

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Council of the County of Maui

MINUTES

April 1, 2019

Council Chamber

CONVENE: 9:04 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly T. King, Vice-Chair
Councilmember Riki Hokama, Member
Councilmember Tasha Kama, Member
Councilmember Alice L. Lee, Member (out 10:44 a.m.)
Councilmember Michael J. Molina, Member
Councilmember Tamara Paltin, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member (out 10:54 a.m.)

STAFF: Leslee Matthews, Legislative Analyst
Christy Chung, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Zhantell Lindo, Council Aide, Molokai Council Office (via telephone conference bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)
Mavis Oliveira-Medeiros, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Michele M. Yoshimura, Budget Director, Office of the Mayor
Scott K. Teruya, Director, Department of Finance
May Anne A. Alibin, Deputy Director, Department of Finance
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Beth Mathias, Marketing Associate, Pacific Biodiesel
Jasee Lau
Others (5)

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

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Aloha kakahiaka kakou!

COUNCILMEMBERS: Aloha.

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CHAIR RAWLINS-FERNANDEZ: Aloha. Will the Economic Development and Budget Committee please come to order. It is 9:04 on April 1st, Happy April Fools' Day.

COUNCILMEMBER KAMA: Happy Budget Day.

CHAIR RAWLINS-FERNANDEZ: I am Keani Rawlins-Fernandez, your Chair of the Economic Development and Budget Committee. With us this morning, we have Committee Vice-Chair Kelly King.

VICE-CHAIR KING: Aloha kakahiaka.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka kakou.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Alice Lee.

COUNCILMEMBER LEE: Buenos dias, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Member Riki Hokama.

COUNCILMEMBER HOKAMA: Can't beat that one.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And Member Tasha Kama.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. I understand that some of the Members will need to be excused from the meeting early to make their travel arrangements for the Lanai District meeting tonight. And then with us from the Administration, we have Finance Director, Scott Teruya.

MR. TERUYA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. Deputy Director, May Anne Alibin.

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MS. ALIBIN: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. Budget Director, Michele Yoshimura.

MS. YOSHIMURA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. And Deputy Corporation Counsel, Jeff Ueoka.

MR. UEOKA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. And from our, and our Committee Staff, we have Leslee Matthews.

MS. MATTHEWS: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. Yvette Bouthillier.

MS. BOUTHILLIER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And Christy Chung.

MS. CHUNG: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And at our District Offices, we have Mavis Oliveira-Medeiros, in Hana; Denise Fernandez on Lanai; and Zhantell Lindo at the Molokai Office. Okay. Just a quick reminder for everyone to please silence their cell phones. Members, we have one item on today's agenda, EDB-1, Proposed Fiscal Year 2020 Budget for the County of Maui. Staff will come around to collect your questions. And if you don't have a hard copy ready this morning, then my staff can work with your staff later to get those. And then let's begin with public testimony. Testimony or do we have testimony this morning, Ms. Matthews?

MS. MATTHEWS: Yes, Madam Chair.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Testimony will be limited to the one agenda [sic] on the item [sic]. To testify, please sign up with staff. Testimony is limited to three minutes and upon request up to one minute to conclude. If you're still testifying beyond that time, I will kindly ask you to complete your testimony. When testifying please state your name and who you are representing. Please also indicate if you are a paid lobbyist. So, let's first check in with our District Offices. Ms. Oliveira-Medeiros in Hana, will you please call your first testifier?

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MS. OLIVEIRA-MEDEIROS: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka.

MS. OLIVEIRA-MEDEIROS: This is Mavis Oliveira-Medeiros from the Hana Office. There is nobody here waiting to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Ms. Fernandez at the Lanai Office, will you please call your first testifier?

MS. FERNANDEZ: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. FERNANDEZ: This is Denise Fernandez at the Lanai District Office and there is no one waiting to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Ms. Lindo at the Molokai Office, will you please call your first testifier?

MS. LINDO: Aloha, Chair. This is Zhantell Lindo at the Molokai District Office. There is no one here to testify.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Ms. Matthews, will you please call our first testifier here in the Chamber?

MS. MATTHEWS: Yes, Madam Chair. We have one testifier signed up to testify. That is Beth Mathias testifying on behalf of Pacific Biodiesel on the fuel tax.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo.

MS. MATHIAS: Aloha and good morning.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. MATHIAS: My name is Beth Mathias. I'm a 40-year resident of Maui and an employee of Pacific Biodiesel. Pacific Biodiesel strongly opposes the biodiesel tax in the Mayor's Proposed Fiscal Year 2020 Budget for the County of Maui. Hawaii was the first State in the nation to mandate being powered by a 100 percent renewable energy. Additionally, all of the State's Mayors committed last year to a shared goal of 100 percent renewable ground transportation by the same timeline of 2045. Biodiesel is an important integral part of the renewable mix in our State. That's why it's perplexing and disappointing to once again this year see a proposal for an on-road tax for biodiesel. What does this say about the County of Maui's commitment to renewables? Pacific Biodiesel is strongly against this tax for this reason...for these key reasons. In a State committed to renewables this tax sends the wrong message. It's taxing the solution, renewable fuels. There's no...all renewables need to be treated

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equally. We recommend maintaining 100 percent tax exemption on biodiesel until an equitable on-road tax strategy for all renewables is developed to keep moving forward toward more renewables in the system in a fair manner. This significant tax increase would be extremely detrimental to our business and would penalize our customers who are doing the right thing by choosing to drive on renewables. Councilmembers, we need your support to ensure Maui County maintains its support of renewable fuels and continues to support climate change solutions. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Mathias. Members, does anyone have any questions for our testifier? Okay, seeing none, mahalo for your testimony today. Okay, Mr. Lau, it looks like he would like to testify. Please introduce yourself.

MR. LAU: Thank you, Madam Chair. Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. LAU: It's good to see everybody's bright, cheery faces this morning. You might not be so bright and cheery by the end of these meetings. Some of you more veteran members know. A lot of you guys weren't here, me and Mr. Hokama and Mr. White sat through a lot of meetings together. Yeah, I want to second comments of the previous speaker. And hold on a second. Give me a second here. I want to...when you guys are going through these meetings I won't be able to sit...I won't be able to be with you guys on every one of 'em. It's gonna be kind of tough. But when it comes down to crunch time, please give Mr. Hokama the benefit of the doubt and listen to him. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Lau. Members, do you have any questions for our testifier? Seeing none, thank you for your testimony today. Okay. Ms. Matthews, do we have any other testifiers?

MS. MATTHEWS: Madam Chair, there is no other testifiers signed up in the Chamber to testify.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Okay, seeing none, if there are no objections, I will now close public testimony.

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. Public testimony is now closed.

. . .END OF PUBLIC TESTIMONY. . .

**ITEM 1: PROPOSED FISCAL YEAR 2020 BUDGET FOR THE COUNTY
OF MAUI (CC 19-61)**

CHAIR RAWLINS-FERNANDEZ: Okay, Members, although there is only one item listed today, there are eight components: (1) A Bill for an Ordinance Relating to the

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Operating Budget for the County of Maui for the Fiscal Year July 1, 2019 to June 30, 2020. The purpose of the proposed bill is to appropriate estimated revenues for the operating and capital improvement budget. Incorporated within the proposed bill are Appendix A, which lists Grants and Restricted Use Revenues and Special Purpose Revenues; Appendix B, which is the Schedule of Fees, Rates, Assessments, and Taxes; Appendix B-1, which lists the County's concessions, leases, and licenses by department; and Appendix C, which provides descriptions of Capital Improvement Projects, the "Budget bill." (2) A proposed bill entitled A Bill for an Ordinance Relating to the Capital Program for the Fiscal Year Ending June 30, 2020. The purpose of the proposed bill is to set forth the Capital Program for Fiscal Year 2020 through 2025. Incorporated within the proposed bill are Appendix A-1, a report entitled County of Maui, Capital Improvement Projects Report, as of December 31, 2018, which lists all pending capital improvement projects and appropriations, except for Water Fund projects, as of December 31, 2018; Appendix A-2, a report entitled County of Maui, Statement of Appropriations and Expenditures, Capital Improvement Project [sic] by District, Fiscal Year Ending June 30, 2019 - as of December 31, 2018, which includes pending Water Fund capital improvement projects and appropriations as of December 31, 2018; and Appendix B, which is the proposed Capital Program for Fiscal Year 2020 through 2025, and this is referred to as the "Capital Program bill." (3) A proposed bill entitled A Bill for an Ordinance Authorizing the Issuance of Sixty-Four Million, Six Hundred Seven Thousand Dollars Aggregate Principal Amount of General Obligation Bonds of the County of Maui for the Purpose of Providing Funds to Pay All or a Part of the Cost of Appropriations for Public Improvements of and for the County of Maui; Fixing the Form, Denominations and Certain Other Features of Such Bonds and Providing for Their Sale; Authorizing the Director of Finance to Determine Certain Details of the Bonds; Authorizing the Issuance and the Sale of Like Principal Amount of General Obligation Bond Anticipated Notes in Anticipation of the Issuance and the Sale of Such Bonds; Authorizing the Issuance of Refunding General Obligation Bonds of the County; and Providing for Other Actions Related to the Issuance, Sale and Delivery of Said Bonds. The purpose of the proposed bill is to authorize the issuance of \$64,607,000 in general obligation bonds for the various capital improvement projects and this is referred to as the "Bond Authorization bill." (4) A proposed bill entitled A Bill for an Ordinance Determining that Part of the Proceeds of General Obligation Bonds of the County of Maui Heretofore Issued in the Excess of the Amounts Required for the Purpose of Which Such Bonds were Initially Issued, or May or Should Not be Applied to Those Purposes, and Directing Such Proceeds to Other Public Improvements or Authorized Purposes of the County of Maui. The purpose of the proposed bill is to reauthorize the use of \$382,411 in lapsed bond proceeds for the Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, New County Service Center project and it's referred to as the "Lapsed Bond bill." (5) A proposed bill entitled A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Entertain...to Enter Into Intergovernmental Agreement for a Loan from the State of Hawaii's Water Pollution Control Revolving Fund for the West Maui Recycled Water System Expansion, Fiscal Year 2020 Budget Ordinance. The purpose of the proposed bill is to authorize the Mayor to enter into an intergovernmental agreement to finance the West Maui Recycled Water System Expansion project, with funds not to exceed \$9,578,290. (6) Booklets entitled

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Synopsis Budget Proposal Fiscal Year 2020; and Mayor's Budget Proposed Fiscal Year 2020, which includes the Mayor's Budget Message and it's referred to as the "Program Budget." (7) A proposed resolution entitled Adopting the Fuel Tax Rates for the County of Maui, Effective July 1, 2019. The purpose of the proposed resolution is to adopt the fuel tax rates for the County of Maui, effective July 1, 2019, pursuant to Section 243-5, *Hawaii Revised Statutes*, and Section 3.20.010, Maui County Code. And (8) A Bill for an Ordinance Amending Section 2.44.015, Maui County Code, Relating to Salaries of Deputies Corporation Counsel and Deputies Prosecuting Attorney. The purpose of the proposed bill is to amend the salaries of the Deputies Corporation Counsel and Deputies Prosecuting Attorney, effective retroactive to January 1, 2019. Members, we will now receive a presentation from the Budget Director and the Director of Finance, which will cover a budget overview with revenues and Countywide costs. Mister or we're gonna start with Ms. Yoshimura? Okay.

MS. YOSHIMURA: Good morning, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Good morning.

BUDGET OVERVIEW

MS. YOSHIMURA: So, this morning we were asked to do a brief overview of the Fiscal Year 2020 Budget and go into the estimated revenues and the Countywide costs for Fiscal Year 2020. So, as Chair read on March 25th, Mayor Victorino submitted his Fiscal Year 2020 Budget along with the proposed bills, which was just read by the Chair. A Program Budget book, which gives you an idea of the various departments, their goals, their missions, and their departments, and a Budget Details, which includes a breakdown of all the requests that they are requiring for Fiscal Year 2020. So, in your Program Budget book starting on Page 38 or 37 there's a budget overview. And this chart indicates the total budget for the County, which includes County funds of \$780.7 million for County funds, which was derived through General Funds, the EP&S Fund, Liquor Fund, Highway Fund, Sewer Fund, Solid Waste Management Fund, and the Water Supply Fund. As noted we no longer have a Golf Fund. The Golf Fund was repealed...well will be repealed at end of this fiscal year. Revolving Funds or Special Purpose Funds are also included an Appendix A-2, which we are looking to appropriate \$15 million. And Appendix A-1, which includes all of our Grant Revenue, that will be outside sources of funds including like Section 8, Federal Highway money, and that amounts to \$73 million. So, when we look at County sources of funds, we're looking at a total of \$780 million and a large portion of that comes from or goes to the General Fund. General Fund is 59.6 percent of the total County budget. Special Revenue Funds, which have specific use and have specific purposes, those make up 28.7 percent. And the Enterprise Fund, which now it's just the Water Supply Fund, is 11.6 percent. The County has various sources of revenue. Our largest being real property tax, 43.2 percent of the County's revenue is derived from real property tax; 20.8 percent is derived from charges for current services. Charges for current services include like your sewer bill, water bill, your water charges, solid waste, refuse charges. We also depend on Bond and Lapsed Bond Funds. So, Bond Funds are borrowed

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monies that we use for CIP. Bond Funds cannot be used for any operations. And then we have some other smaller categories of revenue, which we will cover once we get to the revenue portion. So, this chart just shows you a breakdown of how we spend the County funds. Twenty-five percent of the \$780.8 million goes to Salaries and Wages; 15.5 percent of it goes to Countywide Expenditures, and Countywide Expenditures includes things like fringe costs, so employee retirement system, EUTF, Medicare and FICA taxes. Those are all included in there. Eight point three percent of our budget is spent for Debt Service and 25.6 percent make up Operations. Eleven million dollars' worth of equipment is included in the Fiscal Year 2020 Budget. In our proposal, majority of the equipment is based on replacement-type equipment. Given the time frame that we had to put together the budget, we didn't look at a lot of new equipment, but looking at replacing old, unrepairable equipment that the departments need to use. Also on Capital Projects, we're proposing \$132 million. And the CIP projects that are included in the fiscal year budget were prioritized based on whether it was needed to meet requirements by EPA consent decrees. We looked at what was mandated or there was some type of Federal or State requirement for us to complete. We also looked at projects that had started in prior fiscal years and needed supplemental funding. And also a lot of the Public Work projects were tied to Federal funds, so those projects are being proposed to move forward. So, we've broken down the sources by functional areas and there are seven different functional areas. And this is just for your information on how we have attributed to Culture and Recreation, General Government, Highways, Legislative, Public Safety, Sanitation, and Water Supply. So, Public Safety does take 14.3 percent of the budget. That includes Fire, Police, Emergency Management. The General Government, which is 31.7 percent of the budget covers the Department of Finance, Planning, Personnel. So, this graph is also in your Program Budget book under the Budget Overview Section. These two graphs indicate the equivalent personnel that is required to run the County government. And I just wanted to add that definition on equivalent personnel because an equivalent personnel does not mean one person. An equivalent personnel is the decimal equivalent of a full-time position. And one position is 2,080 hours. So, you could have one E/P, but have four employees at a quarter time. So, by us saying we have 2,614.1 does not mean we have that many people. We have that many equivalent positions. And then it's broken down again by functional areas you can see where Public Safety, 38.2 percent, is a large portion of where we have equivalent personnel. And these are other graphs that will show you how they're funded. The General Fund, because there's the Fire and Police personnel, 72 percent of the General Fund is used in...72 percent of the personnel comes from the General Fund. Okay, so, Chair, can we head into Estimated Revenues?

CHAIR RAWLINS-FERNANDEZ: Members, would you like to ask questions or we'll continue with the next portion of the presentation?

UNIDENTIFIED SPEAKER: Continue.

CHAIR RAWLINS-FERNANDEZ: Okay. Yes, okay, if you can continue, please.

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VICE-CHAIR KING: Chair, just a quick question. Are we gonna get, I mean, since the lion's share of the Estimated Revenues are tax...real property taxes, are we gonna get a presentation on that first? Or are we gonna just get the overview first?

MS. YOSHIMURA: On real property tax?

CHAIR RAWLINS-FERNANDEZ: Yeah.

MS. YOSHIMURA: Chair, I believe, you have scheduled Real Property Tax for Wednesday.

VICE-CHAIR KING: Oh, I thought that was part of today's. Okay.

ESTIMATED REVENUES

MS. YOSHIMURA: So, Chair, in the Program Budget book, there's also a section on Revenue Overview, starting on Page 85. So, the County's total estimated revenue for Fiscal Year 2020 is \$780.8 million. And, again, the major sources include the General Fund, the Highway Fund, Sewer Fund, Solid Waste Fund, and Water Supply Fund. It's an increase of \$22.5 million or 3 percent over Fiscal Year 2019 Adopted Budget. So, the General Fund is the main operating fund for the County. Estimated revenues of \$448,180,707 or 57.4 percent of the total estimated revenues are in this General Fund. This is estimated to increase by \$30.9 million from Fiscal Year 2019 Adopted Budget. So, the major source or the revenue source is, again, real property tax, which is 82.04 percent of the General Fund. TAT is...TAT and Public Service Company Tax are also other sources that contribute to the General Fund. So, the estimated Real Property Tax revenue for Fiscal Year 2020 is based on the projected certified values of real property of approximately \$50.8 billion, which is up 4.0 percent from Fiscal Year 2019. Real Property Tax revenue continues to show strong and steady gains due to a combination of factors, including rising property values, higher volumes of sales transactions, and the addition of new buildings to the County's property tax roll. Values were established by analyzing sales that occurred between July 1, 2017 and June 30, 2018. For Fiscal Year 2020, the estimated revenue on the proposed real property tax is \$337 million, which represents 75.2 percent of all General Fund revenues and 47.1 percent of all County revenues. So, Real Property Tax proposed rates for Fiscal Year 2020, there were five categories or five classifications that were changed from Fiscal Year '19 to Fiscal Year '20: Commercial proposing a 14 cents increase; Industrial a 3 cent increase; Hotel and Resort, 23 cent increase; a reduction to Timeshare, \$1.48; and Short-Term Rental, 27 cents. So, on Wednesday, we will have a presentation on Real Property Tax and we can have further discussion then. So, the Transient Accommodation Tax is levied by the State of Hawaii upon every operator and plan manager on the gross rental or gross rental proceeds derived from furnishing transient accommodations such as hotels. The TAT collected by the State is distributed amongst the State and the counties. As controlled by the State Legislature, the County of Maui receives 22.8 percent or \$23.5 million of the total 103 million distributed to the counties. The TAT for Fiscal Year 2020 is flat from prior year and it makes up 5.2 percent of the general revenue. Okay. Another source is the Public Service Company Tax. This tax, which is levied against public utilities,

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provides for a tax of 1.885 percent of the gross income in lieu of real property tax. Collections of the PSC Tax started in Fiscal Year 2002. The estimated PSC Tax revenue is \$7 million for Fiscal Year 2020 and it's a slight decrease of about \$500,000 from Fiscal Year 2019. This is based on continued decrease in sales of electricity. Okay. So, moving on to the Highway Fund, the estimated \$58.3 million in revenue for the Highway Fund for Fiscal Year 2020 represents 8.1 percent of the estimated revenues from County sources. Revenues for the Highway Fund is derived from fuel tax, weight tax, franchise tax and public transit fares. Fuel Tax collection in Fiscal 2020 is estimated to contribute \$15.8 million in revenue to the Highway Fund making up 27.1 percent of all Highway Fund revenue. The Fuel Tax is based on the number of gallons of fuel purchased. In Fiscal 2020, the Fuel Tax is estimated to decrease slightly by \$511,000 down from Fiscal Year 2019. The Fuel Tax rate is 23 cents per gallon for the County and included in the Mayor's proposal is a biodiesel fuel tax based on 370,000 gallons. The Highway Fund is used for all road projects, road improvements and to fund the bus service, Paratransit and public transit. So, Public Transit Bus Fares is estimated to contribute \$2.4 million to the Highway Fund in Fiscal Year 2020. There are four types of monthly passes available to the public: general boarding at \$45 per month for fixed and commuter routes; there's \$25 per month for passengers 55 years and older on fixed routes; \$30 for passengers 55 years and older on Paratransit routes; and \$45 for students with valid ID on fixed and Paratransit routes. In addition to monthly passes, daily passes for all routes are available for \$4, and one-way rates are available at \$2 per boarding. So, the estimated revenue of \$2.4 million from Public Transit Fare collection will be a slight decrease of \$300,000 from Fiscal Year 2019. And the Public Transit Fare is anticipated to contribute 4.1 percent in revenue to the Highway Fund.

CHAIR RAWLINS-FERNANDEZ: We're going hold questions till the end of the presentation.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . . numbers are using...

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura, do you know if, why the numbers would be different in our book than on the presentation? Okay, she going check 'em out after.

MS. YOSHIMURA: Okay, continuing on with the Highway Fund. The Franchise Tax is collected from a tax of 2.5 percent of annual gross receipts from electric and gas companies operating as public utilities in the County of Maui. Similar to the Public Service Company Tax fluctuations in franchise tax collections may be due to the increased cost of fuel and energy conservation measures. The estimated revenue from the Franchise Tax for Fiscal Year 2020 is \$8.5 million, which is a slight decrease of \$500,000 from Fiscal Year 2020...for 2019. So, the street use Weight Tax is what you pay through your vehicle registration. And for Fiscal Year 2020, the estimated revenue is \$24 million for the Weight Tax. There's no proposed increase for weight tax for Fiscal 2020 although we did see an increase back in 2018, I believe. Okay, so, the

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Sewer Fund is a special purpose fund. So, all revenues generated through the Sewer Fund is used specifically for Wastewater operations and Wastewater projects. Sewer Fund's Fiscal Year 2020 estimated revenue is \$75.9 million, which is an increase of \$6.4 million from Fiscal Year 2019. The fund represents 10.6 percent of the County's total estimated revenues. The fund's main source of revenue is derived from sewer and recycled water fees. Water billing is directly tied to Water Supply billing. So, when you get your water bill you also...it includes your sewer bill. Sewer, cesspool, septic and reclaimed fees--these fees or these charges for current services are used to fund the operations and capital improvement projects of the Department. The residential users are charged a monthly base charge and a water usage charge per dwelling unit in accordance with amounts set forth in the annual budget. Non-residential wastewater system service charges are also charged a monthly base charge, plus a variable charge based on total amount of water used each billing period. Okay. The Solid Waste Management Fund is also another special fund. The Solid Waste Management Fund funds your landfills and residential trash collection. The Fiscal Year 2020 estimated revenues for the Solid Waste Management Fund is \$30.2 million, which represents 4.2 percent of the County's total estimated revenues. Fees associated with landfill disposal and refuse collection are the major sources of the revenue for this fund. This year an interfund transfer of \$1.78 million is required to make the fund self-sufficient.

COUNCILMEMBER KAMA: Chair, I'm sorry.

CHAIR RAWLINS-FERNANDEZ: Yes, Ms. Kama?

COUNCILMEMBER KAMA: So, the numbers in the book don't match with the PowerPoint. So, we're gonna take the PowerPoint as being correct?

MS. YOSHIMURA: Yes.

COUNCILMEMBER KAMA: And we're gonna get all new pages? And so, that means the bottom line should come out appropriate, right, the bottom line? 'Cause if all the numbers in here are not right, it means we really don't have a right number either. So, I just want to be clear about that.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: So, on the Solid Waste Fund, the landfill tipping and permit fees, the Landfill Disposal Fees are collected as charges for current services. The estimated revenue of \$17.1 million in Fiscal Year 2020 for landfill disposal fees is an increase of \$2.2 million. The revenue source generates 56.7 percent of the Solid Waste total fund.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

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MS. YOSHIMURA: Yes.

CHAIR RAWLINS-FERNANDEZ: I'm going to interrupt really quick to check with Corp. Counsel. If the numbers, if a lot of the numbers are very different than that is being presented is very different from the numbers that we received from the official document that was due on March 25th, do we...are we allowed to continue to receive numbers that are not accurate in the official bills that we received?

MR. UEOKA: Thank you, Chair. My understanding is the budget bill itself, the numbers, coincide. You guys are looking at the narratives, I believe, which...yeah, or, it's like extra. But main thing for...what you guys really should be looking at is the budget bill itself. Those numbers...and they're estimates also. The estimated revenues should meet the estimated expenditures. So, I believe, you guys are fine to proceed. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Ueoka.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, Chair King?

VICE-CHAIR KING: I have a question on this. It's pretty disturbing how far off these numbers are from what's being presented. So, do we have a comfort level that the numbers aren't off in the actual Budget Details? Is there an explanation for why our budget bill or budget proposal was printed differently than what's on the slides? I mean, it could be that the slides are wrong. We don't know. So, I don't know that, you know, I'm ready to continue with conflicting information. I mean, I'm not ready to continue. It is kind of disturbing.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura, do you have a response for that?

VICE-CHAIR KING: You know, we're talking about millions of dollars here.

CHAIR RAWLINS-FERNANDEZ: Okay, perhaps we can take a quick recess.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Did you want to respond to that before we recess?

MS. YOSHIMURA: Sorry, Chair. What happened is the fiscal year...the links to the narratives were not updated and therefore the information that we are presenting this morning is correct. The information in the budget bills are correct and in the Budget Details. We did have issues with printing our budget documents and linking all of the information. But we will send you revised pages.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Lee?

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COUNCILMEMBER LEE: Could we get a copy of what you're, you know, presenting so that we can get the right numbers?

MS. YOSHIMURA: Yes.

COUNCILMEMBER LEE: Okay, thank you.

VICE-CHAIR KING: Like right now.

CHAIR RAWLINS-FERNANDEZ: Okay, Members...Member Kama?

COUNCILMEMBER KAMA: One last question. So, are the numbers that we're talking about, are they in this entire document or is it just a small section of the budget that we're talking about?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura? Oh, Ms. Alibin...Aliban [sic]?

MS. ALIBIN: Chair, the...all the charts in the Program Budget are actually correct. It's just the narratives itself referencing to it. So, it's gonna be the same charts as provided before you right now or that's being presented. Again, it's just the narrative portion of it where some of the percentages and dollar amount were not updated.

VICE-CHAIR KING: Chair? Can we --

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: --take a break and have them copy those pages that are wrong and give them to us so we can follow along to know what's correct and what's not?

CHAIR RAWLINS-FERNANDEZ: Okay, Members, if there are no objections, we'll take a brief recess at the call of the Chair. It's 9:45 on April 1st. Are there any objections?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay, thanks. . . *(gavel)* . . .

RECESS: 9:45 a.m.

RECONVENE: 10:12 a.m.

CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)* . . . Will the Economic...Economic Development and Budget Committee please return to order. It is 10:12 on April 1st. Staff is now distributing copies of the Administration's presentation. After we review the Revenue Overview, we're gonna move on to Countywide Costs. We will be at bare quorum at 11 o'clock, and I'd like to ask Ms. Yoshimura to please provide the Members an explanation of the discrepancies.

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MS. YOSHIMURA: Thank you, Chair. So, I'd like to apologize for the misinformation that's been presented in the Revenue Overview. In the handout that you were just given it provides the information that will be substituted in the narrative part of the Program Budget. So, we will have that to you. But the narratives that are included in this presentation are...will be the revised narratives.

CHAIR RAWLINS-FERNANDEZ: And when Ms. Yoshimura says the narratives, she means the text part of the Revenue Overview and the charts itself the numbers are accurate. Will you also provide an explanation to the Department's numbers? If it was impacted by any...if there are any, you know, anticipated discrepancies in the Department Section.

MS. YOSHIMURA: Okay. So, we did check the tables and the charts that are in the Introduction and in the Overviews are correct. The graphs are correct that are in the narratives. It's just the verbiage part of each description of the revenue source that was incorrect. So, when you look at the slides that were handed out to you, beneath each revenue source there's a description and those are the descriptions that will be replaced into the narratives.

CHAIR RAWLINS-FERNANDEZ: Okay, so, the numbers that you're presenting are the numbers that balance the budget?

MS. YOSHIMURA: Correct. The numbers are correct and the budget ordinance that you received, these numbers are accurate and the Budget Details will reflect...will tie into those numbers.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Members, did you have any questions regarding the discrepancies? Okay, seeing none, okay. Ms. Yoshimura, will you continue with your presentation, please?

MS. YOSHIMURA: Okay, so, we're on Page 15, which is the Solid Waste Fund. So, the Fiscal Year 2020 estimated revenues for the Solid Waste Management Fund is \$30.2 million, which represents 4.2 percent of the County's total estimated revenues. Fees associated with landfill disposal and refuse collection are the major sources of revenue for this fund. So, on the next slide, Landfill Tipping Fees and Permit Fees, the Landfill Disposal Fees are collected as charges for current services. The estimated revenue of \$17.1 million in Fiscal Year 2020 for landfill disposal fees is an increase of \$2.2 million or 14.5 percent increase from the Fiscal Year 2019 Adopted Budget. The revenue source generates 56.7 percent of the Solid Waste total fund. The projected increase in landfill disposal fee revenue is mainly due to the increase in the commercial tipping fee from \$97 to \$103 per ton. The Solid Waste Management Fund is also made up of Refuse Collection Fees. Refuse Collection Fees are collected as charges for current services. In 2020, the proposed rate for this service increases from \$32 to \$33 per refuse collection unit per month on the islands of Maui and Molokai, where once-a-week manual or twice-a-week automated service is provided. On the island of Lanai, the proposed rate increased from \$16 to \$18 per refuse collection unit per month, where only once-a-week service is provided. The service is projected to

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generate \$10.7 million in annual revenues in Fiscal Year 2020, which is a slight increase of \$.4 million from the Fiscal Year 2019 Adopted Budget. The Refuse Collection Fees generate 35.5 percent of the total Solid Waste Fund's revenue. The Water Supply Fund, the estimated revenue for the Water Supply Fund from all sources for Fiscal Year 2020 is \$91.2 million, which funds Water Supply operations and capital improvement projects. This represents 11.1 percent of the County's total estimated revenues. The Water Supply Fund is a special purpose fund and whatever revenues are generated can only be used for purposes of the Water Supply or Department of Water Supply. Water Services Fees are the primary source of revenue for that Department. Water Service Fees are proposed to generate 64.9 percent [sic] for Fiscal Year 2020, a 2 percent increase is proposed in the Water Service Fee for 2020. The fee is charged...sorry, that's a 3 percent increase is proposed in the Water Service Fee for 2020. The fee is charged to customers on a monthly basis for water usage. An accrual for unbilled water revenue is made based on the estimated usage from the meter reading date nearest to June 30th to the end of the fiscal period. So, tomorrow, I believe, Chair has scheduled all the different rates and fees that have been proposed.

CHAIR RAWLINS-FERNANDEZ: Tomorrow, we are gonna be receiving the CAFR presentation, the Water Audit, and the Single Audit. And then on Wednesday, we're gonna be doing the --

MS. YOSHIMURA: Rates and fees.

CHAIR RAWLINS-FERNANDEZ: --rates and fees for the RPT.

MS. YOSHIMURA: Okay. And then that, well that was the last source of revenue for the County.

COUNCILMEMBER PALTIN: So, we just change it to --

MS. YOSHIMURA: We can have...

COUNCILMEMBER PALTIN: --3 percent?

MS. YOSHIMURA: Three percent, sorry. Okay, so, is there any questions or you wanna go into Countywide Costs before the Members have to leave?

CHAIR RAWLINS-FERNANDEZ: Yeah, maybe let's do that.

COUNTYWIDE COSTS

MR. TERUYA: Okay, Members, I'll cover the FY '20 Budget Countywide Costs.

CHAIR RAWLINS-FERNANDEZ: Would you mind letting the Members know where in the Program Budget, what page the Countywide Costs is on?

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MR. TERUYA: I have it here.

MS. YOSHIMURA: Chair, the Countywide Costs is on Page 229 of the Program Budget, but it's on a separate tab in your Details under Countywide Costs.

MR. TERUYA: Yeah, it's tabbed, it's 6-47.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo.

MS. YOSHIMURA: Six dash forty-seven of the Budget Details. That's the one with the green cover.

MR. TERUYA: Okay, Members, good morning. Scott Teruya, Finance Director here along with Ms. May Anne Alibin from...Deputy Finance Director. First of all, we'll go over the Budget Summary for the Countywide Costs and the 12 different buckets, I guess, so to speak as far as the different ones that I'll be going into. First of all, being in the Fringe Benefit area. For Fringe Benefits, the following are individual areas or buckets so to speak that come under fringe benefits. One being ERS, FICA, EUTF, Unemployment Compensation, Terminal Pay and Salary Adjustments, and Interfund Fringe Reimbursements. And for the first one, we have ERS. Based on the increases in ERS rates, the bargaining unit increases, and the spiking bill there's an increase of 7,517,746 for FY '20, which brings the total amount of ERS at \$53,250,523. Next is FICA. Based on the calendar year '19 employee fringe benefit rates issued to the previous Finance Director in November 1st of '18, there's a decrease of 788,212 for FY '20 and the proposed total goes down to \$9,070,149. Next category is the EUTF for fringe benefits. This is the anticipated increase to the employers' share of the EUTF premiums in the amount of 2,053,191 for a fiscal year proposed total of 39,060,966. Next category is Terminal Pay and Salary Adjustment. This is a deletion of the one-time appropriation for transition costs of a million dollars that was appropriated in FY '19 that needs to be removed, offset by an anticipated increase in the collective bargaining unit agreements, I believe for unit...in Bargaining Units 2, 3, 4, 11, 13, and 14 expiring on June 30 of '19, for \$4,013,459, for the total proposed for Fiscal Year '20 at \$6,213,459. So, the total increase overall for the fringe benefits is a total of 11,796,184 or a 12 percent increase to this category. Next is the Fringe Benefits and Overhead Costs Reimbursements. The total for Fiscal '20 is \$20,796,402 for the different areas there. Next slide is the Fringe Benefits and Overhead. The overhead...this total for Fiscal '20, the Overhead Cost Reimbursements total is \$19,192,625. Those are the different areas that it breaks up. Next slide is the Bond Issuance and Debt Service. Our next GO bond issuance is anticipated in October of 2020. I don't believe that the total amount has been determined yet. We'll probably have to go through maybe our bond counsel, or who's that, our financial advisor to identify how much would be going into for that next float. In regards to the Bond Issuance and Debt Service, the FY '20 total is \$55,854,195. I believe, this is...Ms. Alibin can probably go into more details. This also includes the 1.9 million for the \$24 million Lahaina Wastewater project. The next one is Supplemental Transfers. In regards to this transfers to Solid Waste Fund for \$1,161,274 for nine additional

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E/Ps to the opening of the landfill, and I'm not sure if it's just one Sunday a month or more. I think, it's just one Sunday a month, including operational costs and CIP for that program. The FY 20 proposed total is \$3,199,433. Next is the Insurance, Self-Insurance, Workers' Compensation, the total is for FY 2020 is at \$4 million. In the Insurance and Self-Insurance program there's an incremental increase premium added to the insurance cost of \$167,500; for self-insurance there's a reduction of \$2 million due to historical and ongoing estimates. Overall, there's a \$1.88 million cost reduction to this program for our Fiscal '20 proposed at \$12,365,000. Next one is the Open Space and Natural, Cultural Resources and Scenic Views Preservation Fund. This is based on the Charter requirement of a minimum 1 percent of real property tax revenues. This increase is approximately 4.9 percent for a total of \$3,371,926, 3 percent change, oh no that's a 4.9 percent change. I'm sorry about that. Next is transfer to the Affordable Housing Fund. For the Countywide Affordable Housing Fund, the Charter requires a minimum of 2 percent of real property tax revenues. However, for Fiscal '20, we changed that proposal is now 3 percent of the estimated real property tax revenues, an increase approximately \$3,686,063, for FY '20. So, the proposed total for Fiscal '20 is \$10,115,777. For General Costs, for rentals and facilities, there's an increase of \$20,874 for anticipated increase in rent for the second half of the Fiscal '20 Service Center increase in electricity rates and wall maintenance for the lots at Maui Lani Fairways. For centralized postage is an additional 45,000 adjustment for postage rate increases that started at the beginning of the calendar year in '19. In total, there's an overall reduction of \$142,458 to General Costs, for proposed Fiscal '20 amount of \$1,112,000. Next is the Emergency Fund, remains flat from FY '19. That's at \$6.5 million. For Overhead Reimbursement, there's an overhead charge of \$209...\$209,174 based on the cost allocation plan. For Post-Employment Obligation, there's a reduction of \$1,126,930 based on actual anticipated lump sum costs totaling \$17 million. However, this amount is still above the minimum required contribution of \$14,978,000. So, it's a little more than what we are required to pay. For the One Main Plaza Lease, there is a negative \$6,245 adjustment for a new Fiscal '20 proposed total of \$367,206. And that's all I have, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Teruya. Okay, Members, at this time I will now open the floor to questions starting with Member Kama.

COUNCILMEMBER KAMA: Thank you, Chair. Could we have a copy of this PowerPoint also, Chair?

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya?

MR. TERUYA: Sure. Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay, thank you.

COUNCILMEMBER KAMA: And so on one of the slides you mentioned there's \$20,000 for something, something, and the Maui Lani Fairway lots. What was that?

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CHAIR RAWLINS-FERNANDEZ: Mr. Teruya? That's okay.

MR. TERUYA: Thank you, Chair. For General Costs, that's a risk [sic]...that's the \$20,874 for the increase in electricity in the Service Center and the Maui Lani Fairway lots' wall.

COUNCILMEMBER KAMA: Okay, I didn't understand that. Could you explain a little bit more what is that?

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya?

MS. MATTHEWS: Chair? Can Staff clarify the question that Councilmember Kama asked? Was the question, what was...

COUNCILMEMBER KAMA: The question was on the \$20,000, something about the wall and the Maui Lani Fairways something. So, I'm trying to...

MR. TERUYA: Chair, I understand the question. Thank you. I'm just...I don't...looking for the breakdown of the 20,874 for both the electricity and the wall maintenance. So, I'm just trying to verify the numbers individually.

COUNCILMEMBER HOKAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Mr. Hokama?

COUNCILMEMBER HOKAMA: If the Department needs time, I prefer they send it in writing--

COUNCILMEMBER KAMA: They can do that.

COUNCILMEMBER HOKAMA: --so that we can use it as part of our worksheets as we go through the finalization of the budget, Chair. I think, that would speed up --

COUNCILMEMBER KAMA: Yeah.

COUNCILMEMBER HOKAMA: --the ability of the Members to --

CHAIR RAWLINS-FERNANDEZ: Ask questions.

COUNCILMEMBER HOKAMA: --get our needs done before the Lanai hearing. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama. And OCS Staff did hear your question and has written it down --

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: --so that we can transmit it to the --

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VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: --Department. Chair King?

VICE-CHAIR KING: Yeah, just when we...I don't know how you want to handle it but when we have question like that if anybody wants to add to it because I'd like to know why we're paying electric costs if we don't have any housing there. Like why do we have electricity costs? Just those kinds of things, you know, I don't know if you wanted...

MS. ALIBIN: Chair, if I may clarify?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: Under the Countywide Rentals Facilities Budget, it actually includes...there's a lot of different items that we pay for. One of them is the electricity charges for the Service Centers and then we also pay for like repair and maintenance, grounds, for the Sandhills Estates, Fairways at Maui Lani, Maui Business Park, and then as well as sewer charges for the Front Street and then the North Market Street and then the Maui Business Park. And then it also includes some water charges for the Prison Street and then Front Street and then some North Market Street properties and then Wharf, and then some other rentals for like the Catholic Church parking lot, John Richardson parking lot, and then Maui Lani Association fees, and Sandhills Estate.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. And that is all broken down in the Detail?

MS. ALIBIN: Chair, no it's not provided in the Budget Details, but we can provide this information in writing.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Alibin. Member Lee, did you have a question?

COUNCILMEMBER LEE: Yes. Thank you, Chair. Two things, Scott. When you send us copies of the two presentations that you've given, could you make the copies from your office because our printer is kind of blurry? We can't afford, you know, colored printer so, can you take care of that for us, please? That's one. The other one...the other question I have is these fees that are going up, Michele, Solid Waste and water fees, or any fees. Normally fees are tied to costs. So, I'm assuming that there is a correlation with the increase in costs. Could we have that information because otherwise it's a tax, you know? So, if it's a fee, can we have the correlating costs that go with that? Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Okay, Member Kama, and then I'll continue going down the row.

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COUNCILMEMBER KAMA: That's the only question I had, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Kama. Member Sugimura?

COUNCILMEMBER SUGIMURA: Just maybe if they could, if not, in writing decrease of One Main Plaza, the rental that was good news. And I wanted to ask how it will correlate to the new Service Center, but I don't know if it's the appropriate time, Mr. Teruya. Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin? Or did you want a respond? Okay.

MS. ALIBIN: No, Chair, we just had a recent negotiation for the One Main Plaza, so that's why we were able to reduce the base rate.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Is this okay to ask questions on everything they presented so far?

CHAIR RAWLINS-FERNANDEZ: Yes, and if it's specific to departments, we have OCS Staff that are listening and will note down the question, and we'll submit that to the appropriate department if the question would be for the department instead of Mr. Teruya or Ms. Yoshimura.

COUNCILMEMBER PALTIN: Okay, I'll try to...I hope they're easy. You know, for the equivalent personnel, is the fringe benefit cost the same whether you have one person filling one equivalent personnel or if you have like say four people filling one equivalent personnel, is the fringe benefit higher?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: So, fringe is based on, it's calculated based on the salary. So, if a quarter-time person or a half-time person is paid half of the salary, the percentages are based on the salary.

COUNCILMEMBER PALTIN: So, the fringe benefits are the same based regardless how many people are in the equivalent position?

MS. YOSHIMURA: Correct. It's just based off of the salaries.

COUNCILMEMBER PALTIN: Okay, cool. And then my second question at this time is what is...how does...where does the money come from for a lapsed bond source?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Lapsed bond proceeds are recognized when a project that was funded through bond proceeds comes under budget. So, if you had a \$1 million bond

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appropriation and the bond was floated at a million dollars and your project came in at 700,000 then you would have lapsed bond proceeds. If an appropriation, a project is appropriated bond but the full amount is not floated then you won't recognize lapsed bond proceeds. So, you only recognize lapsed bond proceeds if the bond was floated.

COUNCILMEMBER PALTIN: Can I follow up?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER PALTIN: So, if you appropriated bonds for a not shovel ready project and that project never came to fruition that wouldn't come as lapsed bond because the bond was never floated?

MS. YOSHIMURA: Correct.

COUNCILMEMBER PALTIN: Okay, thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. I would agree with the Director 'cause our main concern is arbitrage. Yeah. And we do not want to deal with arbitrage at all. So, just couple of quick questions. Regarding that Solid Waste comments about Sundays, I'm assuming then you have the union's agreement to staff for overtime since we cannot require them to do overtime? So, that is taken care of. And then the budget reflects that we have agreement to do Sunday. Is that a good understanding on the Committee's part at this time?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, the union is being consulted at this time to have one day a month open at the Central Maui Landfill only, but we did put the proposal forward in association with the one day a month we are asking for six additional employees. And we did propose an increase for the landfill disposal...well the landfill residential drop off from \$3 to \$5.

COUNCILMEMBER HOKAMA: Okay. So, is that part of the contract negotiations currently since we're at the table?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, UPW is not, I think, they have an ongoing contract so their contract does not expire June 30. HGEA Bargaining Units 2, 3, 4, 13, and 14 expire June 30th, as well as Hawaii Firefighters. The UPW does not or they're not on the table at this time.

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COUNCILMEMBER HOKAMA: Would we need an amendment or memorandum of agreement to the contract if we're gonna do this Sunday thing?

MS. YOSHIMURA: Yes, and the Mayor is in...and the Department is in consultation with the union regarding the opening of the landfill on Sundays. So, we have not reached an agreement yet, but we have put the proposal forward.

COUNCILMEMBER HOKAMA: Okay, thank you. One question I would ask through our Chair for the whole Committee would be I would like us to have an update of Terminal Pay and the payouts from the last Administration. 'Cause, Kauai, you know, Ms. King and I got word from our counterpart that their council is dealing with a 1.2 million increase in exit or terminal pay for 11 employees of Kauai County. Okay, 1.2 million for 11 individuals. I would like to know what has our impact been on the departure, the last Administration and whatever happened, again, on the amounts of terminal pay and the last salary increases given by our Salary Commission, what did it cost this County because if they didn't take it out on vacation and whatnot, they got cashed out. Okay. I wanna know that number. The taxpayers wanna know that number and the positions that got those adjustments.

CHAIR RAWLINS-FERNANDEZ: Great question. I just wanna make sure that our OCS Staff was able to get that noted down. Okay. Mahalo, Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you, Chair. Again, I just wanna verify bond issuance is anticipated for October of 2020? That was your projections, Department?

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya?

MR. TERUYA: Chair? That is correct, Member Hokama, October 2020.

COUNCILMEMBER HOKAMA: So, yeah, I would hope that you would check with our bond counsel, but as well as I expect our third-party independent advisor on our short-term investment portfolio to give us comments also because I expect more money in that pot.

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya?

COUNCILMEMBER HOKAMA: So, where are we with that third-party advisor that Council approved?

MR. TERUYA: Thank you, Chair. We are on schedule to have the third-party investor begin on July 1 at the start of the fiscal year.

COUNCILMEMBER HOKAMA: Okay, thank you for that. The last one, I think, that I'm concerned about is the OPEB decreasing, you're not touching the EUTF monies, right? Or is EUTF being impacted by your decrease of OPEB? Because that is one component this County has control over. And we had set a direction to fully fund it

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sooner than the State and the City and County, which would be to our cash flow benefit.

CHAIR RAWLINS-FERNANDEZ: I agree with you, Mr. Hokama.

COUNCILMEMBER HOKAMA: Thank you, Chair. So, any comments, please?

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya --

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: --it's on the last page.

MR. TERUYA: To my understanding is, I believe, the County is required to pay annually at 14,978,000 and it's been our practice to go more than that to pay 17 million. So, our contribution is bigger than the amount required. Thank you, Chair.

COUNCILMEMBER HOKAMA: But didn't we hear a 1 million reduction or something from OPEB?

MR. TERUYA: Go ahead, you can answer.

CHAIR RAWLINS-FERNANDEZ: Mr. Teruya? Oh, Ms. Yoshimura?

MS. YOSHIMURA: Chair, Member Hokama, the reduction is the reduction from Fiscal Year '19 to Fiscal Year '20. So, last year, I think, we contributed 18...

CHAIR RAWLINS-FERNANDEZ: Eighteen million, one hundred twenty-six thousand, nine hundred and thirty.

MS. YOSHIMURA: So, this year we're putting in 17 million, which is still in excess of what is actually required.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER HOKAMA: So, why decrease? If we have the money why aren't we paying the bill sooner than later because we made big adjustments now in our trust components as well as the obligations? I don't want to go backwards. Either hold the line or further accelerate the payoff of the obligation. We wanna be fully funded as best we can because it impacts every employee and retiree of this County. I just need to understand the approach, please, because, of course, we're gonna make our own adjustments, yeah.

CHAIR RAWLINS-FERNANDEZ: Right.

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COUNCILMEMBER HOKAMA: But I just need to know why you folks chose to decrease what we've been accelerating and increasing to pay off? Is there a need somewhere else for that money that we are not clear about?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, we did see a large increase in ERS and salary adjustments for the collective bargaining. And so, it was a decision made to fund OPEB at 17 million for Fiscal Year 2020 because of the additional cost in the pay as you go. There was an increase there. There was a \$7 million increase to ERS because of the spiking bills and the increase in percentage that is now required for Police, Fire, and General. So, with those increases in order to, you know, accommodate...

COUNCILMEMBER HOKAMA: That the 3½ percent the State adjusted and requires?

MS. YOSHIMURA: I believe...yeah. So, I think, EUTF on the pay as you go it went up 5.48 percent.

COUNCILMEMBER HOKAMA: Okay, thank you very much, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama. Chair King?

VICE-CHAIR KING: Thank you, Chair. The first thing I wanted to do is follow up on something you just said to Member Hokama's inquiry. You said there's an increase in ERS because of spiking bills. Aren't the spiking bills meant to stop spiking and shouldn't those drop some expenses? So, how does it follow that we're paying more?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: So, for Fiscal Year '19, we still haven't gotten our bill. But we did have a lot of retirement in the Police Department this year and we are anticipating...we did factor in a flat amount, I think, about \$2 million for the spiking bill.

VICE-CHAIR KING: Okay. Are you talking about spiking invoice, are you talking about...is that how you're using the word bill?

MS. YOSHIMURA: Oh, the spiking bill. Sorry.

VICE-CHAIR KING: Okay, that's why I got confused because I thought we were talking about bill that stopped the spiking.

MS. YOSHIMURA: It's a usually a bill that...oh, sorry.

VICE-CHAIR KING: So, I was wondering why it's costing us more but you're talking about bills we're getting --

MS. YOSHIMURA: The bills we get. Right.

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VICE-CHAIR KING: --because of the previous spike when it went on.

MS. YOSHIMURA: Correct.

VICE-CHAIR KING: Okay, thanks for clarifying that.

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

VICE-CHAIR KING: I got confused 'cause I'm thinking legislatively. Okay, so...

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. I just wanted to...Chair King, I think you understand it, the bill doesn't stop spiking for the past.

VICE-CHAIR KING: Right, no, I understand that but --

MR. UEOKA: So, it's a invoice...

VICE-CHAIR KING: --when she said spiking bill I was thinking well we passed legislation, why is that costing us more money. Anyway, so, and I also wanted to follow up on the Sundays and the other increases for the landfills. We have this outstanding probably at least three or four year old continually extending Anaergia contract, which is supposed to be managing our landfill. Originally, when that was awarded, well the RFP that went out, was going to save us money, was going to farm out the management of our landfill. This has been extended I'm told the third time by our previous Mayor instead of waiting till January for this current Mayor to do it. He did it in December when it wasn't even due. So, now we got another extension on it. So, we're spending more money on the landfill, but we're expecting someone else to come in and manage it. So, are we setting up a really cushy situation for these folks so that they can finally do it or are we just taking responsibility and admitting that we're gonna be running our own landfill because we can't get anybody else to follow through? Because I'm really tired of watching this extension after extension and if these folks are supposed to take it over and save us money, why are we spending all this extra money on additional personnel, additional equipment and, you know, this is like one of the largest increases is to DEM for the landfill? And maybe that's a question, Chair, I'll leave it up to you if you wanna pose that in writing to the Department because maybe you can't answer that. But it's been really frustrating for those of us watching the, you know, the continual march of they can't get it done and then proposing additional projects when they haven't even done the first one. So, I'm a little bit upset and I don't expect you guys to be able to answer that, but...

CHAIR RAWLINS-FERNANDEZ: I'm going to just check to ensure that OCS Staff was able to note that. Okay.

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VICE-CHAIR KING: Okay, thank you, Chair. Okay, I have another question about...I don't know where these costs would go, but where...do you have a running tally or can we get a summary of the court costs and how they're going to be, you know, the costs that we have for lawsuits against the County of Maui, the payouts that we've done, the money we've spent on outside...on special counsel? And are we putting any money aside for that for 2020? Because we just keep...when, you know, we approve up to, you know, in increments of \$300 to \$500,000 at a time. But now, we got \$4 million into this litigation in Lahaina on the injection wells. So, maybe you can explain where that comes from and how...is that budgeted? And how is that...how are we keeping track of those costs?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. As far as the actual numbers, I believe, there's a report that is sent out periodically. And as far as budgeting, I believe, it's Self Insurance Fund, which is, I think, it's under Countywide. And, again, you guys are always made aware when we come in for an additional amount for special counsel 'cause we need approval --

VICE-CHAIR KING: Right.

MR. UEOKA: --typically. And we do have an insurance program within the County, so, you know, excess coverage type policies.

VICE-CHAIR KING: Okay, can we get, Mr. Ueoka, can we get a report on the previous year's expenditures and what was covered and what wasn't covered by self-insurance and how that relates to the Corporation Counsel's goal of reducing civil lawsuits? And I don't know if that's number of civil lawsuits or if that's the dollar amount of civil lawsuits, Chair. But when I look at the performance measures under Corp. Counsel, even though that's the goal they measure it by how many workshops. I mean it says the goal is expressed in terms of, you know, reducing the number of civil lawsuits against Maui County by holding workshops and then they measure the workshops they held. But I've never seen whether or not we've actually reduced the number of lawsuits and the amount we're paying out for those lawsuits or not, so. I understand you come to us for every special counsel approval, but the totals of those aren't, you know, I don't know if anyone's keeping a running a tab in their head 'cause I haven't. And I'd like to see a report. If there is a quarterly report I don't remember getting one, Chair. So, that would be a great thing to see.

CHAIR RAWLINS-FERNANDEZ: Mr. Hokama?

COUNCILMEMBER HOKAMA: Chair, just as general information for the Members. The Department sends regularly, again, depending on the change, usually quarterly but monthly at times, on all claims and settlements. It is broken down by case, who is receiving the checks and the amounts, and normally Council basically unless there is a request by a Member, it's normally just filed at the Council meeting. But we do receive that regularly from the Department. It gives continued updates and running

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totals of every single claim in litigation that is currently ongoing. And that is...should be on files within our records, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama.

VICE-CHAIR KING: Thank you. Thank you, Mr. Hokama. I appreciate that, but what I'm looking for is a report that shows the numbers over the years so we can see if, you know, are we reducing the number? Are we increasing the number? What's the increase? You know, where are we headed with this? Are we actually reaching that goal that Corp. Counsel has of reducing civil lawsuits? So, that's kind of what I'm looking for. I understand that there is a quarterly report of what's happening that quarter, but relative to previous years we don't know how well we're doing with that performance measure unless we compare it to previous years. So, it would be good to get that.

CHAIR RAWLINS-FERNANDEZ: OCS has noted that down.

VICE-CHAIR KING: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: And we'll submit that to the Corp. Counsel Department.

VICE-CHAIR KING: And then...

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you. Just a quick response, Chair. I think, we still want to do the education part for our goals and measures. But, I believe, we took out the straight reduced the amount of civil lawsuits 'cause that's something we don't have a lot of control over a lot of times--our office. It's more the goals and measures are looking more at how we deal them and keeping costs down more than reducing the number of civil lawsuits, just for clarification though. Thank you, Chair.

VICE-CHAIR KING: Okay. Yeah. Well, we'd still like to know if you are keeping costs down. So, you know, write the goal as the goal not as the process. And then let's measure the goal. And let's see what else I have here. Oh, you mentioned, when we got to Page 6-49, Mr. Teruya, you mentioned 1.9 for Lahaina Wastewater. Can you explain what that is? Does it having anything to do with our injection well issue there?

CHAIR RAWLINS-FERNANDEZ: Ms. Aliban [sic]?

MS. ALIBIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Aliban?

MS. ALIBIN: So, for our debt service payment for both principal and interest it actually includes the assumption that we're gonna be paying off \$1.9 million in debt for the

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previously or currently funded by the SRF loan for the Lahaina Water project. And then a 4.2 million for the Wailuku-Kahului force main replacement project.

VICE-CHAIR KING: Okay. So, this doesn't have anything to do with getting rid of the injection wells or addressing those issues? This is just the ongoing operations of Lahaina Wastewater Treatment Facility?

MS. ALIBIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: Yes, that's correct.

VICE-CHAIR KING: Okay, thank you for that. I appreciate that. Oh, and then the last question I had relates to the fuel tax. And where did the EV charges go? If... 'cause do you have estimates on those? And are those under the fuel tax? Or are those under a separate part of the Highway Fund?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: Chair, it's in the proposed rates and fees under the Department of Finance, Highway Fund. And, I believe, it's gonna be...the proposal is \$50 per year for the hybrid EVs and then the electric vehicles --

VICE-CHAIR KING: Okay.

MS. ALIBIN: --is \$100 per year.

VICE-CHAIR KING: Okay, so what is the proposed...do we know what the proposed total that we were estimating to bring in on that?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: Chair, I can provide that. We don't have that information --

VICE-CHAIR KING: Okay.

MS. ALIBIN: --currently, but we can provide that in writing.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: OCS, did we get that noted down? Okay, great.

VICE-CHAIR KING: Yeah, that would be good. Thank you. I guess, I have one more question. On Page 16 of this handout there was...and this goes to Councilmember Lee's question about are we, when we're adding these fees on are we addressing actual costs? So, there's a sentence that says projected increase in landfill disposal fee

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revenue is mainly due to the increase in the commercial tipping fee from 97 to \$203 [sic] per ton. So, that increase happened for Fiscal Year 2019? When did that happen? It looks like that was a done deal. It's not a proposed increase, it's already happened?

CHAIR RAWLINS-FERNANDEZ: Did OCS get that question noted down? Okay.

VICE-CHAIR KING: Okay, so, we don't know...it's okay if you don't know. We can ask...

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: The increase from \$97 to 103 is the proposed increase for Fiscal Year 2020.

VICE-CHAIR KING: Okay, so that's a proposed...

MS. YOSHIMURA: Proposed increase.

VICE-CHAIR KING: Okay. I just wanted to clarify that 'cause I didn't think you...they'd just be arbitrarily making increases without us being able to cover them. Okay, thank you, Chair, that's all my questions for now. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. My questions will just be more centered around One Main Plaza. If the Administration could provide us, I guess, the lease agreement. How long we have this rental agreement we have with One Main Plaza? When does it expire? I don't know if you have that information now. Also, how much has this County spent in rent in paying the owners of One Main Plaza since it first occurred? I think, it was maybe 2006, 2007. I think, Member Hokama can remember when we had that issue about the possibility of buying that building way back when. And I bring this up because, you know, we've been discussing the potential of the Wailuku Civic Center and as a building that could house some of our departments, which maybe are currently there at One Main Plaza to look at alternatives in the event the Wailuku Civic Center project, or building I should say, doesn't happen. So, that's why I'm just curious about the One Main Plaza. So, if that information could be provided to us. I'd just like to know how much we have paid the owners of One Main Plaza over the last whatever, 11, 12 years 'cause I have constituents that are interested about this. And anyway, and the rental agreement, how long we have currently? Thank you.

CHAIR RAWLINS-FERNANDEZ: OCS, did you get that? Okay. Mahalo, Mr. Molina. Is that it?

COUNCILMEMBER MOLINA: That's it.

CHAIR RAWLINS-FERNANDEZ: Okay.

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COUNCILMEMBER MOLINA: For now.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I wanted to bring up the issue about the GET tax because it came up at our MPO meeting last Friday. Is it the Administration or this body pursues any increase in the GET tax?

CHAIR RAWLINS-FERNANDEZ: You're talking about the .5 percent increase --

COUNCILMEMBER SINENCI: The .5 that was like --

CHAIR RAWLINS-FERNANDEZ: --that the State Legislature...

COUNCILMEMBER SINENCI: --the State Legislature had okayed and I don't think this body from last year had taken any action on. Is this something that the Administration proposes or is it us?

CHAIR RAWLINS-FERNANDEZ: I believe, the Council --

COUNCILMEMBER SINENCI: Council?

CHAIR RAWLINS-FERNANDEZ: --did.

COUNCILMEMBER SINENCI: Would the Administration have to propose it for us to vote?

CHAIR RAWLINS-FERNANDEZ: I believe, the Council last year --

COUNCILMEMBER SINENCI: Voted it and...

CHAIR RAWLINS-FERNANDEZ: --submitted or the intent to participate in the .5 increase in GET taxes, but if the Administration would like to comment on that. I don't know if it's passed the Legislature yet.

COUNCILMEMBER SINENCI: And, I'm just bringing it up because it came up at our MPO meeting on Friday.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, did you wanna comment?

COUNCILMEMBER PALTIN: Oh, yeah, they were talking about extending the deadline to December of this year. I'm not sure if it got through the committees it needed to get through, but Senator Roz Baker said that we're the only County that hasn't taken action on it and it might be hard to get State funding for our roads given they provided us with that tool and we haven't scheduled it on the agenda yet.

CHAIR RAWLINS-FERNANDEZ: Okay. I'll call on our HSAC Chair to comment on that.

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VICE-CHAIR KING: Okay, thank you. Yeah, that is something that I was working with...actually it was getting support...it was written by Senator Agaran and then it was supported by Senator Kalani and Roz Baker and several of the Representatives too. So, it doesn't just affect us. It also may affect the Big Island because Big Island only funded their GET surcharge for the next...from last year for two years. And now they're finding out...and they only funded it for one-half of what they're allowed to fund it for. So, now they're finding out that they really need more of that surcharge. So, I think, we're the only two counties still asking for that extension. And then the process is that it would come to this same Committee for, you know, for a Committee hearing, and any discussion and input from the public. And then I haven't...actually I haven't checked into the companion...there was a companion bill, and I'm using the word "companion" wrong 'cause usually a companion bill is the same bill in the House, but there was another bill that was written with it by Senator Agaran that was also going to provide a tax credit for the lowest income folks who...so, you know, in an attempt to not to make this not a regressive bill or a regressive surcharge. And so that would cover tax credits for the lowest income folks who were affected by this. But that one, I'm not sure if that one is still alive. I've been...we've been tracking the surcharge extension and as far as I know it's still alive. But you never know what's gonna happen till the end. But I do have to say that Senator English is fighting for it because he wants it for this County. And I would agree with Member Paltin that there is feeling on the part of the Legislature that if we haven't enacted that surcharge that maybe we don't need any more of the TAT. I've heard that said at the Legislative briefings. I've heard other, you know, other accusations about Maui County. So, I think, it's something seriously to bring to this Committee at least we would need to have that discussion in public whether we want to fast track our highway, you know, the highways. The original intent of the MPO as of last year was to include, was to focus on the Lahaina Bypass, the realignment of Honoapiilani Highway, the Paia Bypass, and finishing the North South Collector Road. So, those were three big items on that. It was reported last year we were estimating about \$40 million a year and the administrative fee, which originally had been 10 percent at one point, which is probably why that surcharge never went anywhere had been dropped to 1 percent, the State administrative fee on that. And so, the estimate if we were to run that out over 11 years because it was allowed through the end of 2030 Fiscal Year would've been 440 million. But, of course, now we're already less one year. So, every year we don't enact this because it has a finite date on it unless they were to extend the amount of time that this surcharge could be enacted. It only can be enacted up through Fiscal Year 2030. So, if wait another year and even if we get another extension then that's 40 million less every year. That's the estimation. So, that's what I know about that. It was unanimously passed by the MPO last year.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. And I'm sorry, I misspoke. I called you the HSAC Chair...our HSAC Rep.

COUNCILMEMBER SINENCI: Thank you. Thank you, Council Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci, did you have any other questions?

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COUNCILMEMBER SINENCI: Yeah, just one quick one. You know, at the back of the Budget Ordinance, there's a list of lapsed projects. So, how does the lapsed projects and some of it is continued on into this budget? And so, when I'm looking at the different years, you know, what lapsed from the last budget says zero, and then it's continued on to the present project. So, I mean, I'm just trying to...for me, it's kind of deceiving because it just looks like the budget was just for this year, but it's actually continuation from last budget. Can you speak to that?

CHAIR RAWLINS-FERNANDEZ: Did OCS get that noted down, that question? Was that clear? Ms. Yoshimura, would you like to comment on that?

MS. YOSHIMURA: Chair, the lapsed bond proceeds for Fiscal Year 2020 is \$382,411. When you reference the bill, the proposed bill, we list Ordinance numbers 4228, 4331, 4454 in the bill. 'Cause that's the original appropriation from where these projects were funded and the lapsed bond now is being generated. So, the \$382,000 came from multiple projects off of multiple years. And we are looking to put it into the new County Service Center into one project.

CHAIR RAWLINS-FERNANDEZ: Does that answer your question, Mr. Sinenci? Would you like to repeat your question so OCS can note that down and then we can --

COUNCILMEMBER SINENCI: Yeah, so --

CHAIR RAWLINS-FERNANDEZ: --get it in writing?

COUNCILMEMBER SINENCI: --if I'm voting on some 2020 budget and I'm not seeing that prior, it was listed prior, and it just seems that it's just allocated for the present budget or the 2020 Budget, and not for the 2019 Budget when in actuality it was on the 2019 that lapsed to the next budget. Does that make sense?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Okay, so, we list three different ordinances in here. And there might have been specific projects that we floated bonds for that came under budget and that generated lapsed bond proceeds. So, in this fiscal year what we do is we take all of those lapsed bond proceeds from the older projects and we recognize it in Fiscal Year 2020, and we appropriate it to an ongoing project or a project that's gonna move forward. So, the ordinances that you see in the lapsed bond bill is where the original appropriations came from and we didn't list the specific projects that we got the lapsed bond proceeds from and we can provide that to you if you would like to have that. But that's the reference to the old ordinances.

COUNCILMEMBER SINENCI: Okay. Yes, I think that would help.

MS. ALIBIN: Chair?

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COUNCILMEMBER SINENCI: Yeah.

MS. ALIBIN: Chair, if I may?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: So, the projects that were actually lapsed includes: Countywide Facility Building Improvements, that's about \$6,000, and it's from Fiscal Year 2016. We also have from Fiscal Year 2017, it's the Pihani Highway road improvement of about \$1,400. And then for Fiscal Year 2018, we had two projects. The new County Service Center for about \$500 and then the Countywide drainage improvements and plus some interest allocation of about \$192,000.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: Is that--

COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: --good?

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. I'll go back to Member...Member Hokama, did you have a question?

COUNCILMEMBER HOKAMA: Just one quick comment, Chair --

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER HOKAMA: --about the GET situation 'cause this is a long running battle with the Legislature.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER HOKAMA: And I'm thankful that Chair King did bring up a lot of good points. But please for this Committee understand our Constitution and our Charter. The Legislature has already full authority to enact the GET and specifically earmark a portion for Maui. The County does not need to do the State's job and enact a GET increase for transportation. Okay. It is within their purview and authority currently and by us enacting it, I will say then the Leg has a good argument not to give us additional State funding support for our transportation projects because they'll tell us you have that already enacted by yourselves, budget accordingly and move forward. And it has been my experience, I guarantee you it's going to happen that way. The point is though look at our history of our revenues, how we made this County work

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and be where it is. We've been very straight and disciplined on fiscal management, Chair. If the Legislature would give us our fair share of what we've been generating, especially from TAT, you know, instead of getting back what, 18 percent of what we generate, we get 15 percent, we wouldn't even be talking about the GET tax because we would already get that other 40 million plus through our TAT collections because Maui generates over 120 million a year. And what do we get in return? Twenty-two. Okay, if we got half, 60 million, where would this County be? We would be reducing debt. We would be paying off faster obligations. We could be looking at additional shoreline projects that deal with transportation. I think the State should be looking at how we managed our monies and stop penalizing us for being good stewards of our people's money. And so, I look forward to that discussion, Chair, because I think the State has painted the picture wrong since they already have that constitutional part to enact that law if they so choose. We should be asking why they have not enacted that if they believe that is the Band-Aid to cure the problem of the leaky funding pot. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama. I'll go back to Member Kama and then work our way down again. Member Kama --

COUNCILMEMBER KAMA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: --do you have any questions?

COUNCILMEMBER KAMA: So, as I was looking at this book, the budget proposal, and I was looking through the CIP portion. There's no CIP in here for housing. So, I'm kind of a little bit confused if housing is such a huge priority for ten of us, there's no CIP in this budget. So, does that mean that, as the Chair of Housing, that I get to create that CIP myself, if I have to with my colleagues? And if somebody can answer that I'd appreciate that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Did OCS get that? Okay. And would the Administration like to comment on that? Ms. Yoshimura?

MS. YOSHIMURA: Chair, so, there is no proposed CIP project that the County is gonna undertake at this time. And CIP is usually County-initiated projects. The Affordable Housing Fund was increased by 1 percent, so rather than 2 percent we're putting in 3 percent, or about \$10.3 million. Those funds have remained unallocated and the Housing Department is working on a housing plan and will come forward with projects at a later date.

COUNCILMEMBER KAMA: Can I follow up, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, please.

COUNCILMEMBER KAMA: So, how late is that date going to be 'cause I remember from last session that was what we did with the SMS. They came out with this plan that said

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you need a housing plan. So, I just want to know when are we going to do this and when I say we, I mean, we, you know, all of us up here. So, when if there's a time?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, so, the Administration did send up, I believe, three proposed bills for Fiscal Year '19 Affordable Housing Fund...for the Affordable Housing Fund Plan. I believe, our Housing Director is up for confirmation before you on Thursday and I'm anticipating something from her shortly.

COUNCILMEMBER KAMA: Okay, I'll wait for the definition of "shortly" after Thursday. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Kama. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I always kind of wondered, you know, when we were going over the Sewer Fund and the Water Fund like everybody has water meters that gets their water from the County, but how do you know how to calculate their sewer fee based on how many times they flush their toilet or?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. My understanding is there was an analysis done and it's a proportion of however much water you used, you pay on a portion of that at the sewer rate.

COUNCILMEMBER PALTIN: Like a percentage?

MR. UEOKA: Yes.

COUNCILMEMBER PALTIN: And did they do an analysis for like hotel use versus residential use?

MR. UEOKA: I believe it was a pretty in-depth analysis. You might want to check with DEM directly on it, but my understanding is hotels get a different rate also because a lot of 'em do have separate lines for their nonpotable uses, like their Ag water, or not Ag water, but they use recycled water and stuff on property. So, it's a little different of a count there. But it was a pretty in-depth analysis done.

CHAIR RAWLINS-FERNANDEZ: Did OCS get that noted down? Okay.

COUNCILMEMBER PALTIN: Thanks.

CHAIR RAWLINS-FERNANDEZ: We'll ask. We'll request for that analysis if you'd like that?

COUNCILMEMBER HOKAMA: Chair, we've set by policy that part of the sewer bill is taken from the water meter readings, but we place a cap on the total amount of sewer

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charges because we know not everything goes into the sewer. People hanawai their yards. They do, you know, small family gardens. So, we made adjustments to take care of our local residential practices and where we capped...we do have a cap on the total amount of sewer charges as it relates to the overall water meter reading. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Paltin, did you have additional questions? Okay, mahalo.

COUNCILMEMBER PALTIN: Not at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Hokama, do you have any questions?

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

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Chair King?

VICE-CHAIR KING: I don't have any more at this time. I'll wait for the responses, but thank you very much. I think it's been a very helpful session. Thanks.

CHAIR RAWLINS-FERNANDEZ: Great. Member Molina?

COUNCILMEMBER MOLINA: I'll wait for the responses. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Not at this time. Thanks, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, so, OCS Staff passed out everyone's questions that was submitted to the Committee. And most of the questions are department specific. So, we will get these questions sent out to the departments for a response. And...oh, Chair King?

VICE-CHAIR KING: I just...I have a couple questions. Have they've been gone through to see if they're repetitive? Or, we don't know that yet?

CHAIR RAWLINS-FERNANDEZ: OCS?

MS. MATTHEWS: Yes, Madam Chair. We are going through those questions that were submitted by the Members to cross-reference them and to group questions that are similar and identical to other questions. And so, we will formulate the letters accordingly.

VICE-CHAIR KING: Okay. I don't know if this is too much trouble, but I just wanted to ask if you're going to, you know, number the responses when the letters come back in so that we know which ones to refer to. Is it possible to give us a copy of our questions

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with the numbers of where we can find the answers to our questions? Or, is that too much work?

CHAIR RAWLINS-FERNANDEZ: Yeah, I'd actually like to do the spreadsheet so that the questions are...

VICE-CHAIR KING: Yeah, because there might be, yeah, I think, on all the responses that the Departments are responding to a bunch of letters then it might be easier for us to find where our answers are, which of those numbered responses those questions were answered in, if that's not too much work.

CHAIR RAWLINS-FERNANDEZ: Okay, we'll do that.

VICE-CHAIR KING: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank, Madam Chair. Just a quick, I guess, clarification regarding your policy on the request for if we wanted to bring certain departments back or directors. Will it be like you have to have maybe at least three other Members making that request because I feel that it's important we get the directors here as well as just providing written responses because I like hearing it directly from the horse's mouth so to speak 'cause there are some departments I would like to see back and I've got some questions? You know, some departments had an audit done on them. And I wanna see where they're at with responding to the audits, hearing it directly from them on the floor. So, anyway, your policy with requests for departments, yeah.

CHAIR RAWLINS-FERNANDEZ: Yeah, my intention was to not bring the departments back on the floor so that we as, the Council, could conduct the business to complete our budget. And questions would be asked via written correspondence and responded to via written correspondence. I am flexible however. So, if the responses are not sufficient to the Members' liking, then at that time we can then discuss if we should bring specific department directors on, but my intention is not to so that we can, you know, just really focus on our business.

COUNCILMEMBER MOLINA: Okay, yeah, I would appreciate you keeping that flexibility 'cause I really, really wanna, you know, put some of these directors up there. I just have...I like that personal face-to-face sometimes because it's easy just to draft a response in writing. But, and I think the public, too. They wanna see where our directors are coming from as it relates to the request and anything else. And so, I would appreciate that. And I know there are...I have a couple of colleagues who also would like to have that same consideration to bring them up front to face us and respond to some of these questions that we have. 'Cause, again, it's all about transparency, yeah, for the public. So, you know, and bring the directors back. And we will be...I'll be nice, you know. I just want answers. That's all, okay. But, thank you.

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CHAIR RAWLINS-FERNANDEZ: My intention wasn't to protect the directors from us, you know, being mean to them. It was more to just really streamline the process so that we can complete our business by five o'clock p.m. each day and, you know, to not keep us here on Saturdays. And so that was the intention. Member Sinenci?

COUNCILMEMBER SINENCI: Yeah, question on those grounds. Would you or would the Chair kind of look down upon us meeting with some of the directors on a one-to-one?

CHAIR RAWLINS-FERNANDEZ: So, the intention of having our questions written out was so that everyone could benefit from --

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: --the questions that each Member asks. And then each Member would see the responses.

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: So that would...so that was the hope.

COUNCILMEMBER SINENCI: Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Molina?

COUNCILMEMBER MOLINA: Yeah, sorry, Madam. Just a follow up. And, again, another reason for having them up here 'cause when they did those budget presentations they could only reflect on the 2019, so we never had a chance to ask them about 2020. So, that may be another reason, well, maybe that is the reason why I'd want to get their thoughts on their 2020 considerations, so.

CHAIR RAWLINS-FERNANDEZ: Right.

COUNCILMEMBER MOLINA: Thank you.

CHAIR RAWLINS-FERNANDEZ: And having them written down, you know, allows Members to really think through the questions, so that we're getting really quality questions asked.

UNIDENTIFIED SPEAKER: Right, right.

CHAIR RAWLINS-FERNANDEZ: So, that was also the hope. Member Kama?

COUNCILMEMBER KAMA: Well, one of the things about asking questions in writing is that sometimes the more questions you have, the more questions you will get, you know, as you hear people talking and asking questions. So, my question to you is I have a whole lot of other questions that I'd like to pose if that's okay. Can I continue to submit questions to you --

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CHAIR RAWLINS-FERNANDEZ: Absolutely.

COUNCILMEMBER KAMA: --through the Committee?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER KAMA: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Any other questions, Members? Okay, and so to follow up on Member Kama's question, the questions will be submitted during our open session meetings so that everyone gets to hear them and then we'll get them submitted to the Department. Okay, so, tomorrow after we return from Lanai, we will have a presentation on the CAFR, the Water Audit, and the Single Audit. So, that's what's in store for us tomorrow. And the following day we will be reviewing proposals on the Rates and Fees and the RPT. Okay? Alright. So, if there are no objections, I will adjourn our Economic Development and Budget Committee, April 1st. We'll be adjourning at 11:24.

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Meeting adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 11:24 a.m.

APPROVED:



KEANI M.W. RAWLINS-FERNANDEZ, Chair
Economic Development and Budget Committee

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Transcribed by: Delfey Fernandez

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CERTIFICATE

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

DATED this 25th day of April 2019, in Wailuku, Hawaii.


Delfey Fernandez