

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE
Council of the County of Maui

MINUTES

May 16, 2019

Council Chamber

CONVENE: 9:12 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly T. King, Vice-Chair
Councilmember Tasha Kama, Member (in 9:16 a.m.)
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member (out 12:28 p.m.)
Councilmember Tamara Paltin, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

EXCUSED: VOTING MEMBERS:
Councilmember Riki Hokama, Member

STAFF: Leslee Matthews, Legislative Attorney
Julie Reed, 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
Michele N. McLean, Director, Department of Planning (EDB-157(5), EDB-175)
Kay S. Fukumoto, Economic Development Director, Office of the Mayor (EDB-175)
May Anne A. Alibin, Deputy Director, Department of Finance (EDB-24(11), EDB-31)
Marcy L. Martin, Senior Real Property Technical Officer, Real Property Tax Division, Department of Finance (EDB-24(11))
Eric Nakagawa, Acting Director, Department of Environmental Management (EDB-31)
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Rose Soon (via telephone conference bridge from Hana Council Office) (EDB-175)
Jim Niess, Project Architect, Kaupo Community Association (EDB-175)

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

Linda Clark, President, Kaupo Community Association, Inc. (EDB-175)
Helen Nielsen (EDB-175)
Jonathan Starr, Restoration Project Manager and Board Member, Kaupo
Community Association, Inc. (EDB-175)
Jade Alohalani Smith, Aha Moku O Kaupo Representative (EDB-175)
Kauwila Hanchett, Board Treasurer, Kaupo Community Association, Inc.
(EDB-175)
Rob Parsons (EDB-31)
Others (5)

PRESS: Akaku: Maui Community Television, Inc.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Aloha kakahiaka kakou. `Umikūmālua
minuke i ka hala o ka hola `eiwa ma o mei i ka makahiki `elua kaukani umikamaeiwa.
E `olu`olu mai, e ho`omalua e ke Komike Ho`omohala. . .

. . .*(experiencing technical difficulties)*. . .

CHAIR RAWLINS-FERNANDEZ: E ho`omalua e ke Komike Ho`omohala Waiwai me Mo`ohelu
Kala. `O wai ka Iku Ha`i o keia komike, Keani Rawlins-Fernandez. It was 9:12 on
May 16, will the Economic Development and Budget Committee please come to order.
I am your Chair Keani Rawlins-Fernandez. I keia la, me ko kakou eia, Committee
Vice-Chair and Council Chair Kelly King.

VICE-CHAIR KING: Aloha kakahiaka, Chair. Good morning.

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

COUNCILMEMBER SINENCI: Aloha kakahiaka, Chair.

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

COUNCILMEMBER MOLINA: Aloha and blessings to you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha and blessings to you. Member Alice Lee.

COUNCILMEMBER LEE: Guten morgen, all the way from Germany and from Uncle Don.
Good morning, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Guten morgen to you. Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: And Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good morning, Chair.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Good morning. Member Pro Temp Tasha Kama will be joining us shortly and Member Riki Hokama is excused. Okay. Just a reminder, everyone to please silence your cell phones and any noise-making devices you have. With us from Administration, we have Planning Director, Michele McLean.

MS. McLEAN: Aloha, Chair. Good morning.

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

MS. YOSHIMURA: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. In the gallery, we have OED Director Kay Fukumoto. Good morning. From Corporation Counsel, we have Jeff Ueoka.

MR. UEOKA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning. Our Committee Staff, we have Leslee Matthews.

MS. MATTHEWS: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. Oh, where'd Julie go? Julie Reed, welcome to her first EDB Committee meeting, and Yvette Bouthillier.

MS. BOUTHILLIER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. And at the Hana Office, we have Mavis Oliveira-Medeiros, on Lanai we have Denise Fernandez, and on Molokai we have Zhantell Lindo. Aloha, all you guys. Members, we have four items on today's agenda, EDB-157(5), amending the Fiscal Year 2019 Budget, Amendments to Appendix A, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by Departments and Programs, Department of Planning, State of Hawaii Department of Health, Complete Streets Training; EDB-175, amending the Fiscal Year 2019 Budget: Office of the Mayor (Kaupo Community Association, Inc.); EDB-24(11), Presentation on Proposed Recommendations Relating to the County Property Tax Amendment; and EDB-31, Fiscal and Performance Review of Anaergia Services LLC-Related Projects. And welcome and good morning, Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Okay, so we'll begin with public testimony on all items. Testimony will be a limited to the items on the agenda. 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

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

and who you are representing, and please also indicate if you are a paid lobbyist. We'll first start with the District Offices. Ms. Oliveira-Medeiros? Oh, I have to turn you back up.

. . . BEGIN PUBLIC TESTIMONY. . .

MS. OLIVEIRA-MEDEIROS: Aloha kakahiaka, Chair. This is Mavis Oliveira-Medeiros from Hana, and I have one testifier.

CHAIR RAWLINS-FERNANDEZ: Go ahead. Go ahead.

MS. OLIVEIRA-MEDEIROS: I have Rosa from Kaupo testifying on EDB-175.

MS. SOON: Aloha, Members of the Economic Development and Budget Committee.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. SOON: I'm Rose Soon, a board member of the Kaupo Community Association. Mahalo for the opportunity and privilege to testify in reference to EDB-175. I had the good fortune of attending Kaupo School for six enjoyable kid years. Our lone teacher was Mrs. Lily Aki Marciel. She rode her horse to school and tied it to the tree in front of the teacher's cottage. Kaupo School was the center of the community until it closed in 1964. The historical restoration will meet our needs, it will fulfill our mission to preserve the natural beauty, environmental resources, and rural lifestyle of Kaupo. And we are in the final phase of the infrastructure funding and are due to replace the cesspool with a new septic system, a solar system for power, and two water tanks. In closing, a grateful mahalo for your support and consideration. Aloha.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Members, any questions for our testifier? Okay, seeing none. Thank you so much for your testimony.

MS. OLIVEIRA-MEDEIROS: Okay, thank you.

MS. SOON: You're welcome.

CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Oliveira-Medeiros, will you please call your next testifier? Mavis? Okay, I think she said that was her only testifier.

UNIDENTIFIED SPEAKER: Mavis?

MS. OLIVEIRA-MEDEIROS: Yes, that was the only one. Sorry.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Ms. Fernandez, will you please call your first testifier?

MS. MATTHEWS: Madam Chair?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Oh, she not there? What about Zhan? Ms. Lindo?

MS. MATTHEWS: Madam Chair, there's a issue with the phone. We established connection prior to the meeting and they let us know that there were no testifiers. They've also...we are also in communication via e-mail, we've not been notified of testifiers at Lanai or Molokai District Office.

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

MS. MATTHEWS: Yes, Madam Chair. Our first testifier is Jim Niess testifying on EDB-175, to be followed by Linda Clark.

MR. NIESS: Good morning and aloha. I'm Jim Niess, I'm with Maui Architectural Group. I'm here today to discuss the rehabilitation of the buildings of the former Kaupo School property and the County funds currently budgeted to support this effort. We're the architects assisting the Kaupo community folks with the project. These buildings are listed on the National and State historical registers and they sit at the core of the Kaupo community. If you've been there recently you know these buildings are in need of a great deal of care and love to return them to fully functioning structures, but I'm delighted to report that after the usual struggle, building permits are in hand, and that the projects are out for bid. We will select a general contractor in early June and plan to commence work in, by mid-summer. So, this is a happening project, it's shovel ready, and monies have been allocated by a State grant and a grant from the Historic Hawaii Foundation of which I'm a current trustee. These funds are dedicated to the work on the buildings alone; however, in order to make this a fully functional campus, substantial improvements to the infrastructure will be required as you heard from the previous testifier, a photovoltaic power system, backup power system, water system, septic systems, bathrooms, fire protection systems, small maintenance facility. These are all critical items that will be funded by the monies allocated in this year's County budget for the project. So, I'm here to solicit your kokua and by authorizing the release of these funds or, at the very least, extending the grant by incorporating it in this budgeting cycle. Mahalo for your interest and support in this worthy shovel-ready project.

CHAIR RAWLINS-FERNANDEZ: Okay, Members, any need to...Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Good morning, Mr. Niess. Just structurally the buildings from your architectural point of view, they're still pretty sound?

MR. NIESS: They're pretty solid, yeah, and built in the '20s, single wall construction. The teacher's cottage is seeing a little more weathering than the school building itself, but they're salvageable. So, I mean, it's a substantial project and undertaking. We've been working on this for a couple of years, and so we're getting really close, and we're hoping you can help us get to the finish line here.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

COUNCILMEMBER MOLINA: Okay. Yeah, just want to make sure everything's safe structurally, it's still...it's good to go as is for another whatever 40 years, 30 years.

MR. NIESS: Well, 30, 40 years that's what I would like to see.

COUNCILMEMBER MOLINA: Alright, thank you.

COUNCILMEMBER KAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Mr. Niess, --

MR. NIESS: Yes?

COUNCILMEMBER KAMA: --is it your intent to hire local vendors or contractors to be able to do the work on the site?

MR. NIESS: Absolutely, I mean, we put request for bids. It was in the paper a week ago and we took and we invited other local contracts, all local, all Maui based.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

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

VICE-CHAIR KING: Thank you, Chair. Thanks for being out here, Jim. I don't know about structurally sound 'cause I've been in those buildings and I almost fell through the floor, but I'm glad you're coming to us for infrastructure money because I think that's the best use of this fund. But I just wanted to ask you, I know with the times I've been out there and looked at the projects you've had a lot of people out there and I think...were they volunteers that were helping with kind of some of the initial yard work and things like that around there?

MR. NIESS: I'm going to have to defer on that, --

VICE-CHAIR KING: Oh, okay.

MR. NIESS: --Chair.

VICE-CHAIR KING: 'Cause I believe they were. I don't think anybody that at the times I was out there was a contract worker.

MR. NIESS: You can ask following testifiers and they can let you know.

CHAIR RAWLINS-FERNANDEZ: I see other testifiers nodding their heads, so I think they can answer your question when they get up here. Any other questions?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

VICE-CHAIR KING: Okay. No.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair King. Okay, Members, any other questions? Okay, I have a question. So, because this is a bill, a budget amendment it would have to be heard in committee, which we're doing now, and then it could possibly not pass full Council until June 21, which is a Friday, and then Monday is the 24th, and then Friday is the 28th. Do you think you would be able to get everything done before the 30th, everything signed and secured? And if not, would you prefer being in the Fiscal Year '20 Budget to give the association more time?

MR. NIESS: Well, that's a good question, Madam Chair. We have been discussing this and we realize there's a time constraint encumbering this year's funds. But the elements that we're discussing are in the next few weeks we could have agreements and put in place for water tanks, the photovoltaic, most of, maybe 90 percent of the issues, and we're through the permitting process on virtually everything else. There may be one or two items that will require a further building permit and but that might be funded from other sources. So, I mean, we can go for broke. This thing is shovel ready, so.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Mr. Niess, for your testimony.

MR. NIESS: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Linda Clark testifying on EDB-175, to be followed by Helen Nielsen.

MS. CLARK: Good morning, Chair Rawlins --

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. CLARK: --Fernandez and Chair King, Councilmembers. My name is Linda Clark and I am the President for Kaupo Community Association. I am honored to submit testimony this morning in support of item number EDB-175. Although, I grew up in Waialua, Oahu, where my father worked as a cowboy for Kahua Ranch until he retired, he attended Kaupo School until the 6th grade, 'cause in those days that's is all, that's as far as it went. I made Maui my home after graduating and his retirement. He was so thrilled to be returning home. Now, me, my children and my grandchildren farm the very same property that he was born and raised on. So, it's a joy to see my family continuing this legacy. Our board has been working really hard to get the Kaupo School restoration project completed. Although, it is not our only goal, we spend majority of our time working towards it for the benefit of our community. We've raised over a million dollars to date with 975 from the State, 70,000 from Historic Hawaii Foundation, and last year 30,000 from OED. The 475,000 will provide the final piece of our budget for infrastructure as previously mentioned. We hold quarterly meetings for community members and collaborate with Hana Police, Public

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

Works, and other local authorities. Since the buildings are unusable, we set up tents for every meeting, we also volunteer our time once a month to maintain the school yard. We plan to have a community garden at the same property once construction is complete. The school property will provide community members a multipurpose center where they can celebrate birthdays, weddings, family reunions, cultural workshops and more. It will also provide a safe place for residents and visitors who get stranded by overflowing rivers. Hundreds of tourists pass through Kaupo every day and in those times they are stranded in the middle of nowhere. For these reasons, I humbly ask for your support and approve EDB-175.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony, Ms. Clark. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Ms. Clark, for being here this morning, so early from Kaupo. So, you mentioned that there's a grant from the State of Hawaii GIA in excess of \$975,000, and so, and the EDB Chair did bring up some time sensitivity of the project. Does the County's, the funding that you're requesting, does it come...is some of these, I guess, my question is, is some of these matching funds reliant on the County funds? Is there a timeline where certain things need to be followed as far as the time sensitivity?

MS. CLARK: We are on a timeframe referring to the 975,000. We would be going for the second extension soon, very soon, because we, it's just that time of the year. And, you know, we hope that we don't have to go for a third and final, it's shovel ready, the permits are ready, we just need to secure the final piece of the funding, and then we can pull permits 'cause they're ready to be picked up.

COUNCILMEMBER SINENCI: I guess, would you need the infrastructure prior to building, fixing up the school and the teacher's cottage?

MS. CLARK: No, I don't believe so, but we do need it before we can open.

COUNCILMEMBER SINENCI: Okay, alright.

MS. CLARK: If that helps.

COUNCILMEMBER SINENCI: Thank you.

MS. CLARK: Thank you.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Members, any other questions? Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Thank you for being here and for taking on the kuleana of your father. So, do you anticipate the funding that you're currently

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

going to be receiving as the ultimate end of what you have need of or do you anticipate having needs for more funding in the future?

MS. CLARK: With relation to infrastructure, this is the final.

COUNCILMEMBER KAMA: In relation to everything or anything having to do with what you're doing in Kaupo.

MS. CLARK: This is the final piece for the total project, yes.

COUNCILMEMBER KAMA: Okay, thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Okay, Members, any other questions? Seeing none, mahalo for your testimony, Ms. Clark. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Helen Nielsen testifying on EDB-175, to be followed by Jonathan Starr.

MS. NIELSEN: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. NIELSEN: Good morning, Councilmembers. My name is Helen Nielsen. I live in Kaupo. I've been a part of this project for over 20 years. I'd like to echo Rose Soon's words. It's a privilege to be involved in this project. I remember 20 years ago we had a kupuna council. We'd sit on Kaupo Store's porch and talk about the dreams that we had for Kaupo. And I'd like to emphasize the continuity of this dream. We had so many kupuna who aren't with us anymore. Roland Kanuha was the one who really embraced Jonathan and I to be a part of the community. And it is a process to build something of this magnitude takes so many years and takes so many partners. And I appreciate the partnerships we've grown with so many people, we've done hundreds, thousands of volunteer hours, and we continue to do so. And to keep this going, I'm so happy to have everyone's children and grandchildren be a part of this process as well, because it's not for me, it's actually for the future generations, and to have rural communities empower themselves like this is something that should frankly be celebrated. I am looking forward and I am working with Hawaii Community Foundation to start a designated fund. And I know a lot of nonprofits in Hana have this where they hui'd up and have a designated fund where they raise a lot of money. The Hawaii Community Foundation holds that money for safekeeping, and we get a certain amount of distributions each year from the, you know, from the proceeds of the investments. And I expect that to grow, I expect to open it this year, and I hope to make it grow over the next 15 years to be substantial enough to really kick off some real operating funds for the community association. Because this isn't a Park's Department facility, we are not expecting money every year from you. But as a nonprofit empowering the community, I think we are very entitled to receive building funds. And I continue to be really proud of this project, and I can talk until the cows

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

come home about the benefits, and so please call on me whenever you want more info. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony, Ms. Nielsen. Members, any questions? Okay, seeing none, mahalo for your testimony.

MS. NIELSEN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Jonathan Starr testifying on EDB-175, on behalf of Kaupo Community Association in his role as the restoration project manager and board member, to be followed Jade Alohalani Smith.

MR. STARR: Aloha, kind Councilmembers --

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. STARR: --and hardworking Councilmembers. You know, it's really an honor for me to be a part of this project because it's taken on a life. My wife and I have been part of the Kaupo community for 35 years, I've been a major property owner there for 50 years, and until a number of years ago the community really didn't have a center and didn't have, you know, a collective ideal and goal. When we reorganized the Association and asked people what they wanted to see, what their vision was, we heard one message, which was to fix up the old school and make it a facility that we can use for many, many different purposes, both emergency and for activity. And over the past few years, it's brought the community together to a point where it's really a wonderful team of people who work hard and volunteer on weekends to work together. So, you know, many families that have land in Kaupo have moved back and part of that is because there's the infrastructure of community and it's growing, but we need some infrastructure in terms of water and septic, a legal septic system, and power. So, we are funded...I'm the project manager for the restoration. We're proceeding with fixing up the two buildings, which are really in need of kokua. We had on Monday, we had some of the bidding contractors come out and kick the tires and really walk through it. Some of the contractors are very local to the East, Southeast Maui area, which really gave us heart and inspiration 'cause we want to help the community. We want this project to be a teaching and learning experience for the local community. I've lived out there off the grid for many decades, you know, where building a power system which we need and we're doing it, you know, modeled after the system I've been using and making mistakes on for, you know, 30 years and some of our neighbors, and we hope people come to learn. Our water system, you know, there's no safe drinking water in the Kaupo area. We will, you know, some of the residences such as my own have it and will certainly love to have an opportunity to teach people and also make some water available. We're ready to go with the bids. It's going to be a real rush at the end of June to get it contracted with OED. We hate to stress them out and, you know, we need...I know there's new insurance requirements, the new contract requirements. I think we can get it done, you know, I mean, if we can stretch

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

it in, a little bit into next year that would probably make it easier, but we are shovel ready. We've been thinking and planning this for many years and, you know, really ask for your support and we'll do anything possible to get this done. This is where our hearts and our dreams lie. Aloha. I'm happy to be a resource at any time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Starr, for your testimony. Chair King?

VICE-CHAIR KING: Thank you, Chair. Thanks for being here again, Mr. Starr. I know you guys have been working on this project for a long time and it's my...we just got handed this list of your quotes, so just wanted to double check with you. Are you fairly confident that these rates are going to hold, because I know they've been, they may be, you know, a year or two old and you'll still be able to get this done for 475?

MR. STARR: Yes. You know, some will be a little bit lower, some will be a little bit, --

VICE-CHAIR KING: Oh, okay.

MR. STARR: --you know, a few dollars higher. Like, you know, the septic system, we, you know, we just got quotes back on the septic system, which is, you know, ready to go, it's permitted and it was, you know, less than...I don't want to give the exact number in public but I, less than 2 percent off our bid.

VICE-CHAIR KING: Oh, okay.

MR. STARR: You know, we worked with architects, we worked with engineers, we worked with some of the solar companies, so we're in range, but, you know, some parts will be a little high, little bit low, that's --

VICE-CHAIR KING: Okay.

MR. STARR: --how it is.

VICE-CHAIR KING: So, you're comfortable with that numbers still?

MR. STARR: Yeah, we're very much in range.

VICE-CHAIR KING: Okay, okay.

MR. STARR: I just redid my own power system. I know what stuff costs, you know, solar panels have come down. You know, it's...we're there.

VICE-CHAIR KING: Okay, great, thank you.

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

COUNCILMEMBER SUGIMURA: Thank you. Good morning, Jonathan.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MR. STARR: Good morning.

COUNCILMEMBER SUGIMURA: So, you know, I appreciate all the work that you and Helen do, with every community you touch you give a lot and you give deep. I need to ask about this when we...because the, this item was in my Committee last term and we approved, the Council approved an executive order, and on the April 6, '18, 2018 meeting when it was asked of you, you had said that Kaupo Community Association, please confirm this, Kaupo Community Association would not be coming to the County for funding, as well as this is not a Parks facility, so you said you wouldn't be asking Parks to maintain it. Could you please confirm that?

MR. STARR: I think the wording was a little bit different and, you know, at that time we were dealing with the site control, and I think that what was really being discussed was whether we were going to come and ask for ongoing maintenance, whether we're going to expect that County workers or County contractor was going to come out in a pickup truck and, you know, and lawnmower the yard, and fix the water, and, you know, we were pretty clear that was not our expectation. That, you know, so far, it's all been kokua and volunteer and, you know, we're looking to create an endowment to handle that maintenance. We also said that we didn't have an expectation of County funds and, you know, I still hold to that. I don't think it would be fair for any community or any person requesting a grant to have an expectation of the County nor is a County obligated to ever provide anything, but I do feel that a community association certainly has a right to ask when, you know, they're volunteering and trying to do some good. And if it comes, you know, it comes, if it doesn't, it doesn't. But there's no expectation and, you know, even if we were not to be helped with this 475, we would not feel like we've been wronged. We would not feel animosity. We would go and look for another path, you know. At one point, we thought, you know, we had a likelihood of CDBG and we applied for that and that, you know, we were approved but, and became alternates. But we didn't feel that our obligation was not, you know, being taken care of. It's like, you know, it's our duty to our community to try and it's the County and the Council's duty to decide what the best use at a given time is, so I hope that explains, you know, our feelings with that.

COUNCILMEMBER SUGIMURA: So, at the time of the Council meeting is when this came up, not the committee meeting, but my minutes that I read basically said that you would not be asking for County funding for this. At that time, I think you had also stated that you had State funding of that GIA funding of almost a million dollars, 900-something, and you had asked for other funding, and then, and that you're right, you know, that you had not, you had said you would not be using Parks Department. So, you would not call Mice, you have never called Mice for assistance, right? Okay. Anyway, that's not the way that I took it from the discussions and the verbatim minutes that I, that we have. I didn't know that this organization also got 30,000 from OED this current fiscal year and this would be 475 on top of that. Is that correct?

MR. STARR: The OED funding was...I forget if it was 2015 or 2016.

CHAIR RAWLINS-FERNANDEZ: Two thousand sixteen.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

MR. STARR: Yeah, 2016, and that was used to design the septic system, so that it's shovel ready now. It was used for some of the, a design for the building restoration. So, that now that it's moving forward, it bought a container so that we had a place to lock up the tools, which are privately owned and used for, you know, mower the yard and so on. So, and that was closed up maybe four months after we got the grant and it was, you know, I think it was successful there was no, you know, no tail to it. But that was several years ago and it laid the ground work, and I really, you know, I apologize if I was unclear at the moment and, you know, the words I used, but, you know, I'm telling you what I was thinking, which is that, you know, the buildings, the restoration of the buildings, the carpentry, that's paid for by the State grant, Historic Hawaii, and another, I don't know, 35, 40,000 that we've raised, you know, including from a lot of us board members and private grants. And that, you know, the maintenance we were not going...looking to the County for, but we always knew that we had this final portion. And that year was the first year we applied for CDBG funding for it, and we didn't have site control then, it was premature. But anyway, I apologize if I was misleading in the words I used.

COUNCILMEMBER SUGIMURA: Thank you. And...

CHAIR RAWLINS-FERNANDEZ: And, Mr. Starr, offered to be a resource, so --

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: --when the item comes up on the agenda, we can ask for him --

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: --to come back down if we have further --

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: --questions, so that we, we're not going into deliberation during public testimony. Okay, mahalo.

MR. STARR: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for your testimony, Mr. Starr. Ms. Matthews, will you please call our next testifier? Oh, we'll just...when we call him, we can call him back down when the agenda item comes up. Mahalo, Pro Temp Kama. Okay, Ms. Matthews?

MS. MATTHEWS: Our next testifier is Jade Alohalani Smith testifying on behalf of Aha Moku O Kaupo on EDB-175, to be followed by Kauwila Hanchett.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. SMITH: Aloha, Councilmembers and Chair. Thank you for having me here. I'm Alohani Smith, you guys know me from Kaupo. I'm actually a lineal descendant of Kahekili down to Kanekapolei, who was the highest Chiefess of Kaupo. And so my journey starts when I married my husband and became a cattle rancher and raised a family out there. I'm here to support our Kaupo Community Association for amending the Fiscal Year 2019 Budget and EDB-175. I was the former Kaupo Community Association president. My story starts from 2006. For 2 years, an earthquake disaster happened out there and it closed our roads. Our community was really living a hardship at that time, also for Kipahulu. But working with the County was frustrating back then for our community didn't receive any assistance for months, and so we had to pull together as a community and start the planning process. I was the secretary back then in the second revival of our community association, and you guys know secretary has a lot of work from the hardest working person. But the process completed two years after that, so this became my inspiration to work behind the scenes and plan for our community. Now, after attending a Four Core training with MEO, I created a disaster shelter multipurpose plan. I did it along with a business plan for Kau Kau Lani, it's an LLC, it's a food service. And so, I started my journey in 2011. So, this was purposely to stimulate our little village and economy on a small scale level starting, you know, a food trailer and then getting people to come out and start selling alongside and just start planning as we start to work together. Now, I did a proposal to Daniel Ornellas, I used to work for DLNR, Forestry and Wildlife, and we sat down and he said, hey, what you guys doing with the school, and I said, I don't know, but why, why are you asking. So, he asked if I'd be interested, so I proposed six goals, four short term, two long terms, and you know what, I was approved and I was so happy because I could start the process for our community. Now, sorry, it's emotional. So, I was approved from them and I have revived the third phase of our Kaupo Community Association, the third attempt, and I did it alone. I was the Aha Moku, at that time, I was the Aha Moku representative, it's under Act 212, I'm the State representative under that for Kaupo. Now, I introduced a disaster plan. I introduced the Red Cross in Kaupo. It is the same thing like what we're all trying to do is get the restoration completed, because this has been going on for years. I also introduced Kau Kau Lani, my LLC food trailer, and I also introduced the Aha Moku. Now, the whole reason was to assist my community with a core location for gathering, educating, training, safety, and recreation.

CHAIR RAWLINS-FERNANDEZ: Ms. Smith, can you please conclude in 30 seconds?

MS. SMITH: Okay, can I start over on the other? I can go into Red Cross, I had three, I'm sorry, just so I wouldn't go over.

CHAIR RAWLINS-FERNANDEZ: Red Cross is not on the agenda.

MS. SMITH: No, no, no, I mean, I'm testifying as a whole in a nutshell for Kaupo, but I did for three positions so that I would go over the three minutes. Is that...

CHAIR RAWLINS-FERNANDEZ: Oh, I see.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. SMITH: Yeah.

CHAIR RAWLINS-FERNANDEZ: The Rules of our Council only allow three minutes per warm body.

MS. SMITH: Okay, no problem. So, anyway, I just wanted to show you folks what I introduced to the community back then. This was my little plan just to stimulate everybody, okay, this is the two acres of the Kaupo School, our entrance is here, LZ there, this is the schoolhouse. Once we restore it, we will create some kind of income for it. This is the teacher's cottage, no plans, because I wanted the community to plan it, okay. So, this is what I talked with Daniel Ornellas. I showed him my disaster plan and this is the areas where we could --

CHAIR RAWLINS-FERNANDEZ: Ms. Smith?

MS. SMITH: --create funding.

CHAIR RAWLINS-FERNANDEZ: I'm sorry, I have to complete your testimony.

MS. SMITH: Okay, well, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. It looks like there's questions for you.

MS. SMITH: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: So, you'll be able to elaborate, I'm sure.

MS. SMITH: Alright.

CHAIR RAWLINS-FERNANDEZ: Member Molina, and then Member Sinenci, and then Member Paltin.

COUNCILMEMBER MOLINA: Madam Chair, I would have no objections at a later point, maybe, bringing Ms. Smith as a resource to so she can further...

CHAIR RAWLINS-FERNANDEZ: Ms. Smith, will you be able to stay on to be a resource?

MS. SMITH: Yes, I accept.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay, Member Sinenci?

COUNCILMEMBER SINENCI: That was my question.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin?

COUNCILMEMBER PALTIN: Aloha, Ms. Smith.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. SMITH: Aloha.

COUNCILMEMBER PALTIN: Thank you for being here today and everything thing that you're doing for our communities. I was wondering if the way that the building is restored, would it be up to the specs for, like, hurricane shelter and like that?

MS. SMITH: We discussed that and no it wouldn't be for hurricane shelter. It was just to be restored.

COUNCILMEMBER PALTIN: Okay, thank you.

COUNCILMEMBER KAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Pro Temp Kama?

COUNCILMEMBER KAMA: Thank you, Chair. So, good morning, and thank you for being here.

MS. SMITH: Good morning.

COUNCILMEMBER KAMA: So, as I'm reviewing the Kaupo School infrastructure systems and support hub structure, and I'm looking and I'm thinking, oh my gosh, where's the signs that Vernon Kalanikau was supposed to be doing for all over our islands that says, hey, this is who we are.

MS. SMITH: Right.

COUNCILMEMBER KAMA: So, but I don't see it in your budget.

MS. SMITH: Okay. It's under Aha Moku for us. I'm also the representative, so I do have...I'm under the structure of Tri-Isle RC&D, so I can get grants, I can get donations and sponsors. But Vernon and I are working on that as Aha Moku O Kaupo but in partnership to the Kaupo Community Association, yes.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

MS. SMITH: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Okay, so, yeah, we'll have Ms. Smith stay on and then perhaps you can elaborate when we get to the agenda item the intended uses of the area that you had on your map 'cause I'd like to know more about that as well.

MS. SMITH: Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. SMITH: Thank you for your time.

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Our next testifier is Kauwila Hanchett testifying on behalf of Kaupo Community Association and the role as a board member, to be followed by Rob Parsons.

MS. HANCHETT: . . . *(speaking in Hawaiian)*. . . Aloha, Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. HANCHETT: My name is Kauwila Hanchett. I am from Molokai and Kumunui, Kaupo. I'm honored to be here before you. I'm grateful that my colleagues have shared the nuts and bolts because I want to talk story. I want to share a story with you. About five years ago, I was working in what we call the up shack, we have two houses on our property and one is my office, and I heard a distressed cry from my husband. He was with our daughter who was seven at the time, and she was having difficulty breathing. She was having an anaphylactic reaction to something she had eaten earlier. Fortunately, we had a EpiPen and they ran up and as he's administering the EpiPen she looked at me and she said, mommy, am I going to die? And we both said no, you not going to die. We jumped into the car, we called 911, and we rushed out to the hospital. The ambulance met us halfway. What we're talking about today is not just septic systems and electricity. We're talking about people, we're talking about families, we're talking about life and death when you live in a rural community. Those of us who live in Kaupo, Kipahulu, Hana, and Hawaii's other rural communities know when you're in trouble help is very far away. When the road closes because part of it fell down, you're cut off. That is why we are so passionate and committed to rebuilding the school, to having our own water supply and electrical systems, because we live this life. We live this life and we know that it can come down to life and death. We have kupuna, we have keiki, we have families, we need your help. If this is not approved, then there will be a delay. And again, we're going to keep going because that is our kuleana, this is our life, we're going to keep going and we're going to keep trying, but you have the power to make this happen. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: . . . *(spoke in Hawaiian)*. . . Kaupo Kumunui, mahalo. Members, any need for clarification? Okay, seeing none, mahalo. Ms. Matthews, will you please call your next testier, our next testifier?

MS. MATTHEWS: Madam Chair, our last testifier signed up to testify is Rob Parsons testifying on EDB-31.

MR. PARSONS: Good morning, Chair Rawlins-Fernandez, excuse me, Committee Members. My name is Rob Parsons. I did submit testimony on April 5th when this was a communications item to full Council before getting referred to Committee. I hope that that testimony is in your binder, and I'll be reading from that as time allows in the time allotted. I speak today in strong support of the County, of the EDB-31,

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

requesting fiscal and performance audits of Anaergia contracts. I strongly believe the best interest of the County, its people, and environment would be served by canceling both of these ill-conceived proposals and re-thinking our solid waste resource and wastewater treatment options and strategies. Since the County of Maui signed a contract with Anaergia Services in January 8, 2014, 1,954 days have passed. In that time, the contract has been renewed two or three times, yet there has been zero performance. No environmental documents have been prepared. Nothing has been constructed. No takers have been found in five-plus years for off-take users of biogas from anaerobic digestion or for refuse derived fuel pellets, billed as a coal-substitute to be combusted. No landfill gas has been converted to energy. The Mayor in a, quoted in *The Maui News* article on April 6th that was titled Anaergia Slow to Fulfill Contracts with County said that as he mentioned in his inauguration speech we want to see something tangible from Anaergia. This has become like Lucy holding the football for Charlie Brown, where for almost 2,000 days, over 5 years, they keep saying, we're working on it, we're going to get there. Nothing has happened and I think it's really time to pull the plug on this. The net result is that progress on solid waste goals in our Integrated Solid Waste Management Plan have been stalled, we have actually slipped backwards. We were about to expand the 3-Can Plan for curbside recycling when it was stymied by a previous Environment Management Director. We are the only County that hasn't really addressed zero waste goals. Anaergia should have been rejected because they did not meet the original criteria of the RFP, to have at least two facilities in operation using the same technology for at least three years. In fact, they've never run an anaerobic digestion operation that entailed using municipal solid waste in a dirty MRF. Now, I did submit regarding the MANA Project, which was recently heard in Judge Cardoza's court where he ruled...I can finish in a sentence or two, 30 seconds. Where Judge Cardoza ruled the final EIS to be insufficient. I provided ten good reasons not to support that project and he provided the main one, which is there wasn't sufficient review. And in each of these proposals, I think, you will find with an audit that they're, it's not just that they're fiscally irresponsible and don't make sense for environmental and resource management, but also that they never met with community approval and the impression was that they...these were deals that were made behind closed doors and not with the community's support. So, as we enter into the ten-year update of the Integrated Solid Waste Management Plan, I think we have a brand new opportunity to review all of our resource management options, and I think we should start over because these have not proved to be useful for the County of Maui. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony, Mr. Parsons. We have questions from Chair King and Member Molina.

VICE-CHAIR KING: Thank you, Chair. Thank you for being here, Rob, 'cause I know you've lived through this for many years working in as the environmental coordinator in the Mayor, the previous Mayor's Office. So, for one, we don't have your testimony relative to this, I don't know, it didn't make it over with the referrals, so if we could get a written copy of your testimony for today's meeting that would be great. My question to you is the previous, a previous Council, I'm not sure how many years ago, it was probably, was back when Gladys Baisa was on the Council, did an audit of DEM and

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

one of the audit, one of the three main points for the audit to focus on was the Anaergia contract, which at that time was the landfill contract because I don't think they had the MANA project up and going. But was that...did you feel that that was not comprehensive enough for...I mean, why was that never addressed, and maybe you can't answer this, by DEM? You know, because I know that there was a review, I don't think it was extensive, but there was a review of that audit, it came out that what, you know, exactly what you said, they never, even in their proposal, they didn't propose to fulfill the requirements of the original RFP. So, do you know what happened to that?

MR. PARSONS: Sort of. I meant to grab that *Maui News* clipping from 2015 reporting on the results of that audit which was requested by your colleague who is not present today, Councilmember Hokama, and he requested an audit of the Solid Waste Division of DEM, it wasn't all of DEM.

VICE-CHAIR KING: Okay.

MR. PARSONS: But he stipulated that it should include the Anaergia contract, because in the annual updates from DEM questions had arisen from the Council as a whole that he thought would be better addressed and the Council agreed with him. So, the result of that, I think the most significant part was that this had been billed as a contract that at no cost to the County and it was after the audit proven to be about \$20 million in error or \$30 million over 20 years and it would actually be a cost to the County. So, that was just the fiscal side of it, the performance side of it I can't really speak to and I don't think that *The Maui News* report of that audit spoke to it as well as it could have. But, I mean, essentially one of these two projects that's being requested for a fiscal and performance audit today has already had an audit and it was not a favorable audit, and since then at my point has been that no substantial progress has taken place in the three years since that audit.

VICE-CHAIR KING: Okay. And then if I can follow up with one question, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes.

VICE-CHAIR KING: So, in that...have you read the actual contract, I don't know if, I mean, they were calling it an agreement, then now they're calling it a contract with Anaergia, and is there...the usual out clause in there is if it's in the best interest of...this can be cancelled if it's in the best interest of the public, is that option in there in that contract?

MR. PARSONS: I believe it is, and I believe the resolution states that if there is a non-appropriations clause in the contract that is your way out. The Council really, you know, this was supposed to be money up front by Anaergia, so we're not heavily invested in it and in your budget review, I don't know if you were asked for any further appropriations to support this, but I think it's an easy out and that's one of the things the audit would clearly tell you.

VICE-CHAIR KING: Okay, thank you.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And if my questions are a little bit out of bounds let me know and I'll pull back on it. Mr. Parsons, just so I can get a grasp of who Anaergia is, just briefly tell us who they are, where they're from, and it's certainly disappointing to hear this. You know, I guess maybe the proposal sounded great --

MR. PARSONS: Right.

COUNCILMEMBER MOLINA: --for the previous Administration, but now it looks like it was maybe too good to be true. And if you can tell us if they've had other issues with proposals for other communities?

MR. PARSONS: Sure.

CHAIR RAWLINS-FERNANDEZ: Member Molina, would you like to ask member, Mr. Parsons, if he'd like to stay on as a resource to provide that information?

MR. PARSONS: Yeah, I'm not available to do that today. I have another meeting.

CHAIR RAWLINS-FERNANDEZ: Okay. Go ahead.

MR. PARSONS: So, I can address that. I was at the initial meetings back in 2011 when you and I were both, you know, were on the 9th floor with UTS BioEnergy, which in a couple of years morphed into Anaergia. And at that time I thought their proposals showed great promise, in particular, because they were proposing to use wastewater from Lahaina Wastewater Treatment Facility to irrigate a biofuel project through anaerobic digestion and produce electricity. This was before we entered into the lawsuit over the Lahaina wastewater treatment injection wells. So, it would've solved that problem; however, it never penciled out financially. They could not get MECO to say yes at the cost per kilowatt hour, they actually went to the PUC to ask for a preferred rate because they were offering to produce a renewable energy. The PUC did not agree that the rate that they proposed was workable, so it's been, you know, pounding a square peg into a round hole for a very long time and it just hasn't fit, and I agree with you that some elements of this have sounded good but overall I would have to say it hasn't worked out.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina.

VICE-CHAIR KING: Chair, can I ask one more question?

CHAIR RAWLINS-FERNANDEZ: Okay.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

VICE-CHAIR KING: Since Mr. Parsons isn't going to be around.

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: So, you know, my question is about the MANA Project. The...because my understanding was that was dependent upon the airport's interaction, the State airport, the State Department of Transportation's interaction with that, you know, needing the energy from that biofuel crop, and I saw that they cancelled their contract. So, what is the obligation? I mean, does the County still have an open contract with them on that project? Do you know?

MR. PARSONS: Yes, there is a contract that's opened. If the Chair will allow, I didn't fully address that in my oral testimony but in the written testimony that I handed in I did address the MANA Project in more specificity. And to answer your question, the...when you're talking about the airport project, I think you're talking about the irrigation using the injection well water from Kahului Wastewater Treatment Facility to irrigate --

VICE-CHAIR KING: Right.

MR. PARSONS: --airport property. In the only public meeting that was ever held on the MANA Project at Kahului School two years ago or year and a half ago rather, the director in talking to the audience was asked where will the water to irrigate 500 acres of sorghum or a biofuel crop come from because there was all the discussion about the East Maui water and the question surrounding that, which have continued to surface. The director said, well, get this, we're going to take the water from the injection wells, the treated wastewater from Kahului facility and pipe it over to irrigate those crops. And, you know, it might have been a good idea but it wasn't in the EIS, and I raised the question, and I said, are you planning to revise the EIS or do a supplementary EIS to address this element of it, and he said, no this is a completely different project and, you know, my jaw dropped a little bit, and I said, well, I think that you need to address it because it is the whole irrigation component of this project. So, if it's true that the airport irrigation did not go forward then this wouldn't go forward either, but it hasn't been properly, it hasn't gone through the environmental review that it really should.

VICE-CHAIR KING: Okay. Thank you, Mr. Parsons.

CHAIR RAWLINS-FERNANDEZ: Okay. And for Members references or for Members reference, the MANA project is on the written testimony, so on Page 3 and 5. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Parsons, for being here today. I just had a question I wasn't like, I mean, a clarify question 'cause I wasn't exactly sure I understand what you were saying. You support the audit and you think that the contract should be cancelled. Is that what...

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

MR. PARSONS: Well, I think you have the ability to do that at any time --

COUNCILMEMBER PALTIN: Without auditing?

MR. PARSONS: --pursuant to the Charter. But I think the prudent thing to do for yourselves as a body and for the community would be to conduct the audits, and I think that the audits will verify that it's the right thing to do.

COUNCILMEMBER PALTIN: Okay, thank you.

MR. PARSONS: Yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay, seeing no other questions. Mahalo for your testimony, Mr. Parsons.

MR. PARSONS: Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Oh, Ms. Matthews. Oh, there you are. Ms. Matthews, will you please call our next testifier?

MS. MATTHEWS: Madam Chair, that was our last testifier signed up in the Chamber, and we haven't received notification from the District Offices of any other testifiers.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay, if there are no objections from the Members, we will now close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

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

. . .END OF PUBLIC TESTIMONY. . .

ITEM 157(5): AMENDMENTS TO APPENDIX A, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2019 (DEPARTMENT OF PLANNING (STATE OF HAWAII DEPARTMENT OF HEALTH, COMPLETE STREETS TRAINING)) (CC 18-247)

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, we're going to start with the first item on the agenda, EDB-157, it's an amendment to the Fiscal Year 2019 Budget. It would be an amendment by one, adding an appropriation of \$45,000 from the State of Hawaii, Department of Health for complete streets training; two, amending Appendix A, Part I, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

Revenues by Departments and Programs for Fiscal Year 2019, Department of Planning, by adding an appropriation entitled State of Hawaii, Department of Health, Complete Streets Training, with an appropriation in the amount of \$45,000. Okay, Planning Director, will you please provide additional information to the Committee about this appropriation?

MS. McLEAN: Thank you, Chair. And thank you so much for scheduling this item. If this is able to move out of Committee today, it can pass two readings prior to the end of the fiscal year and will enable us to receive this funding. The State Department of Health Chronic Disease Prevention Branch has had these kinds of funds available to the County for several years. In prior years they entered into agreements with the Department of Public Works similar to the agreement that we would enter into with them and this allowed what they call staff capacity building and training, so for issues like complete streets, Vision Zero, walkability, bikeability. The last time we did this was in 2017 and from that funding members of, staff members from Public Works and Planning, the MPO, as well as the State Department of Transportation were able to attend mobile study tours on the mainland. We were able to bring a number of personnel from Kauai over to Maui for a peer-to-peer exchange to learn about their complete streets ordinance and their roadway design manual. And we were also able to send staff to Honolulu to meet with some of the folks from Smart Growth America to receive some technical assistance training. So, this is the same kind of idea. It's a reimbursement basis, and it would be open to all County staff. In prior years, Public Works administered it and this year we decided that it would be Planning instead, and so we're requesting to be able to accept these funds from DOH for capacity building for any County staff. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Budget Director, would you like to add anything to that before I open up the floor to questions? Okay, seeing...okay, Members, I'll now open the floor up to questions. Chair King?

VICE-CHAIR KING: Just a quick question. Thank you, Chair. So, is, Ms. McLean, is this the same amount of money that we got last time of this grant?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: In 2017, because it was with Public Works, I'm not certain but it was roughly that same...

VICE-CHAIR KING: Okay, so it'll allow us to do all the same things you just talked about --

MS. McLEAN: Absolutely.

VICE-CHAIR KING: --that we used it for before?

MS. McLEAN: It's plenty of money to cover us.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

VICE-CHAIR KING: Okay. Okay. Is any of this training, if it's on Maui, open to the general public?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: The...thank you. The grant, the language of the agreement is specific to County staff.

VICE-CHAIR KING: Okay.

MS. McLEAN: But I don't know why it couldn't be if the target was County staff and it was open to the public, we'd just have to clear that with DOH beforehand --

VICE-CHAIR KING: Okay.

Ms. McLEAN: --but I would think so.

VICE-CHAIR KING: I just think, I mean, maybe not necessarily for training but for education on what complete streets are. A lot of people hear that term and, you know, they don't know what it means, so if we could incorporate some public education into that, that would be great.

MS. McLEAN: I'd be happy to get their okay on that.

VICE-CHAIR KING: Thank you. Thank you, Chair.

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

COUNCILMEMBER SUGIMURA: Thank you. Congratulations. This is fabulous. It ties into my Multimodal Transportation Committee items. I do know that we are...there was a walkability conference that just happened. I think Mayor attended with the staff and that was open to the County because of all the different projects that you're all doing. So, would this be...would they be able to use some of this funding, too, for their deliverables that they're working on?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: Yes, they would be able to and given the performance period they might even be able to reimburse for the cost for the staff to have gone to that session.

COUNCILMEMBER SUGIMURA: That'll be nice.

MS. McLEAN: Yeah.

COUNCILMEMBER SUGIMURA: Well, I look forward to seeing what comes out of this as there's a lot of talent within the County that we can pull together. Could you use this also for the transit-oriented development or is that completely separate?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. McLEAN: Again, we would have to get...sorry, Chair.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: Again, we would have to get DOH's okay before we apply those funds, but there's so much overlap with all of these initiatives that I would think some of those could be covered.

COUNCILMEMBER SUGIMURA: Oh, very good. Thank you. Excellent. I support this.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Sugimura. Member Molina?

COUNCILMEMBER MOLINA: Yeah, no, Madam Chair, if anything I wish we could get more from the State but I'm certainly confident the Department using these funds for staff training especially that's so important. So, just await your recommendation, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Okay, any other questions? Member Kama?

COUNCILMEMBER KAMA: Yes, I do. Thank you. So, if the \$45,000 is for training, how many people can we actually train with \$45,000?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: It would depend on the kind of training. If it's bringing somebody to Maui, then, you know, hundreds could benefit from that. If it's sending people to the mainland, obviously, for that amount of money it would be fewer. So, if this moves forward the next step would be to see what opportunities are out there and how we could get the most bang for the buck. And it's the focus in the past has generally been Public Works and Planning and now the MPO is folded into that, certainly Council Staff is, our County staff can be included and the public is as Chair King suggested, so if you have particular ideas we'd be happy to hear them and make it work for as many as possible.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Okay, looks like we have no more questions from the Members. I have a quick question. I support this, of course, I think it's going to be funding that's going to go for a purpose that we all support. So, is it safe to assume that the 45,000 is not yet planned for? Just clarifying the responses that you gave to Member Kama. Director?

MS. McLEAN: That's correct. It's not yet planned for. We could use it for some activities that have recently been undertaken, so to reimburse for the cost for that team who went to Georgia. There's a group in Seattle right now. But we were prepared to cover

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

those costs because this had not yet been finalized. So, it is all...all of it can be spent freshly on new things that we haven't planned for yet.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay, Members, the Chair will now entertain a motion to recommend passage of the proposed bill entitled A Bill for an Ordinance Amending the Fiscal Year 2019 Budget for the County of Maui as is it Pertains to Appendix A, Part I, Grants and Restricted Use Revenues - Schedule of Grants and Restricted Use Revenues by the Departments and Programs, Department of Planning, State of Hawaii Department of Health, Complete Streets Training; on first reading; incorporating any nonsubstantive revisions and any adjustments required by prior amendments to the Fiscal Year 2019 Budget; and adjusting the totals accordingly.

VICE-CHAIR KING: So moved.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Committee Vice-Chair King and seconded by Member Kama. Okay. Any discussion?

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Yeah, I just...I fully support this. I just hope that we can use it for going forward and not reaching back into things that have already been funded and are paid for because, you know, then that creates more of the Carryover/Savings issues and stuff, but I would like to see it, you know, be addressing the things that we are planning to do in the future. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Okay, any other discussion? Okay, I'll call for the question. All those in favor, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Any opposed? Okay, the motion passes unanimously, one Member excused, Member Hokama.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Kama, Lee, Molina, Paltin, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Hokama.

MOTION CARRIED.

ACTION: FIRST READING of bill by C.R.

MS. McLEAN: Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director McLean.

**ITEM 175: AMENDING THE FISCAL YEAR 2019 BUDGET:
OFFICE OF THE MAYOR (KAUPO COMMUNITY
ASSOCIATION, INC.) (CC 18-349)**

CHAIR RAWLINS-FERNANDEZ: Okay. Next item we have on our agenda is the amending the fiscal year...EDB-175, amending the Fiscal Year 2019 Budget, Office of the Mayor, Kaupo Community Association. It's 10:21 and I'll check, Members, to see if you would like to take our morning break now before we get into this item. Okay, looks like there's a lot of nods. Alright, so we'll...

VICE-CHAIR KING: Chair, I just...

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Yeah, I just wanted to just point out that there are a lot of folks here that are waiting for this. I'd be perfectly happy to address this issue and go through this before we take our break, so that they don't have to hang around for longer than they need to but...

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

COUNCILMEMBER MOLINA: Madam Chair, maybe a short break would be good, because I anticipate a long discussion on this, so this way we can kind of, you know, get our bearings straight and then can go into full deliberation, so just my thoughts.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And I got a thumbs-up that they'll be here after the break. It'll be a ten-minute break for the Members. Okay. So, if there are no objections, I'll call for our ten-minute break. It's 10:22, please be back in your seats by 10:32. Okay, the Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS: 10:23 a.m.
RECONVENE: 10:36 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order. It is 10:36 on April [sic] 16, and we are on EDB-175, Amending the Fiscal Year 2019 Budget, Office of the Mayor, Kaupo Community Association, Inc. Oh, okay, and this item would amend the Fiscal Year 2019 Budget by adding, one, adding a grant appropriation of \$475,000 for Kaupo Community Association, Inc., for the construction of infrastructure improvements at the old Kaupo School property. Two, this grant appropriation was originally included in the Mayor's, Mayor Arakawa's Fiscal Year 2019 Proposed Budget but was removed by the Council due to a site control issues. These issues have since been resolved. Three, amending Section 2, Estimated Revenues, Office of the Mayor, Economic Development Program; Total Operating Appropriations; and Total Appropriations Operating and Capital Improvement Projects by increasing Carryover/Savings from the General Fund in the amount of \$475,000, and increasing total estimated revenues in the amount of \$475,000. And four, amending Section 3.B.9.c.(3), Office of the Mayor, Economic Development Program, grants and disbursements for culture, arts, and tourism by adding a B (Operations) and total appropriations for a grant to Kaupo Community Association, Inc. in the amount of \$475,000. Linda Clark, Jonathan Starr, and Kauwila Hanchett--is that everybody, okay--are...oh, no, not...okay.

VICE-CHAIR KING: Chair, just point of order.

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: So, you just read off four items under EDB-175 and my agenda only has two. So, is there an updated agenda that's got the...

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

VICE-CHAIR KING: Oh, okay, so you just read the four items under the number 1A.

CHAIR RAWLINS-FERNANDEZ: Yes.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Good? Okay. Okay. So, Ms. Clark, Mr. Starr, and Ms. Hanchett are officers of the Kaupo Community Association. I would like to designate all three as resource people pursuant to Rule 18A of the Rules of the Council as someone with special expertise in the matter. Any objections?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. And we also asked Ms. Alohalani Smith to stay on as a resource person, and she is the member or the president of the Aha Moku, okay, a representative for the Aha Moku who is a partner in putting this project together. Okay. Any objections?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: Chair --

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: --I just had a question like what is the title within Aha Moku, her title within Aha Moku?

CHAIR RAWLINS-FERNANDEZ: Ms. Smith?

MS. SMITH: So, I'm the representative for Aha Moku, so my job is I'm mandated by law to work with the community base, so like the association and I are separate entities but then working together we service our community.

COUNCILMEMBER PALTIN: You're the po`o for that...

MS. SMITH: I'm the po`o.

COUNCILMEMBER PALTIN: Oh, okay.

MS. SMITH: Thank you.

COUNCILMEMBER PALTIN: Thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that clarification. Members, any other questions? Okay, seeing none. Okay, Budget Director or OED Director, do you have any additional information to add to this item?

MS. FUKUMOTO: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. FUKUMOTO: This is a budget amendment from former Administration, so we are, we have a neutral position on the amendment.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Director. Alright, I'll now open the floor to questions. Member Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. This is a question for the OED Director. So, I think, it's pretty obvious that the Council supports this project. What are the constraints to executing the agreements by, in a timely way by the deadline? What constraints are there?

MS. FUKUMOTO: Well, there's an application process and there's almost seven required documents along with budget narrative. You know, normal process of a grant would take six weeks, so in looking at the timing if we are looking at a five-day turnaround, that's, there's a concern. Obviously, I'd like to say that we could and will be able to execute, but there's so many variables with that. If we, you know, if we are of the understanding that this would possibly go through, then we could work with the Kaupo Association to get it, to get a lot of these documents in process before that. But, you know, looking at the five-day period, there's, I believe five required County signatures that are needed to execute the grant and the grant has to be executed by June 30th.

COUNCILMEMBER LEE: Corporation Counsel, what would happen if one signature was missing on June 30?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. If the document's not executed, the funds wouldn't be properly encumbered and they would likely lapse at, on, the end of June 30th.

COUNCILMEMBER LEE: So, what is the Administration recommending, that this be included in the 2019 Budget or the upcoming 2020 Budget?

CHAIR RAWLINS-FERNANDEZ: Administration?

MS. YOSHIMURA: Chair, to allow the Administration more time to execute the contract putting it in the Fiscal Year 2020 Budget would give us that ability. If you were to pass it today, I would think that first reading would occur somewhere around June 7, second and final on the 21st, that would allow us five days, five working days to execute the contract. That'll mean that Kaupo Community Association will have to have all their documents all lined up, OED will have to have all their documents, and the required signatures will have to be done prior to the close of business on January 20, or, June 28 because that's the Friday. So, it would be tight. If you did put it in the 2020 Budget, that would give us a little more time to execute the contract, but again, it's the discretion of this body in how they want to proceed.

COUNCILMEMBER LEE: And one last question, who brought this up at this time? Was it initiated by...

CHAIR RAWLINS-FERNANDEZ: I did.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER LEE: You did? Oh.

CHAIR RAWLINS-FERNANDEZ: The Chair --

COUNCILMEMBER LEE: Alright. Thank you.

CHAIR RAWLINS-FERNANDEZ: --of this Committee. Mahalo, Member Lee. Okay, so before I take further questions, I'm going to just...I asked Planner Director McLean to stay on and then I'm going to ask her about the zoning of the property and then she can go. So, thank you so much for staying on for this item. So, will you please explain to the Committee the zoning and community plan designation? Mahalo.

MS. McLEAN: Thank you, Chair. And just in case the question came up during the Committee's consideration of this item, the property's land use designations are all Agriculture, but years ago when this project was first coming to light, we met with the group and did some research and determined that even though the school closed many years ago, the site continued to be used as more or less a community center, if you will. And so, we determined that the use as a community center and public facility would be grandfathered. And so, the improvements that are being proposed would allow it to be continued, would allow it to continue to be used for those purposes. So, the proposed use is considered lawful, grandfathered, and so there aren't any issues from the Planning Department's side with the project proceeding. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. McLean. Members, do you have any questions specifically for Director McLean, so we can let her go? Okay. Chair King?

VICE-CHAIR KING: Thank you. Thank you for being, for staying on, Michele. So, the land use designation being grandfathered in, would it still be helpful for us to address the community plan amendment at some point? Because I know it's going to be awhile before we get to East Maui for the community plan review.

CHAIR RAWLINS-FERNANDEZ: Director McLean?

MS. McLEAN: While it's always desirable to have the appropriate land use designations, the State district boundary would also have to be amended as well as the community plan and zoning to one that allows Public/Quasi Public uses. And the grandfathering is pretty well established, so there really isn't any risk to the group and to the use.

VICE-CHAIR KING: Okay.

MS. McLEAN: So...

VICE-CHAIR KING: So, that can be done after the fact if we choose to do that?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. McLEAN: If some problem ends up arising, we could certainly initiate those changes, but it's pretty well established --

VICE-CHAIR KING: Okay.

MS. McLEAN: --that the continuity...

VICE-CHAIR KING: So, not necessary.

MS. McLEAN: Correct

VICE-CHAIR KING: Okay, great.

MS. McLEAN: Yeah.

VICE-CHAIR KING: Alright, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Okay.

VICE-CHAIR KING: I do have...not for her.

CHAIR RAWLINS-FERNANDEZ: Wait, you have one more question?

VICE-CHAIR KING: Not for...

CHAIR RAWLINS-FERNANDEZ: Just for Director McLean, so we can let Director leave. Mr. Starr?

MR. STARR: Can I just add one thing to that before addressing the uses.

CHAIR RAWLINS-FERNANDEZ: Will you please come down and then you can speak on the mic. And this is regarding the land use? Okay, perfect.

MR. STARR: Yeah, I wanted it to be on the record that when we did have those discussions it was clear that if there were any commercial use on the property that that would not be in conformance. So, we agreed that, you know, our use was just community based. If there were any commercial use, then that would require a special use permit. So, we've designed our project in such a way that there's not a commercial aspect to it and we'll stick to that, but...thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Starr. So, Director McLean, I think Ms. Smith showed her map and it showed that the teacher's cottages would be possibly rented. Would that be considered a commercial use?

MS. McLEAN: We'd have to look carefully at that. The rental income from that could be considered commercial if the people who occupy the cottage don't have any relation or function to the site. So, if it was like a caretaker's cottage and the person perhaps

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

paid some rent but also was a caretaker, then that would probably be acceptable. But if they had no relation to the site at all, then that could be problematic.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Members, any other questions for Director McLean? Member Paltin?

COUNCILMEMBER PALTIN: I just was wondering if this is SMA zone.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. McLEAN: I don't believe so. I'd have to double check, but I don't believe so. Jonathan's shaking his head, so it's mauka of the roads.

COUNCILMEMBER PALTIN: Okay, thanks.

CHAIR RAWLINS-FERNANDEZ: Okay. So, I'm going to excuse Director McLean. Thank you so much for staying on for this item. Okay, the floor is now open for further questions. Chair King and then Member Molina.

VICE-CHAIR KING: Okay. I actually have a question for OCS, and maybe Ms. Matthews can answer it. So, my preference for this would be, and I think the recommendation is to put it into the current budget, the 2019, that's what's listed in the, on the agenda, so to me that would be kind of answer Councilmember Lee's question that that is the recommendation that is before us right now. But would we be able to get, if we pass this out of Committee today, would we be able to get the Committee report done in time to put this on the May 28th agenda?

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews?

VICE-CHAIR KING: For...with special Council meeting?

MS. MATTHEWS: Chair? Thank you, Chair King, for the question. Yes, I've consulted with the EDB Staff and our Supervising Legislative Attorney that we are willing to work expeditiously to get this done. We would need to send the budget bill down to the budget...up to the Budget Office so that it can be updated since this bill was transmitted at the beginning, close to the beginning of this year, but we would be able to work expeditiously to get that done.

VICE-CHAIR KING: Okay, thank you. So, then my next question is to OED, I guess. So, if we get this heard on first reading on the 28th and second reading on the 7th, does that give you enough of a window, breathing room to get this done before the end of the year...the fiscal year?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. We will definitely try our best. It's a two-way street, because when we ask questions we need --

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

VICE-CHAIR KING: Right.

MS. FUKUMOTO: --answers expeditiously, so we'll try.

VICE-CHAIR KING: Right. But I mean, assuming that the Kaupo folks are ready to go today.

MS. FUKUMOTO: Yes, we will try our best. You know, I just want to make note that there are another 20 grants that are trying to get processed by the end of June 30 also.

VICE-CHAIR KING: Right.

MS. FUKUMOTO: So...yeah.

VICE-CHAIR KING: No, I understand that. And then my other question to you is since this is being, the Carryover/Savings, this actually expands the grant, the whatever pot of money you're taking this out of or do you have...you don't have...I'm assuming that the grant fund that this is coming out of is going to be expanded by the 475 or did you have money that was not expended from that grant fund?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: This is not from an existing current budget.

VICE-CHAIR KING: Okay. But isn't it going through a grant fund or is it a separate just line item issue?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, the proposed grant is a separate line item grant.

VICE-CHAIR KING: Okay.

MS. YOSHIMURA: And it'll come out of Carryover/Savings.

VICE-CHAIR KING: Okay, but they still do need to treat it like a grant rather than an appropriation and they have to fill out the application.

MS. YOSHIMURA: Yes.

VICE-CHAIR KING: Is that correct? Okay. Is there some way that you didn't put it into the budget amendment as an appropriation, which would not have required a grant application?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. YOSHIMURA: Chair, it is an appropriation in the Fiscal Year '19 Budget as a grant to Kaupo Community Association, and anytime we do a grant, we do require a grant application --

VICE-CHAIR KING: Okay.

MS. YOSHIMURA: --and information from...

VICE-CHAIR KING: No, I understand it's a grant, but I'm just wondering is it because it's not a County project that it couldn't be treated like a CIP?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just by the nature of what we're doing here, we're giving money to a third-party entity for, with no, nothing in return, that's a grant by definition, so it --

VICE-CHAIR KING: Okay.

MR. UEOKA: --falls under 3.36. Thank you.

VICE-CHAIR KING: Okay. Alright. Thank you, Chair. Just wanted to, you know, make that, the stipulation that if we could get this done, the CR done in time, I would be willing to put this on the May 28th agenda and then we could move everything up by a couple of weeks, which would give us a little more breathing room. Okay, thank you.

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Question more for Administration and particularly one of our favorite Corporation Counsel, Mr. Ueoka. So, currently the property is the State's property and if we, this appropriation goes through, would there be any contractual agreements that we would have to enter into with the State because of these monies will be used for these improvements?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Thank you, Mr. Molina. I just had to follow up, I remember it being EO'd to the County, so it technically is under the County's jurisdiction. It was EO'd to the County, I think, we granted it, a grant of release of real property over to the Kaupo Community Association. So, no need for any extra agreements with the State of Hawaii.

COUNCILMEMBER MOLINA: Okay.

MR. UEOKA: Thank you.

COUNCILMEMBER MOLINA: And so, Parks Department has oversight of this property?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Well, I believe Parks handled the grant to...some County agency would have done the grant to the Kaupo Community Association, and I'm assuming that's the Park's Department, but oversight and responsibility due to the lease agreement is with the Kaupo Community Association, Parks just oversees the grant agreement and make sure...makes sure they're doing what they're supposed to do per the terms of the grant of the lease.

COUNCILMEMBER MOLINA: Okay. So, any event there's any additional request for improvements, so Parks Department would have no involvement with that? It's just strictly under the responsibility of the Association to pay for any additional improvements in the future then under...

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: That would be my understanding based on the general terms and conditions of the leases we issue, so it usually falls onto the lessee.

COUNCILMEMBER MOLINA: Okay, thank you. And I ask that because I'm a member of the VFW in Kihei and that's on State land and, of course, Parks oversights. So, I just want to make sure we have that. And I ask this one question for maybe Mr. Starr or anybody from the Association, 'cause I saw that letter about the transporting water, using that system and also with regards to flooding. How often does it flood there and you folks, I assume, have a plan if the flooding or whatever occurs and there's no accessibility on the road, you already have a plan to address this in the event an emergency happens? Because I know the intent of this project is also to handle emergency situations for the community. Can Mr. Starr --

CHAIR RAWLINS-FERNANDEZ: Mr. Starr?

COUNCILMEMBER MOLINA: --or whoever?

MR. STARR: Well, the roads flood and the site tends to get cut off several times a year. And, you know, we're putting in, we'll be putting into place, you know, protocols for how we can deal with it as a hazard mitigation facility to handle that occurrence 'cause we can shelter people there. You know, we've even done that using tents. You know, once we have the buildings and we have bathrooms and all of that will be a lot easier. The Kaupo water system is a real unique case, and I would encourage the body to handle it in the subject matter committee for discussion because it's, that'll become a very long and deep discussion. What we're trying to do, you know, is not, you know, transfer water out of the TMK. We do have a meter, but that meter is not for water that can be used for domestic purposes. We, we'll be collect...along with storing some of that for fire flow, we'll also be collecting rain water and rain water can be made, you know, fairly, fairly good for, you know, for drinking. I spent a lot of time on the State Water Commission dealing with the State's recommendations, and so at least we can provide

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

some onsite water that's safe in addition to the fire flow water. I don't know if I answered your question.

COUNCILMEMBER MOLINA: Okay. And as far as, last question, as far as any commercial activity, any revenues generated from that, that goes to the Association?

MR. STARR: Yeah, we don't really foresee, you know, commercial activity. If there is revenues, it does go...

COUNCILMEMBER MOLINA: Like a community fundraiser event or something.

MR. STARR: Yeah. That would...there would be fundraisers for the Association, which is a 501(c)(3), you know, Federal, you know, tax-exempt organization. We're...we want to make the facility available especially for local families to be able to rent it as much as possible, you know, so that money will go to the Association to help with upkeep. We also have provision that, you know, some, if a family wants to rent it and they can't afford that they can come and help lawnmower the yard or volunteer as well. We...we're looking to be able to have youth groups that come to Kaupo for cultural experience or for service projects to be able to stay there, but there needs to be some connection to the place.

COUNCILMEMBER MOLINA: Sure. Okay, thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mister...Member Molina. Okay. Pro Temp Kama?

COUNCILMEMBER KAMA: Thank you, Chair. I've got a few questions. So, I just want to start off with in your, on your budget it says that you folks have budgeted for insurance and bookkeeping. So, is that fire, flood, life, DOE, I mean, for your board of directors, what is all of that?

CHAIR RAWLINS-FERNANDEZ: Mr. Starr?

MR. STARR: Yeah. Yeah, and that's not the, you know, that's not the budget for the project. You know, that's not utilizing, you know, County funds or anything --

COUNCILMEMBER KAMA: Yes.

MR. STARR: --that budget. That's...

COUNCILMEMBER KAMA: Yes.

MR. STARR: We fundraised for that budget. Right now, we have liability insurance and that's all. We'd love to have, you know, directors' insurance, we'd love to have fire, we'd love to have a lot more things, but, you know, we're an all-volunteer organization operating on a shoestring and our own time. So, you know, in the future maybe we can expand our insurance.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: And then, Member Kama, in Granicus there's a detailed...I'm not sure if you're looking...

COUNCILMEMBER KAMA: I am. I am.

CHAIR RAWLINS-FERNANDEZ: That is the one you're looking at?

COUNCILMEMBER KAMA: That's what I'm looking at. Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KAMA: Thank you, Chair.

MS. HANCHETT: Can I please clarify?

CHAIR RAWLINS-FERNANDEZ: Yeah. Ms. Hanchett?

MS. HANCHETT: So, we sent a 14-page packet with a detailed budget specifically to give the Council more information on what that 475,000 is spent on. It is on Page 11 and it's a full page break down with the title Kaupo School Infrastructure Systems and Support Hub Structure Budget. So, that is the detailed budget.

CHAIR RAWLINS-FERNANDEZ: And that's also what Mr. Starr --

COUNCILMEMBER KAMA: Yeah.

CHAIR RAWLINS-FERNANDEZ: --handed out when his testimony. Okay.

COUNCILMEMBER KAMA: So, and so this question is, I'm going to assume that you have a sustainability plan and I'd like to hear about that later.

MS. HANCHETT: So, I believe that Helen partly addressed it in her testimony. We are working with the Hawaii Community Foundation to establish a designated fund, and we're going to be fundraising for that over the years so that eventually the income from that fund will meet our minimum expenses for maintaining the property. We're also very fortunate to have a dedicated and passionate group of volunteers and we expect that to continue. So, this is really a grassroots effort of community caring for its own needs. Mahalo.

COUNCILMEMBER KAMA: Thank you.

MR. STARR: I just want to add that we have had discussion with one supporter of Kaupo community and the discussions about a home being contributed, you know, with a house and property that would actually go pretty far in getting that fund going. So, it's not, it not just, you know, a dream.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

COUNCILMEMBER KAMA: Thank you. So, my last question is for Ms. Fukuda [sic] so who are the five signatories to be able to sign off on this front?

CHAIR RAWLINS-FERNANDEZ: Director Fukumoto?

MS. FUKUMOTO: Thank you for the question. Obviously, there's the Mayor, there's our Corporation Counsel, myself, Budget Director, and Finance Director.

COUNCILMEMBER KAMA: Oh my gosh, the majority of you are sitting right in front of us. Thank you. So, you know, I was just trying to figure out how to expedite this, so I'm hoping the Mayor's listening and I'm hoping...hoping that also the other persons listening, too. So, very good, thank you very much. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Member Paltin?

COUNCILMEMBER PALTIN: I just have a couple questions. Hearing the answer to Member Kama's question is all of those guys gonna be on the island during that timeframe?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, if...I would think everybody would be on island. If not, there is a designated person that is able to sign on behalf of another person.

COUNCILMEMBER PALTIN: Okay. And then, my second question is for anyone on the board of the Kaupo Community Association regarding the conversation we're having you guys would prefer the Fiscal Year '19 and you feel confident in your ability and the Administration's ability to meet the deadline?

CHAIR RAWLINS-FERNANDEZ: Mr. Starr?

MR. STARR: You know, this is happening pretty fast. I feel that, you know, if it's a matter of forms that we need to fill out or, you know, a new tax compliance certificate that we have to run down and get from the State or, you know, our insurance, we know we need to probably upgrade our insurance certificate, that sort of stuff we know we can do. You know, I don't know if there's any kind of new out-of-the-box requirements, you know, in the OED process that's different from the way it was a couple of years ago, and I think we'll have a, you know, a discussion later today. Honestly, I feel a little bit guilty having dump this as a rush, urgent matter on OED, but, you know, we'll do...you know, if we need to work all night on our side, we will but we can't expect OED personnel to do that.

COUNCILMEMBER PALTIN: And I just wanted to offer my apologies as well. I know you came to me much in advance of the budget process and because of that we had to, you know, put this to like what is now the last minute and I just wanted to apologize.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Member Paltin, so the options before us is to make an amendment to the Fiscal Year '19 Budget, which is what this EDB-175 proposes to do. Another option would be to increase Carryover/Savings Fiscal Year '20 by the \$475,000 and appropriate the \$475,000 under OED as a grant in the Fiscal Year '20 Budget. We would have to do a floor amendment tomorrow and so that's another option. But I just wanted all the Members to know what other options we have.

COUNCILMEMBER PALTIN: Thank you, Chair. And with given that information, the Kaupo Community Association preference is still Fiscal Year '19?

MR. STARR: I don't think we have a preference. I think if there's more time...

MS. HANCHETT: If for some reason we move ahead with 2019 and we're unable to complete the process by June 30, is there still the option to roll it into...

CHAIR RAWLINS-FERNANDEZ: The answer is no. Tomorrow is the first reading for the Fiscal Year '20 Budget and that would be the appropriate time to make amendments to that budget.

MR. STARR: I mean, I don't think there's any reason we need the money before July 1st, you know, I mean, from our side, so, I mean, if there's more, you know, if it's kind of a better process to do it in 2020, we don't have any problem with that. We're looking, you know, we're looking to you and to, you know, Council and staff for wisdom on what the best way to get it done. And we'll be really appreciative either way and we just thank you for, you know, doing everything to get it done. This is wonderful.

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

COUNCILMEMBER SUGIMURA: So, it sounds like probably better to give some time to the process rather than trying to hope that it passes in such a short period given the, you know, number days available for this fiscal year and the Council's budget, I mean, Council's timeframe for things because we don't hold meetings every day, right, so we're working off of another schedule, which is different from, you know, probably their reality. But probably 2020 sounds like a more feasible.

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

COUNCILMEMBER PALTIN: I just was wondering on the, your Committee side when you asked for floor amendments this past Wednesday, would it be a problem to still have one if the deadline for floor amendments passed?

CHAIR RAWLINS-FERNANDEZ: No, it's still open for floor amendments. The deadline that was proposed is to do the amendment summary form so that our Committee will be more prepared to provide us the balanced budget if there was going to be any amendments to the balance itself and not just the language.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER PALTIN: So, it still can?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER PALTIN: Okay, thanks.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: So, Chair, speaking to the balanced budget, that would still have to happen if we're going to add another project from the 2020 Budget, so I'm not sure what that means as far as where we get that money from --

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: --'cause we don't have Carryover/Savings for 2020 yet because we haven't entered into 2020. But and my understanding is that if we don't put this money into this project it just goes back into the general, it just lapses. So, we can't reach back into 2019 and pull this money out and say we're going to put it into 2020. Is that true?

CHAIR RAWLINS-FERNANDEZ: So, as I understand it, it's already been reserved, and so that wasn't...

VICE-CHAIR KING: For this year's budget, right?

CHAIR RAWLINS-FERNANDEZ: Yeah. So, that wasn't included in the Carryover/Savings that we received estimated for Fiscal Year '20, but --

VICE-CHAIR KING: Right.

CHAIR RAWLINS-FERNANDEZ: --I'll turn the mic over to Budget Director to explain.

MS. YOSHIMURA: Chair, so the budget amendment before you recognizes \$475,000 in Carryover/Savings. If you choose not to pass that today or move it forward, what you would do for Fiscal Year 2020 is increase the estimated revenues for Carryover/Savings in the General Fund by \$475,000 and then make an appropriation out of the Office of Economic Development and put the grant into the Kaupo Community Association for 475,000, that would be a balanced transaction.

VICE-CHAIR KING: Okay. And that wouldn't require a separate...what was the submittal form that you were dead-lining for yesterday?

CHAIR RAWLINS-FERNANDEZ: The amendment summary form.

VICE-CHAIR KING: Yeah.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: So, basically it would...we have a balanced budget. We would increase the Carryover/Savings by the same amount that we would appropriate. And so, it would continue to be a balanced budget.

VICE-CHAIR KING: Okay, so it would be carried over for two years basically is what it would be doing, because it was Carryover/Savings from 2018 into 2019, and we're carrying it over into 2020. Okay. So, and I think one of my big concerns, and I understand, I don't want to put the Kaupo Community Association in a bind where they might not be able to access this funds, but, I guess, my concern is just opening the floodgates for this kind of funding for additional projects. You know, I don't want to get into a situation where we start doing this every year where we're sticking these projects in at the last minute and pushing them over into Carryover/Savings. So, is this a normal thing to do to have, like, a two-year carryover?

CHAIR RAWLINS-FERNANDEZ: I'll speak to this before Budget Director, but basically as Member Paltin said, the community association did come to us and as a new Budget Chair I didn't fully understand the repercussions of holding off until after the budget process, the Budget Session ended. And so, I take, you know, blame for --

VICE-CHAIR KING: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: --the situation that we're in right now.

VICE-CHAIR KING: Okay. So, this isn't going to engender tomorrow us having five more projects on the books from other Councilmembers, I mean, that's one of my concerns is it, it is kind of an anomaly and it's a last-minute thing and I just don't want to make it a practice. But I also think that we need to do a review of the Carryover/Savings process, because and it's hard to say, what we're looking at on Granicus is from September and there's \$50 million in Carryover/Savings as of September. I don't know how much there was but, you know, the whole process of what Carryover/Savings means, I think, needs to be looked at at some point possibly as an agenda item, but I will support whatever seems to make sense as long as we don't look at it as an opportunity to start throwing new projects into the budget tomorrow.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Okay. Really quickly, so as I understand it, the Administration could propose an amendment to Fiscal Year 2020 Budget right now in this Committee. Ms. Matthews?

MS. MATTHEWS: Chair, for clarification, there is the time factor of this being, of these funds being able to be encumbered by June 30th as the Administration has stated. If this does pass out of Committee and for some reason the funds aren't encumbered by June 30th, the question was would the Department then propose an amendment to the FY 2020 Budget knowing the discussion and Committee report that would be promulgated to have that committee report, would the Administration be willing to propose an amendment to the 2020 Budget?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Oh, I see. So, that would be, like, another option, like a third, fourth option. I see. Okay, I think it's cleaner going the direction that we're going right now. Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. And I just want to thank the Members for having this discussion. I do believe that this, again, this was in the 2018, 2019 Budget, and so and for those reasons it didn't go through and so...

CHAIR RAWLINS-FERNANDEZ: Okay. I'll clarify. It was in Mayor Arakawa's proposed --

COUNCILMEMBER SINENCI: Correct.

CHAIR RAWLINS-FERNANDEZ: --budget, but it was not in the Council's adopted budget.

COUNCILMEMBER SINENCI: I see. Okay. And then the CDBG was not...the Kaupo Community Association, they went through the CDBG process, but they weren't chosen. They were chosen as an alternate.

CHAIR RAWLINS-FERNANDEZ: As I understand it, they applied but were not selected for funding. They were put in the alternate list.

COUNCILMEMBER SINENCI: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, Members, any other questions? Chair King?

VICE-CHAIR KING: Alright, so I think the option today is either to pass this out or defer it. Correct? Because we're not talking about the 2020 Budget today, so we can't make a motion to put this into the 2020 Budget.

CHAIR RAWLINS-FERNANDEZ: Right. That's correct. So, that action would be taken up tomorrow at the full Council meeting when the Fiscal Year '20 Budget is on the agenda. Okay. And I wanted to just quickly, for the record, I did go look up the minutes, and I wanted to just clear up what I understood from the minutes is that on April 18, 2018, when the discussion was happening about whether the Kaupo Community Association would be potentially returning to the Council for additional funding what was discussed during Mr. Starr's discussion with Chair King she asked if the grant was going to be for \$475,000 and that was confirmed. And that he stated and we believe that's an efficient number for commercial large ag...large septic, large size septic system, water system, power system, et cetera. And then Chair King asked for clarification, okay, then you wouldn't need to come back and Mr. Starr said no. So, just to clear up the record regarding the minutes, it...the conversation that took place at that meeting was that after receiving the \$475,000 the Kaupo Community Association would then not return for additional funding for maintenance, et cetera. Okay. Pro Temp Kama, did you have a question? Okay, Member Sugimura?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER SUGIMURA: So, the minutes that I was referring to was when the Council accepted the executive order, so it was April 6, 2018. And the discussion was from actually, if I recall and I shared this with Mr. Sinenci, is with Mr. Hokama and other Members that were, but the discussion was not with, I think it's another meeting you're referencing. But the meeting was...

CHAIR RAWLINS-FERNANDEZ: April 18.

COUNCILMEMBER SUGIMURA: Yeah, so this was April 6 for a Council meeting, where which I'm talking about the communication with Mr. Starr where we asked him before we accepted the executive order and that was what was communicated. So, I think you're talking about another meeting.

CHAIR RAWLINS-FERNANDEZ: Right, April 18.

COUNCILMEMBER SUGIMURA: Right. But not the April 6 one...

CHAIR RAWLINS-FERNANDEZ: No, April 18. Mahalo, Member Sugimura. Chair King?

VICE-CHAIR KING: Thank you for clarifying that because I was recalling that I was the one that asked that question, and so I think the context was in the fact that they came to us for the 475. I just had one last question and I thought of it after we started talking about events at the site, and I don't know if I should hold this for Director McLean, but I just wanted to put this out there so the Kaupo folks can think about it going forward is that, you know, my understanding of Ag-zoned lands is if you hold fundraisers you have to get a special use permit and that's not one of the accepted uses and we've been through that with folks who have Ag-zoned land who did not get the special use permit and now we're holding fundraisers and we're getting complaints from neighbors in those areas. So, I just wanted to ask you, is that one of your plans to get a special use permit so you can hold fundraisers in that site?

MR. STARR: We don't have a plan to get a special use permit and nor do we have, you know, any plan to do anything that's not consistent with County policy.

VICE-CHAIR KING: Okay. The discussion about you, you know, allowing people to come and use it and have fundraisers there. I think if you're going to have fundraisers on your site you have to have a special use permit, so I just wanted to put that out there and see if you guys were thinking about that, because I'm not sure if that part was grandfathered in.

MR. STARR: You know, I...let me put it this way, before we do any fundraisers, we'll make sure that we're consistent both with our 501(c)(3) status and also with the zoning and if it's not consistent we won't do it. I believe there are certain events we can do as a 501(c)(3) on Ag land, but we'll make sure that --

VICE-CHAIR KING: Okay.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

MR. STARR: --whatever we do is proper and...

VICE-CHAIR KING: Okay, I just wanted to bring that up, because we are a, you know, we are dealing with in some areas, there's some areas where there's some Ag-zoned land and some neighborhoods where people are holding events and fundraisers and being reported for that. So, alright, thank you, Chair.

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

COUNCILMEMBER MOLINA: Yeah, Madam Chair, in lieu of the fact we got a 1:30 committee meeting with, under Ms. Sugimura's leadership and we do have a couple of big items following this, your recommendation?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Oh, Member Lee?

COUNCILMEMBER LEE: Did I hear you say earlier that you're going to defer or refer this item?

CHAIR RAWLINS-FERNANDEZ: Defer.

COUNCILMEMBER LEE: Well, 'cause procedurally, Corp. Counsel, wouldn't this have to be referred to the County Council to be taken up --

CHAIR RAWLINS-FERNANDEZ: As a budget amendment --

COUNCILMEMBER LEE: --tomorrow?

CHAIR RAWLINS-FERNANDEZ: --tomorrow? We...we're allowed to make budget amendments to the Fiscal Year '20 Budget. But, Mr. Ueoka?

COUNCILMEMBER LEE: I realize that. But procedurally, is it correct to refer this to the Council so that this matter can be dealt with tomorrow?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you and I really am not the expert on your folks' procedural matters; however, what's in front of you today is an FY '19 amendment. So, whatever comes up tomorrow would be a floor amendment to the Council's proposed FY '20 Budget. So, it'll be a different item, so just defer it today if that's your plan moving forward and you can take action later on. Thank you.

COUNCILMEMBER LEE: Thank you. Just wanted to make sure, because if we referred it it would be the same thing. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Okay, I have one last question. So, if the Council defers this item today and makes the budget amendment tomorrow for

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

Fiscal Year '20, will the Kaupo Community Association need to go back to the State to request an extension on the GIA?

MR. STARR: We're already spending down the GIA and, you know, that's been released, so we're in good shape with that. We need to complete our spending down of the GIA before next, the end of next, not this coming, but the following August and our contract awards for the building restoration take that into account. So, you know, the issue would be if we didn't have the septic system or the water for fire flow or power to pump the fire...we wouldn't be able to open and use the buildings, you know, so I think we're all good with this solution and we appreciate the help.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, any last questions? Okay. So, my intention is to defer the item today, and I would make the floor amendment tomorrow for the Fiscal Year '20 Budget. Is there any objections?

COUNCILMEMBER VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. So, we'll defer today. You know, okay, so, if there are no objections, we'll defer this item. Any objections? Okay.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo to everyone on the Kaupo Community Association for being here. Okay. Next item on our agenda...oh, we'll take a quick recess. Okay. Recess at the call of the Chair. It's 11:23, real fast, April [sic] 16. . . .(gavel). . .

RECESS: 11:23 a.m.
RECONVENE: 11:29 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order. It's 11:29 on April [sic] 16.

**ITEM 24(11): PRESENTATION ON PROPOSED RECOMMENDATIONS
RELATING TO COUNTY PROPERTY TAX AMENDMENT
(RULE 7(B))**

CHAIR RAWLINS-FERNANDEZ: And we are on EDB-24(11), Presentation on Proposed Recommendations Relating to County Property Tax Amendment. And this is the third item, we're gonna first receive a brief presentation from the Department of Finance relating to County property tax reform, and we have with us Real Property Tax Administrator. Oh, yes. Will you please proceed with your presentation? Deputy Director, okay. Deputy Director?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

MS. ALIBIN: Good morning, Chair and Committee Members. My name is May Anne Alibin, Deputy Director of Finance. And first of all, the Administration would like to thank this body for giving us this opportunity to provide a presentation with regards to the legislative proposal. The Administration is in support of the creation of a temporary investigative group, or TIG, on policies relating to real property tax reform. Modifications to real property taxation require careful consideration and deliberation. The TIG will provide an avenue to thoroughly review proposals and their impacts to our taxpayers, the County revenues, and as well as the County operations. The Administration sees opportunities in the review of the ten items listed in the scope of investigation section of the legislative proposal and we would like to provide our brief comments on each of these items referring to the item numbers. So, for item A, simplifying the Chapter 3.48 of the Maui County Code, the Administration is in support of this item to simplify the Real Property Tax Code, the classification and as well as the assessment methods. For item B, with regards to reviewing tax classifications, the Department believes that this will improve an understanding of the program and is very crucial with regards to item A. For item C, in consideration of the possibility of merging the valuation rates for land and building, this item should be explored as it may be required to successfully implement a tiered rate program, which will be, is in discussion for item G. For item D, repealing or amending subsection 3.48.305C, relating to property subdivided into condominium property. The Condominium classification should be investigated as it is complicated program with a significance subsidy. This program should be reviewed in conjunction with items E, F, and G. Item E, creating a long-term rental exemption, this will require thorough analysis as there will be several options and it will impact significantly as far as our County's revenues. For item F, identifying and amending potential loopholes in tax classification. The Administration thinks that this is a great opportunity and for this body and for the Administration to identify the loopholes and make adjustments as necessary. For item G, considering a tiered real property tax rate and creating a plan for implementation. The Administration believes that this should be a top priority of the TIG, and this is a very complex modification, which will require a significant amount of time and resources in the implementation and possibly changes to the ordinance. Item H, amendments to the minimum tax, the Department recommends that the TIG to complete a comprehensive review of the core services instead of the minimum tax. Item I, reviewing the kuleana tax exemption, the Department suggests TIG to look up ways to facilitate the qualifications for the kuleana exemption. Last but not the least, on item J, reviewing the DHHL exemptions, the Department recommends that reviewing the programs offered by the other three interisland counties be compared to what the current programs that we're offering here at County of Maui. Finance Department is aware that oftentimes changing one section of the ordinance has an impact on another, and therefore we believe that the TIG could minimize unintended consequences of any changes and improve the confidence and understanding in the programs that remain unchanged. Again, thank you for this opportunity you've given us and Ms. Marcy Martin, our RPA Administration, and myself are here to answer any questions that this body may have.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Deputy Director Alibin. Okay, Members, I wanted to schedule this item and propose creating a temporary investigative group

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

immediately after Budget Session while we work, while the work was still fresh in our minds. During Budget deliberations, there was a clear indicated desire from this body to explore implementation of a tiered tax rate structure amongst other potential areas for reform related to tax and assessment. It is via Rule 7F of the Rules of Council and HRS Section 92-2.5B(1) that I am recommending the formation of a temporary investigative group, so that we may work closely with the Department of Finance and Corporation Counsel, as well as other community experts and stakeholders to accomplish this goal before our hard deadline in November. The November deadline will allow the Department the time they need to prepare for implementation of our recommendations for the fiscal, for the next fiscal year budget. With the assistance of the Department of Finance, I have compiled a list of ideas for tax reform. I really appreciate them helping to come up with these suggestions and look forward to learning from their comprehension and familiarity throughout this process. Members, if you will kindly pull up the attached communication or that was distributed, dated 5/10/19, we can review the purpose and scope of the investigation together. Staff has...okay, and then purpose of the investigation is to make findings and recommendations on policies related, relating to County tax reform. Okay. Okay. As well as the general rules, discussion of matters relating to the purpose and scope of the investigation is restricted to only those Councilmembers appointed as TIG members by the Economic Development and Budget Committee. The physical presence of three TIG members for discussion called and convened by the TIG chair shall constitute a quorum. Discussion of matters relating to the purpose and scope of the investigation is only permitted during a discussion called and convened by the TIG chair or in the absence or disability of the TIG chair, the TIG vice-chair. Three affirmative votes shall be required to establish a recommendation of the TIG. Items that do not receive three affirmative votes shall be disclosed as findings. The TIG chair shall submit a report of the group's findings, recommendations, and legislative proposals, if any, to the Economic Development and Budget Committee no later than September 19, 2019. And the TIG shall be dissolved upon presentation of its findings, recommendations, and legislative proposals to the Economic Development and Budget Committee. HRS 92-2.5B allows for two or more voting members on the TIG and less than a quorum of the Committee, which in our case would mean less than five. The transmittal before you today has been drafted to allow for the maximum TIG membership of up to four; however, I am amendable to reducing the membership to three if that's the will of the body. And as I just read aloud, TIG rule four states that three affirmative votes are required to establish a recommendation of the TIG. Items that do not receive a majority vote shall be disclosed in a report as findings, not recommendations. As it is with any voting body, even numbering, numbered voting membership can run the risk of having tie votes, but I am open to exploring both options. The Chair...Chair's recommendation is to insert my name as Chair and of the TIG if I can have your confidence and to insert the name of Alice Lee to be vice-chair of the TIG. Are there any objections?

COUNCILMEMBER VOICED NO OBJECTIONS.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay. Do we have any volunteers to fill the third voting membership role and fourth, if we decide...I guess, maybe we should first decide if we're going to have a three-member or a four-member TIG.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Are we...are you...is your intention to add members of the community to the TIG as well or just to keep it among the three or four Councilmembers? 'Cause I believe, Mr. Ueoka, I believe that's allowed. Correct?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: I guess, for TIGs, the part I'm concerned about is the Sunshine Law compliance. So...

VICE-CHAIR KING: Right, but, I mean, over and above the Councilmembers you can have...can't you have members of the community, I mean, and/or departments be voting members?

MR. UEOKA: That's...I would imagine, that's up to you guys. I don't believe it's traditionally done, but as far as I'm concerned, as long as you guys form the TIG so the members can communicate outside of a meeting and report back, that's my concern in regards to Sunshine Law. But the rest of the membership, that's up to you folks. Thank you.

VICE-CHAIR KING: Okay. Didn't the housing TIG have outside members?

UNIDENTIFIED SPEAKER: Yes.

VICE-CHAIR KING: They had members who weren't Councilmembers.

CHAIR RAWLINS-FERNANDEZ: I thought there was just the three, Elle as the Chair, Don and...

MR. UEOKA: Chair?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: There might be an opinion from our Office out there on this. I'm not 100 percent sure, but traditionally, the TIG membership is the Councilmembers and they can bring on experts and all kinds of stuff to consult and give input, but typically, the membership of the TIG, four members and the voting are set forth by Councilmembers. Thank you.

VICE-CHAIR KING: Okay. Chair, I would volunteer to be a member, but, you know, I'll kind of see who else wants to be as well. But just because I've been working on this

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

legislation for it, that's listed under E, but I'm happy to provide information to the Committee if there's, you know, if there's more people who want to be on this TIG than we have spaces for.

CHAIR RAWLINS-FERNANDEZ: Okay. So, I was thinking we could decide whether this was going to be a four-member TIG or a three-member TIG first, and then we would fill those spots. Five-member TIG. Member Lee?

COUNCILMEMBER LEE: I have no objection to the four-member TIG, but I do believe that members of the public should not be voting members. Yeah. They can be resource people but not voting members. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Mr. Ueoka, should we check HRS Section 92-2.5 to see what it says or it...

MR. UEOKA: Chair?

CHAIR RAWLINS-FERNANDEZ: Is it silent? Mr. Ueoka?

MR. UEOKA: It'd be unnecessary. The Sunshine Law only applies to you guys' board and commission members. The Sunshine Law would not be applicable to a member of the public. So, as far as Sunshine Law goes, it...as long as you guys formally establish the TIG, the communication between you outside of the properly noticed meeting is allowed as an investigative group. But Sunshine Law does not apply to non-councilmembers. Thank you. Or board and commission members, of course, also, but for your purposes Councilmembers.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Is there a...so, if it was just Councilmembers as far as voting goes, then the difference between having three members and four members, does that change the number of votes required for a decision?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka? Yeah, I believe so, but --

MR. UEOKA: Well, --

CHAIR RAWLINS-FERNANDEZ: --with the majority.

MR. UEOKA: --it'd be majority rules.

CHAIR RAWLINS-FERNANDEZ: Yeah.

MR. UEOKA: But so, I guess, if you had a three-member TIG, two would be a majority but she stated in the rules that it would require three, so if that was the stated rule it

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

would have to be unanimous if you have a three or you can change that stated rule. Thank you.

VICE-CHAIR KING: Okay. So, it...well, it says physical presence, I mean, the under general rules proposed physical presence of three TIG members shall constitute a quorum, discussion of matters...three affirmative votes shall be required. So, then does that change to four affirmative votes if we have four voting members or is it the three remains three?

CHAIR RAWLINS-FERNANDEZ: This was written...if we decide to have a three-member TIG, then we'll have to make amendments. And the voting...so, general rule number two would change to two.

VICE-CHAIR KING: Oh, okay. So, this was written for four members.

CHAIR RAWLINS-FERNANDEZ: It was written for four, yeah. Sorry for that if it wasn't clear. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. This conjures up memories of back when we did the outdoor lighting ordinance. We had a subcommittee. Now, the TIG, I guess, the subcommittee was subject to Sunshine Law 'cause we would have the meetings in here. Now, just for clarification, so a TIG, even though we're looking at now having three Councilmembers on this TIG, would these meetings be, have to be public and you have to take testimony and all of that sorts that go with the Sunshine Law, maybe Mr. Ueoka can comment?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Well, I guess, Mr. Molina, it's just titles, subcommittee, TIG, whatever you want to call it, this sub, or this group is being formed under Section 92-2.5 is an exception to the Sunshine Law; permitted interaction of members, I believe, it's titled. So, this body whatever...this group would be able to work together outside of Sunshine Law requirements such as properly agendized meetings, requirement of public testimony. However, if they choose to do all of that, they may; however, it's not a requirement because the Sunshine Law is not applicable. Thank you.

COUNCILMEMBER MOLINA: Okay. So, they have that option to go that route. Oh, okay. I just wanted a clarification and understanding the difference between a TIG and a subcommittee as it relates to Sunshine Law. Okay, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And, yeah, I have HRS 92-2.5...if you're not speaking will you please turn your mic off. Okay, mahalo. Okay. Okay. So...okay. HRS 92-2.5, Mr. Ueoka was correct in permitted interactions of members and it's the Rules of the Council, Rule 7F that allows us to create the temporary investigative group. Okay, alright. Member Paltin, and then Member Sugimura, and then Member Kama.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER PALTIN: Thank you, Chair. I had a question. So, like, if it's a three or four-member TIG, would the other members be able to, like, watch, listen, or discuss but not vote or is it like only the people on the TIG can show up?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Because it's a separate item, no, it should only be the four members, the Councilmembers and any member of the public, of course, but only the four Councilmembers. The other five Councilmembers should not...I don't want to go so far as to say not participating in any way but you shouldn't be at the meetings engaging discussion. If, like, Chair King mentioned earlier if she wanted to give over materials that she had researched earlier, I think that would be probably more allowable than if she were to show up, discuss the matter at the meeting outside of a properly agendized meeting. If five or you or more, if five or more of you are going to meet, you should just agendize it on this...on some committee's agenda and have an open meeting here.

COUNCILMEMBER PALTIN: Would we be able to submit written testimony as a member of the public?

CHAIR RAWLINS-FERNANDEZ: Okay. I'm going to reread general rule number one, discussion of matters relating to the purpose and scope of the investigation is restricted to only those Councilmembers appointed as TIG members by the Economic Development and Budget Committee. And so, I think if you, if any other member who is not on the TIG submits written testimony it might be considered, like, serial communication, 'cause it's written. Mr. Ueoka, is that correct?

MR. UEOKA: I guess, I really hate to go real specific, it really would depend on what you're trying to accomplish and what type of communication you're giving over, but safer if you just save your comments for when the TIG report comes back, because it'll have to come in front of this whole body but that's more abundance of caution. Thank you.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka. Is it regarding this? Okay. Chair King?

VICE-CHAIR KING: I just want to respond to, yeah, I just wanted to respond to this and to say the purpose of limiting it to three or four, whichever number we decide is because five or more constitutes a majority, so that basically sews up the vote. But just for members to keep in mind, the TIG is making recommendations and, you know, if we came up, if the TIG came up with ten recommendations pursuant to what's on this list, every single one of those has to be voted on by the Council, so the, that's when the Council will give its opinion, you know, Councilmembers would give their opinions on whether or not they agree or make amendments to these various items.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. And for everyone's clarification that the TIG may conduct interviews and discussions with the County personnel related to the goals of the tax reform, including personnel from the following agencies: Department of Finance, Office of the Mayor, and Department of Corporation Counsel. It may conduct interviews and discussions with individuals with expertise on the issues identified above to create tax reform solutions, identify barriers to creating tax reform, and recommend steps the County can take to facilitate tax reform. It may consult with representatives from the following groups: tax reform advocates, real property mass appraisal and tax policy industry experts, finance experts, other municipalities, land...local landlords, and real estate business and financial communities, and it may research other counties' real property tax structures. So, it wouldn't be, you know, making decisions or legislation in a vacuum. Okay. Member Sugimura, and then Member Kama.

COUNCILMEMBER SUGIMURA: So, I would like to recommend that we consider Riki Hokama to be on this with his years of experience doing budget and understanding really of RPT. So, I just wanted to throw his name out there.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Lee, is this, is it regarding the comment, or I'll take Member Kama and then you?

COUNCILMEMBER LEE: I can wait.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Kama, and then Member Lee.

COUNCILMEMBER KAMA: I just wanted to lend my support for four-member TIG.

CHAIR RAWLINS-FERNANDEZ: Four-member TIG. Okay. It sounds like this body would like to create a four-member TIG. Is there any objections to creating a four-member TIG?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. And just for clarification, if there's a split in any voting, so if it was two-two, it would be tie, and therefore no recommendations would come from that. No can make five. And therefore, because it's not an odd number, you know, we would end up deadlock and what would result is a finding and not a recommendation. Okay. Okay. Member Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. I'm thinking that whomever volunteers for this committee needs to be here today and that's one. And I already said that I think four members would be okay because so what if we, there's a tie, you know, the information is going forward anyway. And, you know, I don't want the members of this body to think that we're going to change the Constitution of the United States. I mean, these are mere recommendations for the body to decide upon at some future date. The reason for the TIG is two-fold, so that we can come up with recommendations quickly in a condensed manner, so that's all it is. So, I'm hoping

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

that the members can quickly decide who the other two people will be, and so we can move on to the rest of the agenda. Thank you.

CHAIR RAWLINS-FERNANDEZ: Sounds like a good plan. Mahalo, Member Lee. Member Kama?

COUNCILMEMBER KAMA: So, does, do the members of the TIG get a staff or do they have to staff the committee themselves?

CHAIR RAWLINS-FERNANDEZ: We would have our staff and OCS Staff.

COUNCILMEMBER KAMA: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: We wouldn't get additional funding --

COUNCILMEMBER KAMA: Oh.

CHAIR RAWLINS-FERNANDEZ: --for a staff.

COUNCILMEMBER KAMA: No, I just was thinking that it's hard to have a real good discussion if you've got to be the one to take the notes. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, alright. So, we have two seats on the TIG. I guess, I'll just check to see who would, first, who would be interested to sitting, to sit on the TIG, so, I guess, you can just raise your hand. I know Chair King already indicated her interest, Member Paltin, Member Kama, Member Sugimura, and I know Member Sugimura volunteered Member Hokama but Member Hokama's not here to indicate whether it's something that he would want to do. So, I don't think that's fair to voluntold [sic] him, yeah, okay. Alright. So, we have Chair King, Member Paltin, Member Sugimura, and Member Kama. Okay, okay.

COUNCILMEMBER LEE: Jan-ken-po.

CHAIR RAWLINS-FERNANDEZ: Alright, so we got a suggested process of doing jan-ken-po, any objections? Just kidding, just kidding.

VICE-CHAIR KING: Chair? Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: I'm willing to withdraw my name if we have enough other Members who want to be on this committee. I just wanted to offer if there weren't enough, but it's not like I don't have enough to do, so I'm fine to wait for the recommendations from the Committee as long as I can just input whatever I've done on this one item. And I did have a recommendation for rewording it, so I don't know --

CHAIR RAWLINS-FERNANDEZ: Okay.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

VICE-CHAIR KING: --what the appropriate time would be for that.

CHAIR RAWLINS-FERNANDEZ: Okay. Yeah, we'll do the...we'll set the TIG, and then we can do amendments to the --

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: --scope of the investigation. And, Mr. Ueoka, Chair King has done some extensive research on the long-term rental home exemption. Would submitting that research to the TIG constitute a violation of the Sunshine Law?

MR. UEOKA: Thank you, Chair. If it's purely just informational and it's not put in a form where vote this way, take this action, do this type of thing, I don't see why it would be a violation of Sunshine Law. It's just pure information she's gathered in a, I'm going to assume in a non, unbiased way. So, I don't see why that would be a violation. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka.

VICE-CHAIR KING: Thank you for assuming that.

CHAIR RAWLINS-FERNANDEZ: Thank you, Chair King.

VICE-CHAIR KING: But no, I don't...it's not a proposed bill or anything. It's just information from the research I've been doing, and I've been, kind of, collaborating with folks on Kauai who are working on a similar bill.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. So, I didn't know who else was interested but I am willing to withdraw my name, too, since we do have an abundance of interest, and so I would allow the other volunteers to move forward. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, alright. So, Members, the four Councilmembers that volunteered of the four, two has now withdrawn, which leaves us to Member Paltin and Member Sugimura, okay, which would constitute the TIG. So, it would be myself as chair, Member Alice Lee as vice-chair of the TIG, Member Paltin and Member Sugimura as members of the TIG. Any discussion? Okay. Alright, so I think that's going to be in my entire motion when I make it.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Kama, and then Chair King.

VICE-CHAIR KING: Do you...

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: We're going to make amendments. You wanted to propose amendments?

VICE-CHAIR KING: Oh, okay, yeah. So...

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah. I'm not gonna make a motion yet.

VICE-CHAIR KING: Then you can make everything together, okay.

CHAIR RAWLINS-FERNANDEZ: Yes. Member Kama?

COUNCILMEMBER KAMA: So, I just wanted to inform the new members of the TIG that I'm not sure how they're going to do their order of business but, or how they're going to inform the public that they're going to be meeting, but when the issue of reviewing the Hawaiian Homestead tax exemptions come up, I would like to be able to just listen in on that or offer whatever I can to that. Thank you.

CHAIR RAWLINS-FERNANDEZ: I believe that would not be permissible.

COUNCILMEMBER KAMA: Oh, I can't?

CHAIR RAWLINS-FERNANDEZ: Only members of the TIG would be able to...

COUNCILMEMBER KAMA: To meet? To meet, you mean? Oh, so I should just do it before you meet then? Is that possible?

CHAIR RAWLINS-FERNANDEZ: Do what?

COUNCILMEMBER KAMA: To just let them know what I'm thinking about in terms of taxes?

UNIDENTIFIED SPEAKER: No.

COUNCILMEMBER KAMA: No?

UNIDENTIFIED SPEAKER: You should be on the TIG if you want...

COUNCILMEMBER KAMA: Okay, so how does this work then?

COUNCILMEMBER PALTIN: Chair, if it helps, I will yield my to Member Kama if this is what she wants to do.

CHAIR RAWLINS-FERNANDEZ: I would love to have a math major on my TIG.

COUNCILMEMBER KAMA: Thank you. I would too and I'm not one.

CHAIR RAWLINS-FERNANDEZ: But I'm not saying...I mean, we can vote if...

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER KAMA: No, I think what I'll probably do is maybe, if possible, have a conversation with one other member of the TIG. Is that possible? I mean, how do I tell you how, what I'm thinking?

CHAIR RAWLINS-FERNANDEZ: I think that member of the TIG would then...I mean, the intention of it would be to relay information to the rest of the TIG, so then that would be serial communication.

COUNCILMEMBER KAMA: Okay. So, we just wait 'til the TIG report --

CHAIR RAWLINS-FERNANDEZ: So, do you want to be on the TIG?

COUNCILMEMBER KAMA: --to come out in September?

CHAIR RAWLINS-FERNANDEZ: Would you like to be on the TIG?

COUNCILMEMBER KAMA: Not necessarily.

CHAIR RAWLINS-FERNANDEZ: For...

COUNCILMEMBER KAMA: No. But...

CHAIR RAWLINS-FERNANDEZ: 'Cause I think you have important information to share regarding that item that other Members may not have unless...

COUNCILMEMBER KAMA: It's not rocket science. I think we're okay. Tam, you're okay? What about you, are you okay?

COUNCILMEMBER SUGIMURA: So, I mean, if she passionately wants to be there and the only way she can be there is to be there, I totally respect what you, your passion, so I will step down so you can be part of this TIG.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Everyone's so beautiful. I love you guys.

COUNCILMEMBER KAMA: We love you, too.

CHAIR RAWLINS-FERNANDEZ: Member Paltin wants to step down to allow you to go, and Member Sugimura wants to step down. Okay.

VICE-CHAIR KING: Don't I get credit for stepping down?

CHAIR RAWLINS-FERNANDEZ: Chair King. She was the first one to volunteer to step down. We have such an amazing Council. Mahalo.

COUNCILMEMBER PALTIN: I feel the love.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Yeah, so much love. Okay.

COUNCILMEMBER KAMA: I do too. Thank you.

CHAIR RAWLINS-FERNANDEZ: So...

COUNCILMEMBER KAMA: So, I will accept to be on the TIG. Thank you. Thank you, Tam. Thank you, Yuki. So, thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Yeah, and Chair King.

COUNCILMEMBER KAMA: And Chair King, thank you, Chair King.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. So, we'll make that...I'll include that in my motion to finalize. So, right now, that's tentatively it would be myself, Member Lee, Member Paltin, and Member Kama. Okay. Okay. I'll now accept proposals to amend the scope of investigation. Chair King?

VICE-CHAIR KING: Thank you, Chair. So, under E, because I think this is a critical part of it, I just wanted to change the wording to say creating a long-term affordable rental exemption, because it's critical that if we're going to make an exemption it's going to be in the affordable range and that's one of the things I've been working on with the Kauai folks, to figure out what that range is. We would...that's the whole point of giving the exemption is you're providing affordable rates.

CHAIR RAWLINS-FERNANDEZ: Okay. Would you please repeat what would be amended?

VICE-CHAIR KING: So, it would say creating a long-term affordable rental exemption, so it could be for apartment owners or condo owners, it doesn't have to be homeowners but just the affordable part, I think, is important as well.

CHAIR PALTIN: I think also...oh sorry.

CHAIR RAWLINS-FERNANDEZ: Chair King, pau?

VICE-CHAIR KING: Yeah, so that was my proposal.

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: Do I need to make a motion or just can we...

CHAIR RAWLINS-FERNANDEZ: I'll include it as part of my motion.

VICE-CHAIR KING: Okay. Okay.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER PALTIN: If we can keep the word home in there instead of just affordable rental, affordable rental home.

VICE-CHAIR KING: Well, my point was that if you own a condo and you're providing a six month or longer affordable rental to a resident you should be able to get an exemption, too, because you're a...it's for anybody who owns a home, apartment, condo, whatever that's providing versus trying to do an illegal or even legal short term rental. 'Cause what we're seeking is more affordable, you know, options.

COUNCILMEMBER PALTIN: So, maybe affordable rental...

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Oh, sorry. Affordable rental place to live.

VICE-CHAIR KING: Right.

COUNCILMEMBER PALTIN: 'Cause, I mean, if it's not affordable rental place to live it could be, like, for a business or something or...

VICE-CHAIR KING: Well, we could say a --

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: --long-term affordable rental, affordable residential rental exemption.

COUNCILMEMBER PALTIN: That works.

CHAIR RAWLINS-FERNANDEZ: Member Lee?

COUNCILMEMBER LEE: Okay, you guys. You know, we're taking so long on this thing and we haven't even begun to discuss it. So, rather than getting in the weeds right now, you know, just keep it broad and if there's anything that glares at you that's what we need to know because otherwise we're like starting the TIG right now. So, you know, and, you know, this is...we shouldn't be. You know, we should be TIG-less at this point, so let's move on, on the big amendments or recommendations, and then so we can vote, and then we can, you know, finish the day.

CHAIR RAWLINS-FERNANDEZ: Okay. Sounds good.

COUNCILMEMBER LEE: Thank you.

VICE-CHAIR KING: So, are we good with the wording?

CHAIR RAWLINS-FERNANDEZ: I'll make the motion as Member Lee suggested, and then we can amend the motion with the inserting "affordable."

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: But I do think while our focus is affordable, by limiting us...by limiting the TIG to do...to expand beyond affordable, it might be good to just have it broad, and we know that our priority is affordable. So, I'll do the motion and then we can...

VICE-CHAIR KING: Okay. I do wanna make the point though that part of discussing the TIG is to make sure we get the scope of the TIG right--

CHAIR RAWLINS-FERNANDEZ: Right.

VICE-CHAIR KING: --and, this to me, is a glaring issue, so that's why I made that amendment proposal.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Chair King. Okay, the Chair will entertain a motion to establish a Temporary Investigative Group of the Economic Development and Budget Committee as authorized by Section 92-2.5, Hawaii Revised Statutes, having the purpose, scope, and membership set, as set forth in the legislative proposal dated 5/10/19, and having the following members: Councilmember Keani Rawlins-Fernandez as Chair, Councilmember Alice Lee as Vice-Chair, Councilmember Tamara Paltin as member, and Councilmember or Pro Temp Tasha Kama as member--

VICE-CHAIR KING: So moved.

CHAIR RAWLINS-FERNANDEZ: --with its report...sorry, almost pau...with its report due back to this Committee on or before September 19, 2019, and the TIG will dissolve automatically upon presentation of its findings, recommendations, and legislative proposals to the EDB Committee. Seconded by Chair King. Oh, sorry.

VICE-CHAIR KING: Oh, I moved, yeah.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair King.

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Seconded by Member Sugimura. Okay, so there's a main motion, an amendment to the main motion, which is to insert the word "affordable" in the scope of investigation 1E, "Creating a long-term affordable residential--

VICE-CHAIR KING: Residential rental exemption.

CHAIR RAWLINS-FERNANDEZ: --rental exemption." Okay, so that's the motion. Is there a second?

COUNCILMEMBER KAMA: Second.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Kama, Lee, Molina, Paltin, Sinenci, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Hokama.

MOTION CARRIED.

ACTION: APPROVE proposal to establish a temporary investigative group; and **DEFER** pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Okay, good job. Mahalo, Members. Okay, I know it's 12:06, is there any objection to taking up the last item on the agenda? Member Molina?

UNIDENTIFIED SPEAKER: No objections.

COUNCILMEMBER MOLINA: No, Madam Chair. I just wanted to know your intentions 'cause you know we have that 1:30 meeting and I have a 12:30 meeting so but, anyway, just wanted to know...

CHAIR RAWLINS-FERNANDEZ: Okay, we can do it fast.

COUNCILMEMBER MOLINA: Yeah, okay. Or if need a recess later today, I'm open to that.

ITEM 31: FISCAL AND PERFORMANCE REVIEW OF ANAERGIA SERVICES LLC-RELATED PROJECTS (CC 19-159)

CHAIR RAWLINS-FERNANDEZ: Okay, the last item on the agenda is EDB-31, Fiscal...oh, and mahalo Finance Department for being here and welcome Department of Environmental Management Director, Eric Nakagawa. Okay, the next item on the agenda is EDB-31, Fiscal and Performance review of Anaergia Services, LLC-Related Projects. The item on the agenda is the resolution to authorize Council Chair to conduct the fiscal and performance review of the use, management, and expenditure of public funds for Anaergia Service LLC-related projects. The revised proposed resolution from Corp. Counsel lists important information relevant to the need for fiscal and performance review. Okay. So, Members, at this time, I will now open the floor for discussion. Member Lee?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER LEE: Madam Chair, I think everyone, all the members agree that there should be a fiscal and audit, a fiscal and performance review of the use, management, expenditure of public funds for Anaergia Services, but I really believe this matter should be sent to the GET Committee and that the Chair of that Committee should initiate the audit, and I really believe that. Although, there may not be any conflict, actual conflict, I think there would be a perception of conflict if the Council Chair initiated this audit. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Chair King, and then Member Molina.

VICE-CHAIR KING: Thank you, Chair. I don't think there's any conflict of interest, but I think the procedure has to be, because it's a procurement issue that the procedure has to be by the Council Chair and, you know, if the body wants me to go back to the Board of Ethics and ask if there's a conflict, I can ask that. But in the absence of the Council Chair, it would go to the Vice-Chair to...it would fall on the Vice-Chair to be that procurement officer, not a committee chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that clarification, Chair King. Member Lee and then Member Molina.

COUNCILMEMBER LEE: I wouldn't have any objections to that. I think that would be good. It...because my understanding is that your company or that, the business that you own or partial or in whole also submitted a bid for a --

VICE-CHAIR KING: No.

COUNCILMEMBER LEE: --contract. That's not true?

VICE-CHAIR KING: No.

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: No, there was no bid submitted by Pacific Biodiesel.

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Lee?

COUNCILMEMBER LEE: That's not my understanding. Thank you.

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

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I echo the same sentiments as Ms. Lee, and no disrespect to the Chair, because there's maybe this perception of, you know, whatever. But, I'm happy, yeah, to have you or...on the oversight, I think, because it is a financial contract, I think, in my opinion it'd be more suited, more

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

appropriate for you to do the oversight as the Vice-Chair. So, that's where my preference would be. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Okay. Members, any other discussion? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I just had the impression that there was only one applicant for that job. Is that correct? Or who applied for this, for the project? I don't know who would take that question.

CHAIR RAWLINS-FERNANDEZ: You mean, only one vendor responded to the RFP?

COUNCILMEMBER SINENCI: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay. I mean, we have the Department here. The Department can answer. Director Nakagawa?

MR. NAKAGAWA: Yes, Chair. So, if we're talking about the Anaergia MRF contract, there was, I believe, I mean, Director Ginoza was at that time, but there was like 40 different applicants weeded down to 12, and then there was 3 that came to present what their, I guess, what they wanted to do, and then 1 was selected.

COUNCILMEMBER SINENCI: Okay, thank you for that clarification.

CHAIR RAWLINS-FERNANDEZ: I guess we should ask the question then --

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: --was Pacific Biodiesel one of the applicants? Mr. Nakagawa?

MR. NAKAGAWA: Yes, Chair. I believe that they were not the ones who submitted the actual contract, but they were part of a team I think.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Chair King?

VICE-CHAIR KING: So, there were two...I think this is addressing two different RFPs. So, the second one, maybe you can answer to that, Mr. Nakagawa. How many applicants there were to that? Pacific Biodiesel did not submit an application. We allowed applicants, if they so desired, to allow the use of the biodiesel production to continue in their proposal, and that was all that was...there was no money changing hands, there was no difference in our...in...there was going to be no difference in our operations from before the contract to after the contract. It was just, we were contacted by a couple of different, actually, several different applicants who wanted to know if we would be a partner in that and we said if you just put in your proposal that

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

Pacific Biodiesel would still be allowed to collect the cooking oil and make biodiesel, that's all we wanted, but there was not going to be any additional profit from it or anything. But I wanted to make the point that what this...this is not a review...this is a review of public funds used for these contracts. So, this is not a review, the way I read it of those actual contracts. It's a review of what was expended. I mean, I'm...and I'm paraphrasing because I think you put this forward, Chair.

CHAIR RAWLINS-FERNANDEZ: Yeah, that's correct.

VICE-CHAIR KING: So, the way I read it is the review of the funds that were expended by the Administration to promote these contracts and to continue to, you know, give them exemptions to nonperformance. So, that's the way I read it. It's not...we're not auditing the actual contracts.

CHAIR RAWLINS-FERNANDEZ: Mr. Nakagawa, or...okay. Was there a question?

VICE-CHAIR KING: So well, you know, to me the only difference in procurement would be, I mean, basically, what you do when you procure an audit of process is you put out an RFP, and then the...when it comes back it's not the Chair that makes the decision, it's a body of the OCS that actually reviews the contracts, the proposals that come in. So, I'm not sure what the difference would be. I mean, I could...I have no problem with you signing the procurement. You know, there's really nothing...there's not, you know, when the audits come in there's not, the Chair doesn't pick the winner. The winner is whoever comes in at the best rate with the best proposal.

CHAIR RAWLINS-FERNANDEZ: Okay. So, I would be open to amending the resolution to authorize the Council Vice-Chair to conduct a fiscal and performance.

UNIDENTIFIED SPEAKER: So moved.

CHAIR RAWLINS-FERNANDEZ: No more motion on the floor yet.

VICE-CHAIR KING: Well, yeah. I guess my preference would be to first get an opinion whether there is a conflict of interest, because we're assuming that there is. We're creating the assumption that there is a conflict of interest if we change it, because this is not the normal process. The process would only change if there is a conflict of interest.

CHAIR RAWLINS-FERNANDEZ: Point taken, Chair. Okay.

VICE-CHAIR KING: So, we could pass this pending clearance from the Board of Ethics on whether there is a conflict of interest.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Kama, and then Member Lee, and Member Molina.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

COUNCILMEMBER KAMA: So, what does it mean to conduct a fiscal and performance review? What is a fiscal and performance review? Anybody.

CHAIR RAWLINS-FERNANDEZ: Basically, it would be reviewing how the public funds were expended and to see if the vendor has delivered the intent or the agreed upon deliverables in performing.

COUNCILMEMBER KAMA: So, it's not an audit? It's just to check if he dotted his I's, crossed his T's, and put the period at the end of the sentence, basically?

CHAIR RAWLINS-FERNANDEZ: An audit would be an option as a fiscal and performance review.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Okay. Member Lee, and then Member Molina.

COUNCILMEMBER LEE: Again, we're talking about an appearance of conflict and the Council Chair mentioned that she was involved in a previous RFP along with Anaergia, so they were in the top three and Anaergia won the bid. Now, maybe it...the vendor name wasn't Pacific Biodiesel, but it appears that there was a hui of some type that presented a bid. So, I'm just saying we all agree that there should be a review, doesn't really matter if it's the Council Chair or the Vice-Chair if it's, if the ultimate concern is that a review be done, yeah. So to take away any possible concerns about possible conflicts, if we just asked you to do it there would be no conflict at all, not even an appearance of one. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. My concern is more from a procedural standpoint because maybe Corp. Counsel can confirm. Has the Ethics Board for May already met and how soon could we render an opinion? 'Cause there's no guarantee when they would put Chairman King's request on their agenda and I believe they may have met already, I'm not sure if...I mean, if you can clear that up for me? 'Cause Ethics Boards comes under the oversight of Corporation Counsel, if I recall.

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Yes, our office staffs the Board of Ethics. Sorry, I do not know when they meet.

COUNCILMEMBER MOLINA: Okay, if we could get that information. But, Madam Chair, assume we pass this as is, then it has to go for Council reading in another, what, one or two weeks, and then what if the Ethics Boards, you know, we...we're not sure when the Ethics Board is going to meet and no guarantee that they'll put it on the agenda,

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

because it's up to the chair and maybe Corporation Counsel. They do the agendas, so there's no assurances how soon they could get Chairman King's concern on there. So, my preference, again, I think it might be cleaner, like what Member Lee said, let's just, irregardless [sic], let's, whether it's under you or anyone else, but just so it clears up any perception. But either way, the Council's going to look at this as a whole, you know, so, you know, I like to...my preference is to leave it under your oversight, but ultimately, it's all, the oversight of all of us in here.

CHAIR RAWLINS-FERNANDEZ: Right.

COUNCILMEMBER MOLINA: So, anyway, tomatoes, tomatoes, all of that stuff, you know. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. So, my understanding is we could leave it, leave the resolution as it is, and we could have this issue on the Board of Ethics agenda, and if they deem that there is a conflict, then it would automatically come to the Vice-Chair, so that's another option. And I do hear Chair King's concern that if we do amend it now that there is an implied conflict because that is not standard practice. Chair King?

VICE-CHAIR KING: Thank you, Chair. So, I guess, the main thing is what is...what did you mean by conduct a fiscal and performance review because if the review is done by Committee, then it really wouldn't be myself as the Chair conducting the review. If it is in fact an audit, I mean, to me I just, I looked at it as an audit because that's what you contract for and that there's no need to involve me as a Chair if a committee can do that, so we are talking about an audit. So, I think everybody needs to be clear that we are talking about contracting outside, an outside auditor to conduct that review. So, you know, just to make sure that people know that we're not just, we're not talking about a committee review because that could happen without going through this procedure.

CHAIR RAWLINS-FERNANDEZ: That's correct. Mahalo, Chair King. Member Kama?

COUNCILMEMBER KAMA: So, again, so this is an audit?

CHAIR RAWLINS-FERNANDEZ: An audit is an option. It doesn't have to be an audit, but the intention was for it to be an audit.

COUNCILMEMBER KAMA: Okay. I get it. Thank you.

VICE-CHAIR KING: Yeah, I mean, I'm just...I'm...

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Thank you. I'm just asking, too, because I didn't put this agenda on here, this item on here, but to me, that's what we're contracting for. If we were just going to do a review in committee, it wouldn't require something like this to be passed.

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

COUNCILMEMBER KAMA: That's why I asked the definition of what is a fiscal review. Thank you.

VICE-CHAIR KING: So, we're talking about a contracted, you know, review or audit or whatever you want to call it by an outside entity. Is that correct, Mr. Ueoka?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

VICE-CHAIR KING: Is there a difference between a review and an audit, this kind of a fiscal review that's being requested in here?

MR. UEOKA: Oh, I'm not an auditor, but my understanding would be, like anything else, it would depend on what the scope of work you put out there states. So, it just depends on the scope of work that's put out for the RFP would be the biggest indicator of what the end result is. And I did look up on the County website, Mr. Molina, you were correct. I believe the Board of Ethics met on May 8th. And just for information, if they get it in June as a communication, they'll probably vote to see whether or not they want to take it up. It would be heard in July and probably the decision rendered in August. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Ueoka. And, I guess, the information I received because this is, this resolution was introduced by myself and because the, we're also doing a performance review that the word "audit" was discouraged --

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: --because it was a financial and performance or fiscal and performance review.

COUNCILMEMBER KAMA: So, the intent is actually...

CHAIR RAWLINS-FERNANDEZ: Member Kama?

COUNCILMEMBER KAMA: I'm sorry. Thank you, Chair. So, the intent is to actually see if all the deliverables have been met in this review?

CHAIR RAWLINS-FERNANDEZ: Right.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Lee?

COUNCILMEMBER LEE: Well, in that case, you, we can do this in Committee. You can schedule it next week if you wanted to.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Okay. We can.

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Sugimura, and then Chair King.

VICE-CHAIR KING: Oh, okay.

COUNCILMEMBER SUGIMURA: It sounds like what you really want to do is an audit, right, and but somebody told you you can't use that word, so why don't we just amend this...why don't you make the main motion, we can amend it, and do all these changes that we're talking about and move forward. I would like you to do an audit, if that was your intention. And then, I guess, you know, do the changes that Member Lee suggested, but if you could make, do your main motion and let's proceed forward.

CHAIR RAWLINS-FERNANDEZ: Okay. In the meantime, I guess, we'll ask for our OCS attorney to come up. Ms. Matthews?

MS. MATTHEWS: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Matthews, we're going to ask the, our Legislative Attorney who helped draft. There's a reason that we didn't use the word audit and that was the recommendation.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: Okay, maybe we could get, as far as doing a performance review, maybe we could get a comment from Mr. Nakagawa, because it's in his Department. My understanding is that there's been zero performance, so I'm not sure what a performance review would yield in, you know, not, you know, if that's what we're looking for I think he could probably make that statement right now, or like Ms. Lee said in Committee, you know, we could do the, I mean, you could do it in your Committee, Mr. Molina could do it in his Committee. I mean, we could do a performance review because we, we're looking at two contracts. I mean, it would be a little more complicated if you're actually wanting to know what monies were spent, what public monies were spent, and maybe that would be as simple as sending in a request to the Administration asking for that information. I don't know, but maybe Mr. Nakagawa could shed some light on the potential for gathering that information without paying an outside auditor to get it.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Thank you, Chair, Chair King. I guess, I'm kind of also like you guys, kind of confused a little. They...as far as I'm concerned, I mean, or when I looked in it, there is no County expenditures either, so we're talking about finance audit, we're talking about a performance audit. The way I understand that these contracts were

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

developed was trying to meet the 2009 Integrated Solid Waste Management Plan. All these different types of diversions and so forth, try to keep my answer short, but it was all put out so that some private entity took on that liability, took on those risks, and was determined whether or not they can, it can come to fruition or not. So, me coming in at the last end, right, I, the Director or Acting Director now and it was always part of the Director's project. There's a contract that was extended. It ends, I think, in mid-2020, and if you guys choose to do an audit, I mean, performance or finance, I mean, I always think it's good to do audits because you can always learn from what you did, what you didn't do, learn from your mistakes, but I don't really understand what we're trying to accomplish. They have deliverables at mid-next year and whether they either deliver or they don't, I mean, that's kind of where we're at, I think. So, I mean, maybe you guys can, kind of, take that information and you guys figure out if you, what you guys want to do. Yeah. So...

VICE-CHAIR KING: Chair, can I follow up?

CHAIR RAWLINS-FERNANDEZ: Chair King?

VICE-CHAIR KING: So, my understanding is there is no deliverables to date. Is that correct?

CHAIR RAWLINS-FERNANDEZ: Director?

VICE-CHAIR KING: For either contract?

MR. NAKAGAWA: Chair? Well, their...for one contract, which is the MANA, right, they have, I mean, they've went to do their EIS, they submitted it, I mean, that has that whole court case stuff, and the other one is they're working with their deliverable at the end of Fiscal Year 2020, or not end but mid-2020 --

VICE-CHAIR KING: To date.

MR. NAKAGAWA: --is that they need to secure...

VICE-CHAIR KING: Mr. Nakagawa, could you just speak to what deliverables have been done to date?

MR. NAKAGAWA: Right. So, they're working on getting...

VICE-CHAIR KING: Not what they're working on. What have they delivered to date?

MR. NAKAGAWA: Oh, yeah, Chair, I mean all I'm aware is they prepared their EIS, submitted it, and now that's being ruled against and figuring out what they're going to do.

VICE-CHAIR KING: So, pursuant to this issue that's on the agenda, which is a fiscal and performance review of the use, management, and expenditure of public funds for these Anaergia-related projects. Is that something that you could provide in committee to

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

this Committee or GET or, you know, probably this Committee since it was proposed by the Chair of the Economic Development and Budget. That you could provide information on any public funds that were expended in the use, management, or, I mean, it's basically anything related to this, these projects, that's what's on the agenda. So, just, I mean, we're kind of confused whether we need to hire somebody to get this information or whether we could get this information directly from the Department is what I'm reading into this issue. In your opinion, does it, would it take an auditor to get this information or is this something you could provide?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. NAKAGAWA: Chair, yeah. Thanks, Chair King. We're looking in IFAS and there is zero County expenditures right now. So, in short, I guess is that answers your question.

CHAIR RAWLINS-FERNANDEZ: Okay. So, to clarify they have spent zero public funds and they have delivered zero of the deliverables. Have we completed our review? Just kidding. Director?

MR. NAKAGAWA: Yes, Chair. So, I mean, Corporation Counsel want to be specific that there is no County expenditures, right. Whatever they did as far as the contractor, Anaergia, they probably expended whatever they expended to do whatever they got to do, but County expenditures is zero.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, are you going to make the motion? Are we going to move forward or what is your direction?

CHAIR RAWLINS-FERNANDEZ: I don't know. I'm thinking we going defer 'em, and then we don't have to spend the money.

VICE-CHAIR KING: I would support deferral for now.

CHAIR RAWLINS-FERNANDEZ: Okay. So, are there any objections to defer this item?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay, great. Okay. So, we'll defer item EDB-31. Okay.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: And that is all the business of this Committee. We did so much work, we're so productive and efficient. Good job, Members. Okay. So, if there are no objections, I'll adjourn our Economic Development and Budget Committee.

VICE-CHAIR KING: Chair?

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui

May 16, 2019

CHAIR RAWLINS-FERNANDEZ: Yes, Chair King?

VICE-CHAIR KING: Yeah, I don't have any objections, but I just wanted to thank you for moving ahead with the TIG because, you know, having sat through the budget process for the last two years and talking about how we need to move ahead with property tax reform and then knowing the deadlines that you described earlier. I just really want to commend you for starting this process right now so that we can have a comprehensive tax reform by the next budget process. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo nui, Chair King, and mahalo nui to all of you for wanting to do the work. Okay, so it's 12:32 on April [sic] 16th and the Economic Development and Budget Committee is now adjourned. . . .(gavel). . .

ADJOURN: 12:32 p.m.

APPROVED:



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

edb:min:190516:mb

Transcribed by: Michelle Balala

**ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE MINUTES
Council of the County of Maui**

May 16, 2019

CERTIFICATE

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

DATED the 14th day of June, 2019, in Kihei, Hawaii



Michelle Balala