charging so it's dead. I went on the Maui County website and none of the documents are attached in our notice of the meeting, so...but I'm happy you're gonna defer this because I do agree that we need to get more answers on this. I'm not happy with this idea of a company, oh you're gonna quit, well then, well, never mind we'll go ahead and support you. That's a really sketchy response to me, so, yeah, I think we need to defer this and get more answers. Thank you for being here, Mr. Walker, and for, you know, your, I mean, I know you're in a situation where you didn't cause that response but, you know, I think it does bear further investigation.

CHAIR HOKAMA: Okay. Director, we appreciate your candidness regarding this item, so thank you so much. Alright, with no objections, we'll defer this item.

COUNCILMEMBERS: No objection.

ACTION: DEFER pending further discussion.

CHAIR HOKAMA: Okay. And we have had no additional request that at the start of the...since the start of the meeting so with no objections we'll close testimony.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay, thank you, so ordered. We are gonna take our mid-day break, Members. We have two more items to review. One is the parking lot agreement or concession for West Maui as well as the HR Payroll project. So, we'll do that after we return at 10:15. . . .(gavel). . .

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RECESS: 10:07 a.m.
RECONVENE: 10:20 a.m.

CHAIR HOKAMA: . . .*(gavel)*. . . We are back in order. We have two more items for review for today's requirements, Members.

ITEM 53(10): CONTRACTS AND GRANTS: FEBRUARY 2018 (DIAMOND PARKING SERVICE, LLC, CONTRACT M1027, PARKING LOT CONCESSION, LAHAINA) (MISC)

CHAIR HOKAMA: May I now direct you to BF-53(10), this is also under Contracts and Grants, subheading is February 2018, as it regards Diamond Parking Service, LLC, Contract M1027, subheading is the Parking Lot Concession, Lahaina. We have a communication dated April 9, 2018, as it regards to Contract M1027 between the County of Maui and Diamond Parking Service, LLC, as it regards to a concession on County property located in Lahaina at the corner of Shaw and Front Streets. At this time, we're gonna ask Director of Finance Mr. Walker if he has any opening comments he'd like to give us as in regards to this contract.

MR. WALKER: Thank you, Chair. The County entered into this concession agreement in...the effective date was July of '17, so it's a little over a year old. It's a five-year concession to handle the parking at Mokuula. The initial term was only six months fixed and then it was...it's month to month after that. The way we structured the IFB, if you remember at the time, it was Councilmember Guzman was sort of heading up the Committee that was charged with looking into this and what we agreed to do was to have a fixed base rent and then the...whoever was gonna bid on the concession give us a percentage of the gross that they'd be willing to pay as well. And in our contract, it's a minimum \$15,000 a month or a percentage of gross, whichever is higher. The winning bid was 83.05 percent which is why it's such a weird number. We didn't come up with the number, the vendor did. And so, and all funds from...all receipts and funds that we receive from this concession go into the Hawaiian Cultural Restoration Revolving Fund which I believe people can come and get grants from you to further the Mokuula project. For the year 2018, the County received \$295,272 from this concession. The base rent, the 15,000 a month would've been only 180,000. So, they paid 115,000 and change and additional rents based on the percentage rent calculation. So, I think it's been a good deal for the County. And I don't know what the status of Mokuula. The reason it's month to month is because I think at the time we weren't sure there was gonna be maybe some archaeological work that was gonna take place where the parking lot is, and they would've had to move so we wanted to be able to terminate the contract if that eventuality came about. And I'm not sure what the status is now, but we haven't been informed that anything's impending in the near term.

CHAIR HOKAMA: Okay.

MR. WALKER: Thank you, Chair.

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CHAIR HOKAMA: Thank you, Director. So at this time, Director, for the Committee's understanding, there is no delinquencies or monies due the County from this contract?

MR. WALKER: No. Everything is current.

CHAIR HOKAMA: Okay. Thank you very much for that update. Ms. Cochran, any questions you'd like to pose?

COUNCILMEMBER COCHRAN: Thank you, Chair. Thank you, Director. So, we're currently on a month-to-month basis as you stated up 'til it looks like June 30, 2022, and...so you said...and so the 295,000, I think, 270 percentage of the gross income that we've received thus far starts...is that from date 12/31/17 'til today?

MR. WALKER: No. It started in July of '17. So...

COUNCILMEMBER COCHRAN: July 17.

MR. WALKER: Right. We said you can...we know you can stay there for six months, that was the fixed-term part. You can stay there for six months, after that we're gonna go month to month because we're not sure whether construction or archaeological work's gonna begin. So, that didn't affect the rents at all, that just affected their ability to stay. And so, they've been on a month to month since December.

COUNCILMEMBER COCHRAN: Okay. I'm just trying to figure out, so what is the average break down monthly that we receive?

MR. WALKER: Well, it depends on what their...you know, it's...

COUNCILMEMBER COCHRAN: I know but average thus far.

MR. WALKER: Average, I have...don't have an...the high...I'll give you the high and the low, how's that?

COUNCILMEMBER COCHRAN: Okay.

MR. WALKER: The high is about \$31,780 that was in March of this year. The low looks like about \$18,771 which was in September of last year.

COUNCILMEMBER COCHRAN: Okay. Those are nice figures. And I also...I'm trying to see...

MR. WALKER: Yeah. So the bottom line is they paid additional rent every single month above the 15,000 that, you know, they always exceeded the base and it went to a percentage rent calculation.

COUNCILMEMBER COCHRAN: And that is figured out 'cause I know they have a machine out front, so it's all kind of tallied --

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MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --and calculated --

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --so there is a paper trail on exactly what is brought in --

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --and that's how we're able to --

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --you know, I'm like, well, what is this, the fox watching the hen house? How are they...of course, you're gonna go we only made 15.

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: But obviously they are doing the percentage --

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: --whichever's more that's why.

MR. WALKER: Right.

COUNCILMEMBER COCHRAN: The other thing is I have sent issues about the cleanliness of the area and I noticed that, you know, they are not...they're supposed to be in charge of that, right? They're part of managing it and litter and things, so I did contact Parks. Is that who or would it be Diamond themselves or...you know, the trimming of the trees, the picking up of the litter and things of that nature. I just...the community just doesn't quite know where to go and my office has tried to also reach out on that.

MR. WALKER: I mean, I think it's fine to contact Finance. In our mind, it's a Parks responsibility but if you contact us we'll work with Parks to make sure it gets addressed and --

COUNCILMEMBER COCHRAN: Okay.

MR. WALKER: --we can call the vendor as well.

COUNCILMEMBER COCHRAN: Okay.

MR. WALKER: So, I mean, they can call Parks, they can call us --

COUNCILMEMBER COCHRAN: Okay.

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MR. WALKER: --and either one of us will get in touch with the vendor and make the...make known the issues.

COUNCILMEMBER COCHRAN: Okay. No, very good. Okay. That's all I have at this time, Chair. Thank you.

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

COUNCILMEMBER KING: I wanna make...I mean, I think it's a good review and I congratulate you for making that, the option of the percentage. That's a pretty good deal for the County of Maui. Are we gonna continue on just month to month or is there any intention at some point of making a long-term agreement again or six months or a year, whatever?

CHAIR HOKAMA: Director?

MR. WALKER: Chair, well, I think we, you know, we have this contract as month to month through 2022, so I don't think we can do that unless they agree that they want to change it, but that's sort of beyond us. I'm not sure what the Mokuula project, what it's...where it's...what it's status is and what the plans are in the near term. Again, this was just to give us enough flexibility to let them, give them notice to move if the construction or archaeological work moved into the parking lot area. So, I'm not sure which...maybe I think it's Parks, maybe, is trying to manage that or the MD's Office. I'm not...I don't know particularly who's running that project.

COUNCILMEMBER KING: So, you have an agreement to go month to month until 2022. That sounds like a long-term agreement, then it's month to month, so which is it? Is it a...

MR. WALKER: It's...well, we have an agreement to go month to month until 2022.

COUNCILMEMBER KING: I know, but that, I mean, that doesn't make sense to me. So, at any point, I mean, at any point we could either cancel it or we could go long term if we wanted to, I mean, right?

MR. WALKER: Again, the reason is...

COUNCILMEMBER KING: You can make a new agreement.

MR. WALKER: Yeah. Yes. Yeah, with...go ahead...oh, I'm sorry.

COUNCILMEMBER KING: So, yeah. So...because an agreement 'til 2022 tells me there's a contract for, you know, three more years but then you're saying it's month to month, so that's kind of a oxymoron there.

CHAIR HOKAMA: Well, all I can say is they signed the agreement. They know the terms, okay, and part of the terms is what Council reviewed and recommended to the Department after our review of the project, Mokuula. At that time, those existing agreements...some

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of the concerns of Council at that time was the accountability of what was coming in and going out from the revenue stream and whether or not they were fulfilling the agreement with the County for the Mokuula project. And again, we went back decades because your Chair started this with Akoni Akana, the late Akoni Akana who was very clear in his visioning of what he expected Mokuula to eventually become. So, it was a great community loss when we lost Mr. Akana, but there were issues after his stewardship and that is what we're trying to address through this type of new type of contract, to hold accountability of the revenue and make sure that that project went forward is what I can tell you over the last 20 years and that is why it's structured the way it is currently to correct some of the Council's concern of accountability of the financing from the site in the past, okay. So, you know, correct, Mr. Guzman worked hard, Ms. Cochran was on it from day one with the archaeological work and the wall and everything else and the abutting properties. So, this is a result of a long period of the Council trying to get the revenues accounted for, as well as place the project in a position, Ms. King, that if something should happen within 30 days we can make the adjustment.

COUNCILMEMBER KING: Okay.

CHAIR HOKAMA: And that is why the first half of the agreement was for a longer period. The remaining term is on the month to month, but the initial part of the agreement was for a longer period of time, okay. And then we both agreed, both parties agreed and that is why under the term it is clear, June 30, '22, is the end of the contract and the parties agreed to a month to month until that portion or we can negotiate again because it's still another opportunity, they can come ask us back to the table if they would like to ask us consideration of changing of terms. Again, that's something down the road. But as far as where we are today, again, not once did the County utilize the 15,000-base rent. All calculations from July 1, 2017 was based on the 83.05 percent because of the scope of the revenue stream. So, at best we got more than double base rent, 31,000, and all other months, as Director said, was at the low of 18,000. So, that's why we are at where we're at, Ms. King, regarding --

COUNCILMEMBER KING: Okay.

CHAIR HOKAMA: --the month to month was to address that --

COUNCILMEMBER KING: Yeah.

CHAIR HOKAMA: --unique situation we have with the project in prior years.

COUNCILMEMBER KING: Okay. And I understand that. I just wanted to make clear that, you know, if we have a month to month and you cancel it that we're not violating an agreement --

CHAIR HOKAMA: Correct.

COUNCILMEMBER KING: --that goes out to 2022.

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CHAIR HOKAMA: Correct.

COUNCILMEMBER KING: Okay.

CHAIR HOKAMA: You're correct.

COUNCILMEMBER KING: Okay. That was my main concern. And then at some point are we expecting, Chair, a presentation on the Mokuula project itself?

CHAIR HOKAMA: I would ask...yeah, if it becomes a budgetary thing we'll, you know, we'll be happy to consider agendizing it. I think it might be more with another standing committee if it's just the project scope and the mission and accomplishments I would expect another standing committee to have jurisdiction.

COUNCILMEMBER KING: Yeah.

CHAIR HOKAMA: If it comes back to money, then it will come back to us.

COUNCILMEMBER KING: It would be nice to see what our money's going, you know, the project that our money is going into --

CHAIR HOKAMA: Yeah.

COUNCILMEMBER KING: --with this contract.

CHAIR HOKAMA: In the last term, we have had...we had quite a number of meetings on Mokuula --

COUNCILMEMBER KING: Okay.

CHAIR HOKAMA: --you know, so...again...Ms. Cochran, any other comments you have --

COUNCILMEMBER COCHRAN: Yeah. Thank you.

CHAIR HOKAMA: --regarding the project in your district?

COUNCILMEMBER COCHRAN: Yeah. Thank you, Chair. And so, right, the reasoning behind month to month is because of the Friends of Mokuula the project of Mokuula and Mokuhinia and the part of the island is underneath this parking lot is key here. So, this parking lot eventually one day, should the island be recovered and restored, this part of the parking lot will be gone, so therefore the month to month. And then the other side of this is we need to create what the scope of the usage of the money is. The funds are nicely being tucked away into this new fund that was created via PRL and now we need to figure out the scope of usage and the RFP that we want to put out for the next people to step up in order to get the funds to do the whole Mokuula, Mokuhinia project and we haven't really got, worked out those details as of yet. So --

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CHAIR HOKAMA: Correct.

COUNCILMEMBER COCHRAN: --until then, you know, we don't really have any one in particular...but my question, Chair, has been...

CHAIR HOKAMA: Well, we have the general scope and parameter, yeah.

COUNCILMEMBER COCHRAN: Yeah, right, for Friends of Mokuula that entity itself. My question has been word is they have dissolved so where does that sit, you know, in reference to, yeah, the money and the whatever accounts we may have with them and the kuleana and things that have already been given to that entity. I know their for-profit arm the Maui Nei Walking Tour is no longer either so I...these are just things I'm hearing, you know, out there in the community. I don't know...I think it's something that we should bring to the table to really hash out.

CHAIR HOKAMA: Director, are you aware of any changes of the status or the ability of the third party to fulfill their agreements under this agreement with the County?

MR. WALKER: Speaking about Diamond Parking, Chair, or Friends?

CHAIR HOKAMA: Whoever executed...I just wanted to know has the Department made aware by the other party of any concerns or challenges that they have regarding the contract or the agreement?

MR. WALKER: I haven't heard anything, Chair.

CHAIR HOKAMA: You know whether their status changed or what, you know, I just want...Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I think there's still an underlying lease to the Friends of Mokuula but that's via the Parks Department, so I don't think Finance would be as directly involved with that. The Finance Department got involved with this portion strictly due to the County Code requirement that concession agreements be worked on with the Department of Finance. So Parks, I believe, would be the more appropriate place to check with that. Thank you, Chair.

CHAIR HOKAMA: Yeah. What I can do, Members, as your Committee Chair is write a letter to Chairman Guzman because there is an item under item 26 under his master agenda under Hawaiian cultural restoration and ask him for some consideration as has been mentioned, Ms. Cochran. I'm happy to do that because there is an item in Committee, not this Committee, but in another standing committee that I'll be happy to transmit our comments this morning or wish to have that reviewed.

COUNCILMEMBER COCHRAN: Yeah, that would be appreciated, Chair. Thank you very much.

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CHAIR HOKAMA: I'm happy to do that on behalf of the Committee. Okay, let's see whose turn? Ms. Sugimura, questions on this item?

COUNCILMEMBER SUGIMURA: So, at my meeting on Monday we heard the parking study that was done.

CHAIR HOKAMA: Yes.

COUNCILMEMBER SUGIMURA: Basically, Public Works, right?

CHAIR HOKAMA: Yes.

COUNCILMEMBER SUGIMURA: But it involves Lahaina and Wailuku.

CHAIR HOKAMA: Correct.

COUNCILMEMBER SUGIMURA: So, how does this...we haven't heard like implementation plans. Or it was kind of just a general presentation but wondered how that would impact this. It will?

CHAIR HOKAMA: I'm not sure, but I would recommend you consider as our standing Committee Chair that you would under your chairmanship write a letter to the Department and ask that very good question and see if they are able to provide you a response, 'cause I'm sure we would all like to know --

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR HOKAMA: --what the response is. So that would be my suggestion as our standing Committee Chair.

COUNCILMEMBER SUGIMURA: Okay. I also curious about Friends of Mokuuula because I think I just saw Blossom Feiteira and I thought she's still working on this project but maybe not based upon what Ms. Cochran is saying. I thought she said she was.

CHAIR HOKAMA: Yeah. I'll have a discussion with Mr. Guzman and ask if he would have some consideration for that item.

COUNCILMEMBER SUGIMURA: Yeah. That's it.

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

COUNCILMEMBER ATAY: Thank you, Chair. I had a similar line of thinking as Ms. Sugimura. You know, we recently just the other day had the parking, what is that, parking consultant that had introduced public parking structure and fees in the area of Lahaina as well as Wailuku. But her presentation stopped at Dickenson and I'm sitting here thinking, well, if that's County property and our intent is to generate income off of

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parking, so that's the corner of where Mokuula is that parking lot. Couple of question that I had is what is the current fee structure for parking there?

CHAIR HOKAMA: Director, are you able to respond to that question?

MR. WALKER: Thank you, Chair. I apologize, Councilmember, I don't know. You mean, what's the hourly rate?

COUNCILMEMBER ATAY: Right.

MR. WALKER: I mean, I know that they have, you know, hourly and they have monthly parking. I don't know what those are, but I could get that information for you if you'd like that.

COUNCILMEMBER ATAY: Please, please, Director.

CHAIR HOKAMA: Okay. We'll forward the request, Mr. Atay.

COUNCILMEMBER ATAY: And then another request it's not here on Granicus and Legistar but if I could receive a spreadsheet from July 2017 as to what the actual figures throughout the year from July '17 'til last month so we can see the monthly trend of increase or decrease in income. I like the 83.05 percent percentage, but I'm also...that's why I want to know what is the current fee structure and according to the parking consultant that presented to us the other day their presentation was at a \$4 rate per hour per parking. And if they use these computerized equipment for every stall that you park you put a credit card and you get your thing put in the sticker, whether you're there for ten minutes, whether you're there for two hours, when that stall opens up another customer can come in, so we need to also then do a projection of what are we missing, what...how much income are we missing by doing this? I go there. I park there. It's kind of like a honor system, drop 'em in and then it's an honor system to the vendor to us. But now we'll have that ability to use technology to...for parking and collections and using that projection. I would probably say we'll probably see a big increase of collections and with that line of thinking that parking consultant if they were to look at all of the County properties that could potentially be parking fee collection points collectively...I mean, if our goal is to generate income for our community, I think we need to look at all of these parking facilities that we have access to and implement a more current technology of collections. But for now, with this current contract I'll agree a guarantee minimum of 15,000 a month with a whichever is higher on the percentage, collecting 83.05 percent, I will not touch it until we move forward with other potential income increasing opportunities. Thank you, Chair.

CHAIR HOKAMA: Thank you. No, I think you have a...made a good comment about trying to get a sense of what is the opportunities out there. So, I would agree that, yeah, we need to understand what is the private parking lots charging 'cause they came up with a rate, had to make a determination what was a rate that they could promote and secure the revenues to operate. So, I appreciate that comment. Ms. Crivello, questions?

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COUNCILMEMBER CRIVELLO: Yeah. Thank you, Chair. So, I know Friends of Mokuula is not mentioned in the contract so are they completely out of this parking concession opportunities?

CHAIR HOKAMA: Director?

MR. WALKER: Yes. Yes, they're not a party to this agreement.

COUNCILMEMBER CRIVELLO: Okay. But they were at one time?

CHAIR HOKAMA: Director?

MR. WALKER: Yes. They...the money ran through their organization and then they paid the County...you know, I can't remember exactly what the deal was but again, as the Chair mentioned earlier, I think, there were concerns about how they were spending the money and versus the work that was getting done and they thought that it would be better for the County to collect the money directly and that's what we've done.

COUNCILMEMBER CRIVELLO: Okay. Thank you.

CHAIR HOKAMA: Thank you. Ms. King, any other questions you wish to ask the Director? I know this is a narrow scope for us, it's just about this one parking lot but I appreciated the comments from Mr. Atay and other Members.

COUNCILMEMBER KING: Yeah, and I just...I would like to get that, you know, for the whole Committee the rate that they're doing in and spreadsheet because I do think it relates to...I don't know if you can answer this, Mr. Walker, but I was wondering if this particular situation where Diamond Parking Service was part, one of the stakeholders that was interviewed by the folks who put together that parking plan? Because this information seems like it's critical to their idea of what to charge and how much they think they can bring in.

CHAIR HOKAMA: Director?

MR. WALKER: Yeah, I apologize. I'm not aware of the parking plan. I haven't seen it, so I'm not sure if they were interviewed or not to be honest with you.

COUNCILMEMBER KING: Okay. Maybe we can find that out through the PEA Committee as well.

CHAIR HOKAMA: The key department, as I understand it currently that the consultant's working with is Public Works currently. But, you know, I agree there's other departments that need to have input and some say as we progress forward. So, I appreciate that comment.

COUNCILMEMBER KING: Thank you.

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CHAIR HOKAMA: Thank you. Anything else, Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah. Thank you. And, yeah, I'm looking at that presentation that was at Ms. Yuki Lei's meeting and they kind of leave this parking lot out of the little map that they kind of...

CHAIR HOKAMA: Yeah, wasn't specific, yeah.

COUNCILMEMBER COCHRAN: Yeah, but...so the parking lot was initially created for a revenue generator in particular for Friends of Mokuuula and all revenues generated was to be put into the restoration and all that of that project. Well, as the decades progressed along and we started looking into it we're like, well, doesn't look like that's actually being fulfilled so it's in this County's best interest that we take it back which we have and outsourced it to this contractor Diamond to manage and receive revenues and put it into our coffers, so that where it sits today. And now, we're gonna have...the new fund has already been...or the scope of the...the usage has been, what is that, the Cultural Restoration Fund --

CHAIR HOKAMA: Yes, yeah.

COUNCILMEMBER COCHRAN: --and now, you know, we'll start putting out RFPs, what have you, for people to receive in order to fulfill the mission and goal of what we originally wanted it to go to. So, we're kind of there with this. And...but it's a great idea as long as the monies are being used for the purpose.

CHAIR HOKAMA: Right.

COUNCILMEMBER COCHRAN: Yeah.

CHAIR HOKAMA: And again, one thing we did learn with this project, Members, is there are a lot of governmental agencies involved including the Corps of Engineers from the Feds, so you know, it's a multi-jurisdictional project. The State's involved, the Feds are involved, we are definitely are involved, the non-profit is involved, the West Maui community's involved, the Native Hawaiian...I mean this is a pretty encompassing project that is a great significance to this County and West Maui district. So, I hope we would have had it completed by now but, you know, unforeseen challenges but it's still a good project in your Chair's eye. You know, that was something special that era. Okay, we're not gonna see taro or lois down back there like we're not gonna see lois Waikiki anymore, but that was part of our history. So, Members, if there's no further discussion on this, I wanted to have at least a update so we know where we were. Again, I'll send the communication to PRL Chairman Guzman for consideration on that cultural proposal as well as the communication to Finance for additional information on the month-to-month collections. Is there anything else that the Committee is interested in? If not, with no objections the Chair will defer this item.

COUNCILMEMBERS: No objections.

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ACTION: DEFER pending further discussion.

**ITEM 106: HUMAN CAPITAL MANAGEMENT (HCM)/PAYROLL
REPLACEMENT PROJECT (MISC)**

CHAIR HOKAMA: Okay, we have one last item for today, and that deals with a little of Finance but mostly with Personnel. We have BF-106, under the heading of the Human Capital Management (HCM)/Payroll Replacement Project. That's an interesting title, Human Capital. Okay, so we have communications July 28, 2017, October 6, and November 6, 2017, as in regards to this item and part of it is the Contract C6315, C6310, C6298. This is all in regards to the HCM, implementation of the HR Payroll, what we call HR Payroll. So, I'm gonna ask first Director Underwood from our Department of Personnel Services for any comments on this item please.

MR. UNDERWOOD: Thank you, Chair. Just I'll give a quick update of the progress of the project and then I'll try to give whatever information I can regarding the financial side of it although it's not really...that part isn't administered by our Department, but I'll give whatever information I have. The Human Capital Management Payroll replacement project is a large multiyear project started last...the selection started previous fiscal year. Implementation started in this fiscal year. Implementation activities started in August of 2017 with a lot of discovery by the vendor coming and determining how we do payroll, what we do, what our rules are. They've been configuring the system up until about...well, actually they're still configuring the system but there was a long period of discovery with the vendor then there was a period of what we call end-to-end testing and that's where we take all of the configurations that were done by the vendor and run them through a test, test scripts with actual County data. That was approximately two-and-a-half to three months of testing. Then after that there's a section called end-to-end testing. Unit testing is basically testing one thing at a time. So, worked over eight hours, did they get overtime, worked on a weekend, did they get over time, worked after 6:00, did they get a night differential? That's what unit testing is. They were in excess of 2,500 individual unit tests so the effort was pretty substantial. The section of the project that we're in now is called end-to-end testing that's where we take all the individual tests and put them together in scenarios. Yeah, we know overtime after eight worked, we know overtime on the weekend worked, we know callback worked, what happens if you callback somebody on the weekend after six o'clock, does everything mesh together and work together? So, that's what we refer to as end-to-end testing. That's the section of the project that we're currently in. Once that is complete we'll go into a section of the project that we call parallel testing, that's where we take payroll data for every single County employee and run it through the new system to make sure the results are consistent with our old system and then after that we'll go live. The initial go live will include the basic HR and payroll and timekeeping systems. There is a phase two after that which will include learning management, talent management, performance, recruiting, other functionality not part of the core. The initial go-live date was projected to be October 1, 2018. Due to the sheer volume of testing and complexity of the payroll rules that has been pushed to December 16, 2018, which is where it stands now. It is a cross department project. There's quite a bit of

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staffing coming from our department on the HR functionality. Department of Finance, Director Walker has been great in resourcing a lot of his staff for the payroll and timekeeping functionality. We've also had substantial involvement by members of Department of Water Supply, Environmental Management, Police, Fire, Planning, Human Concerns, all the places where there's particularly problematic payroll rules or timekeeping challenges. We've had them in for a lot of testing. They've been very good about helping us man the project, so we've got to thank pretty much all of our line departments have been dragged in at some point and some of them have been dragged in quite a bit, so we very much appreciate their effort. And that's where the project implementation stands right now. As far as...I know there's a question about whether there were any change orders executed. I believe there were nine or ten. Most of them were just rescheduling activities from one phase to another, no cost. I believe there was one cost. I think it was \$50,000 to engage additional support for our staff. As far as the encumbrances and the expenditures go, I apologize I don't know that. The contract administration is done by Department of Management, IT Services, that's...it's in their budget, and I know there's several contracts, and I don't really know the details on that. I don't want to risk giving false information so I apologize --

CHAIR HOKAMA: Thank you.

MR. UNDERWOOD: --I don't have that.

CHAIR HOKAMA: No, no apologies necessary. We...for the Members information, your Chair did request representation from Department of Management for this item and we'll be happy to forward any of your questions or concerns for responses, Members. So, Director, at this point in time, our understanding is it's going to cost us about \$460,000 for this portion from what we see from Gartner. Do you see additional monthly charges after the implementation of phase one on December for Gartner as far as some kind of service contract or post-implementation contract? You see a need for...

MR. UNDERWOOD: Mr. Chair, the services that Gartner is providing for this project is basically independent project verification. So, they're monitoring the contract, they're monitoring the efforts of both sides and identifying places where things may be getting out of scope or effort isn't good enough or we need to exercise additional caution in the contract, stuff like that, so that I think would end with the implementation of this project. I don't --

CHAIR HOKAMA: Okay.

MR. UNDERWOOD: --know of any ongoing need for that service.

CHAIR HOKAMA: The extension to December...and I appreciate the efforts to verify in the end-to-end testing that we really get what we need to get and so I appreciate that. That extension came from us because we weren't sure of the vendor's ability to perform at our level and therefore the additional time is needed or is this request from them because of the complexity of the testing for a system like ours?

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MR. UNDERWOOD: Chair, the...I believe the initial request came from us because we need to have the confidence level that...it's payroll. If...payroll has to be right. There's no if, ands, or buts.

CHAIR HOKAMA: It needs to be accurate and verifiable, yes.

MR. UNDERWOOD: So, for us, the ultimate driver is that things are quality, the system is quality and payroll is right. For us, a small delay is not a major --

CHAIR HOKAMA: No, I agree.

MR. UNDERWOOD: --backbreaker, you know, so. It initially came from us and it was primarily due to the time it takes to configure the system and test the system.

CHAIR HOKAMA: Okay. I appreciate your update, Director. Thank you very much. Ms. Sugimura, questions?

COUNCILMEMBER SUGIMURA: Yeah. The first department that I always think about when I think of payroll just because of, you know, what we've heard from the departments is Fire and Police. So, will this be able to accommodate the complexities of those departments and how they calculate their hourly and days off and, you know, all the other things that they have that made it hard for them to keep track of payroll?

MR. UNDERWOOD: Chair?

CHAIR HOKAMA: Director?

MR. UNDERWOOD: Yes, the pay rules and timekeeping rules for all bargaining units are in scope, so that includes Police and Fire.

COUNCILMEMBER SUGIMURA: And that'll cut back some of the manual, double manual things that they had to do to keep track of payroll before with this new system?

MR. UNDERWOOD: Yes, it should.

COUNCILMEMBER SUGIMURA: Okay. Save money, right? Thank you.

CHAIR HOKAMA: You know, for us, Ms. Sugimura, it's not only the wages or A Account. We're, you know, we're also concerned about the B and C categories and then, you know, there was challenges in the existing system with some of the subaccounts and how they were being utilized. So, your Chair has great expectations with the new system since we investing enough financial resources that we should expect something very, very good. Anything less is not acceptable, not for the kind of money we spending. Any other question?

COUNCILMEMBER SUGIMURA: That's it.

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CHAIR HOKAMA: Thank you. Ms. Cochran, questions?

COUNCILMEMBER COCHRAN: Yeah, thank you, Chair. And just brings me back to budget days here. So, being able to get a grasp, I guess, with this hopefully this system will it be able to look into the reasons for premium pays and maybe in particular with Fire, the rank for rank, you know, spiking issues that we've talked about, yesterday with Ms. Baisa the standby versus callback amounts, you know, in payroll? So, are these kind of things gonna be able...are we getting a good grip on that, be able to, you know, pinpoint where these figures and spikes or whatever are coming from and occurring in what manner and things?

CHAIR HOKAMA: Director?

MR. UNDERWOOD: Mr. Chair, the system is certainly capable of doing that. It has different pay components for different types of pay, so standby pay, callback pay, any type of premium pay will be identified. In addition, we have also asked that there be a way to track reason for overtime, so if somebody is gonna have overtime there's a place where they can record well, it's because we were short or because of this event or there was a hurricane, you know, or whatever that is. So there are tagging, and tracking tools built into it and we have been in communication with like Department of Fire and Public Safety to make sure whatever their requirements are to track, we're...we try to accommodate them.

COUNCILMEMBER COCHRAN: Okay. No, excellent. I'm thinking that's where we're lacking in, you know, our current system that we really need to get a handle on where these expenditures or why they're there and how they're being created, and so, yeah, looking forward to having this go live and roll into action so sounds like we'll be, get a better handle on why our figures are the way they are. So, that's all good stuff.

CHAIR HOKAMA: Thank you.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. King?

COUNCILMEMBER KING: Chair, that was sort of my question I wanted to follow up with. It sounds like there's flexibility in the system, so as we go forward individual department directors will be able to make requests of, you know, seeking that kind of information for their departments. Is that how it's gonna work?

CHAIR HOKAMA: Director?

MR. UNDERWOOD: Chair, yes, and is...whatever reporting requirements are determined to be applicable to one or more departments then we'll look to implement that and make sure there are either a dashboard or a report or something that they can get that information.

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COUNCILMEMBER KING: Okay, because that's, I think, some of the critical during budget, you know, when we're reviewing the individual department budgets to be able to hold the directors accountable for knowing this kind of information and trying to streamline operations, and make their budgets as efficient as possible. So, thank you.

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

COUNCILMEMBER CRIVELLO: I guess in line with Ms. King's question. When it comes to the different layers of authorization or authorizing the...if it's overtime or the actual payroll that's submitted, so it's the supervisors, right, is it the direct supervisors who approves the actual submission of time?

CHAIR HOKAMA: Director?

MR. UNDERWOOD: Chair, currently, yes and could be more. We typically want to have the direct supervisor sign off on the time because that's who knows whether the employee was there. There may be an additional sign off that the department wants for their internal tracking, so we may have two levels of sign off but at the very least we want to have the direct supervisor basically testify that, yeah, that's when the employee worked 'cause that's what drives everything that falls after that.

COUNCILMEMBER CRIVELLO: Right. So, that being said, so there's data or they can extract how much overtime that one particular employee is making and then they can do their own studies. Does this system provide that kind of opportunity or is that something they would have to create separately?

CHAIR HOKAMA: Director?

MR. UNDERWOOD: Chair, no, there will be reports and dashboards available to the manager to...that will give them that information on demand.

COUNCILMEMBER CRIVELLO: Yeah, I think that's important that we're able to do that and also hold the direct supervision or supervisor responsible or accountable for authorizing so much overtime and not being able to address why there's so much overtime or premiums involved, yeah. Thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Atay, any questions?

COUNCILMEMBER ATAY: No questions, Chair.

CHAIR HOKAMA: Okay. Thank you. Your Chair wanted us to get an update, so I appreciate both directors being present to respond to the Committee's needs. So, if you have any questions as far as what Finance does with the payroll and whatnot, Mr. Walker is available. Is there any Member would like to ask a question to Director of Finance?

COUNCILMEMBER COCHRAN: Chair?

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CHAIR HOKAMA: Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: The first item that we discussed or well, no not first, second item, the One Solution upgrade. How does that...does that have any bearing on this and how does it tie in if at all?

CHAIR HOKAMA: Mr. Walker?

MR. WALKER: No, this project is not related to the One Solution upgrade at all. I mean, we get our payroll information into IFAS but they're separate systems. And so, we just download the information, but the payroll project is a separate project from our IFAS accounting software.

COUNCILMEMBER COCHRAN: Okay. I guess, Chair, more...because we were looking to upgrade it and then we're not at this time so searching for another vendor, will this new vendor seeking another...I don't know, does it need to be better, I don't know, connected to each other or talking to one another in a better more efficient way? I'm not sure, that's kind of where I'm...my line of questionings heading towards. Since this is being upgraded and then the whole One Solution thing you said you get information via the payroll system to put it into the IFAS reports, what have you, but with this new, you know, seeking to upgrade at a later date on your behalf, Mr. Walker, do we need to start thinking about where this system is going in order to be, you know, compatible or...you know, I'm not sure. I'm not the techie guy here.

CHAIR HOKAMA: Yeah. What your Chair is, plan, would like to do, let me state it that way, is...that's why we...I recommended and we deferred the earlier item. Is eventually set up a meeting with the Department and get some clarity on the future of IFAS and then see if the Department will come up with a consideration for the Committee to present and review.

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: But again, we got, you know, information that, you know, I wasn't aware which was the director canceled the contract because the vendor did a 180 on us. So again, you know, my thing is allow the Department to review the situation and know that this Committee is not satisfied with the current setup and to see if there's options for us to consider in the...before end of term. And that is why with this, I'm, you know, unless there's additional question, your Chair plans to defer it because I would like us to have another opportunity before end of term to see what's happening with the implementation, and if the Department has unforeseen challenges that nobody could have forecast, or we're gonna have the good news that it's implemented running 100 percent, no issues, no problems, and we're a happy client is what we want to hear. So, that's your Chair intent. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And so, looking at the timeline on this memo that was handed out to us. . .(chuckling). . .January is the very last line,

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January 6 to June 9, phase two implementation, what did...I'm sorry if you did mention what that was gonna entail.

CHAIR HOKAMA: You know what I'm gonna do for that one, Ms. Cochran, I'm gonna have the Director write out --

COUNCILMEMBER COCHRAN: In writing, okay.

CHAIR HOKAMA: --of phase two so all of you know --

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: --how many steps will it take in phase two --

COUNCILMEMBER COCHRAN: Okay.

CHAIR HOKAMA: --and what each step entails. I think that will be easier for the Director to respond in writing.

COUNCILMEMBER COCHRAN: Okay. That's fine. Sounds good. Yeah, thank you.

CHAIR HOKAMA: Thank you. Anything else, Members? Any other requests for information before we defer this item? Okay, Director, any other comments you wish to share, Mr. Underwood?

MR. UNDERWOOD: No, thank you. Just thank you to the Chair and to all the Members of the Committee for all their support for this project.

CHAIR HOKAMA: Okay. Director Walker, any other comments?

MR. WALKER: I just want to echo what the Director said earlier about quality being our number one objective here. We're not gonna take any shortcuts. It's gotta work before we go live. Because if it doesn't, then we just got another problem, and so that's our goal at the end of the day to have a quality project. Thank you for your support.

CHAIR HOKAMA: Yeah. We don't want our checks to be incorrect when we get it. . . .(chuckling). . . So, thank you for that, directors. Members, if there's no other requests to the Chair, with no objections we will defer item BF-106.

COUNCILMEMBERS: No objections.

CHAIR HOKAMA: Okay, so ordered.

ACTION: DEFER pending further discussion.

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CHAIR HOKAMA: We have completed the agenda of the day, so I thank you for your presence.
Therefore, with no further business, we are adjourned. . . .*(gavel)*. . .

ADJOURN: 11:08 a.m.

APPROVED:



RIKI HOKAMA, Chair
Budget and Finance Committee

bf:min:180821:mb

Transcribed by: Michelle Balala

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CERTIFICATE

I, Michelle Balala, 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 17th day of September, 2018, in Kihei, Hawaii



Michelle Balala

Michelle Balala