

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Council of the County of Maui

MINUTES

March 9, 2020

Council Chamber

CONVENE: 1:34 p.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly Takaya King, Vice-Chair (out 4:38 p.m.)
Councilmember Riki Hokama, Member
Councilmember Tasha Kama, Member
Councilmember Alice L. Lee, Member (out 3:16 p.m.)
Councilmember Michael J. Molina, Member
Councilmember Tamara Paltin, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member (in 1:36 p.m.)

STAFF: Shelly Espeleta, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Denise Fernandez, Council Aide, Lāna`i 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 (EDB-50)
Traci Fujita, Director, Council Services (EDB-50 & EDB-75(7))
Nicole Kahinu, Senior Accountant, Council Services Support (EDB-50 & EDB-75(7))
Kathy Kaohu, County Clerk (EDB-75(6))
James Krueger, Deputy County Clerk (EDB-75(6))
Lance Taguchi, County Auditor, Office of the County Auditor (EDB-75(4))
Joseph Pontanilla, Community Development Block Grant Program Manager, Office of the Mayor (EDB-75(3))
Scott Teruya, Director, Department of Finance (EDB-75(1))
May Anne Alibin, Deputy Director, Department of Finance (EDB-75(1))
David Galazin, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the audience:

Camille Sakamoto, Administrative Officer, Office of the County Auditor (EDB-75(4))

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OTHERS: Jasee Law

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

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Aloha awakea kākou. Kanakolu ha minuke i ka hala o `ekahi ma `eiwa o Malaki i ka makahiki `elua kaukani iwakālua. E `olu`olu mai, e ho`omalua ke Komike Ho`omohala Waiwai me Mo`ohelu Kala. `O wai ka Iku Ha`i o keia Komike, Keani Rawlins-Fernandez. It is 1:34 on March 9th, 2020. Will the Economic Development and Budget Committee please come to order. I am your Chair, Keani Rawlins-Fernandez. I kēia lā, me ko kākou, Committee Vice-Chair Kelly King.

VICE-CHAIR KING: Konnichiwa.

CHAIR RAWLINS-FERNANDEZ: Konnichiwa. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha awakea, Chair.

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

COUNCILMEMBER MOLINA: Aloha, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. Chair Alice Lee.

COUNCILMEMBER LEE: Madam Chair, arun suasdey. And this is in case you're in Foodland in the Asian department this is what you would say if you ran into a fellow Cambodian.

CHAIR RAWLINS-FERNANDEZ: Arun suasdey. I probably slaughtered that. Mahalo, Chair Lee. Member Riki Hokama.

COUNCILMEMBER HOKAMA: Chair.

CHAIR RAWLINS-FERNANDEZ: Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha awakea, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha awakea. And Member Yuki Lei Sugimura will be joining us soon. Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha awakea, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha awakea. And we have with us from Corporation Counsel - Deputy Corporation Counsel David Galazin.

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MR. GALAZIN: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. From the Administration, we have with us Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good afternoon, Chair.

CHAIR RAWLINS-FERNANDEZ: Good afternoon. And we'll have several of the departments but right now we have on the floor with us Director of Council Services Traci Fujita.

MS. FUJITA: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: And our Staff Accountant [sic] Nicole Kahinu.

MS. KAHINU: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: And we have Shelly Espeleta our Legislative Analyst.

MS. ESPELETA: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: And Yvette Bouthillier our Legislative Secretary [sic].

MS. BOUTHILLIER: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: And I will welcome Member Yuki Lei Sugimura to the floor.

COUNCILMEMBER SUGIMURA: Good afternoon.

CHAIR RAWLINS-FERNANDEZ: Good afternoon. Okay. Okay, Members, we have six items on today's agenda. No problem. We've done more before. EDB-50, Resolution to Transfer Funds in the Office of the County Council, Council Services Program, Fiscal Year 2020 Budget; EDB-75(7), Operational and Budgetary Review of County Departments (Office of Council Services); EDB-75(6), Operational and Budgetary Review of County Departments (Office of the County Clerk); EDB-75(4), Operational and Budgetary Review of the County Departments (Office of the County Auditor); EDB-75(3), Operational and Budgetary Review of the County Departments (Community Development Block Grant Program); and EDB-75(1), Operational and Budgetary Review of the County Departments (Department of Finance). Okay, so Ms. Espeleta, do we have anyone that signed up to testify? Looks we have one testifier coming down to the mic. Mr. Law, would you please identify yourself for the record?

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. . .BEGIN PUBLIC TESTIMONY. . .

MR. LAW: My name is Jasee Law from Kula. Your kind clerk out there gave me some good advice and some suggestion for the meetings. I mentioned this to Alice Lee before that maybe you could play some music that's related to your agenda before the meetings and make it more fun. I know you always like to have fun meetings. And for this, the first song that I could think of zip money song by Pink Floyd. I'm sure everybody knows that. I'm not a very good singer so I won't try. Thank you for . . . my name is Jasee Law from Kula. Thank you for putting this on your agenda, Madam Chair, EDB-75(3). Ever since I heard about that – Wailuku Clean and Safe Program, I'm very interested in making my community a better place and I'm interested in that Community Development Block Grant Program. So, I'm looking forward to hearing about that. And I always like to thank my Upcountry Councilwoman, her staff, and now the Council liaison, Gladys Baisa, is on our team too. So, we're going to have some big improvements in our community up at Waiakoa. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Law. Okay, Members, any questions? Seeing none.

MR. LAW: Aloha.

CHAIR RAWLINS-FERNANDEZ: Thank you. Okay. Ms. Espeleta, oh, sorry, we didn't check in with our District Offices. So, the Molokai Office is closed today. But we have with us from Hana, Mavis Oliveira-Medeiros, and on Lāna'i Denise Fernandez. Did we hear from them if they have any testifiers? Okay. So, no testifiers at the District Offices. Okay, Members, any objection to closing public testimony?

COUNCILMEMBERS VOICED NO OBJECTIONS.

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

. . .END OF PUBLIC TESTIMONY. . .

**ITEM 50: RESOLUTION TO TRANSFER FUNDS IN THE OFFICE
OF THE COUNTY COUNCIL, COUNCIL SERVICES
PROGRAM, FISCAL YEAR 2020 BUDGET (CC 19-340)**

CHAIR RAWLINS-FERNANDEZ: Okay. We'll start with our first item on the agenda – EDB-50, resolution to transfer funds in the Office of the County Council, Council Services Program, Fiscal Year 2020 Budget. And we're . . . being distributed now is the updated resolution. And we have with us on the floor OCS Director

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Traci Fujita and Staff Accountant [sic] Nicole Kahinu, to provide us some opening comments and then we can open the floor up to questions. Ms. Fujita?

MS. FUJITA: Good afternoon, Chair and Members. So, the revised resolution is being distributed that revises the numbers a little bit. So, generally, the purpose of this resolution is to transfer \$133,800 from “B” to “A” in the Council Services Program. And, also, transfer \$12,922 from “B” to “C” in the Council Services Program. The exhibit that’s attached provides a breakdown for the changes. As you can see in the second item – *revisions during Council deliberation plus additional 45,000 plus internal transfers to date*. So, those are the reasons why this resolution is needed. During the last Budget deliberations, the Members were able to adjust the balances in their individual accounts, so those changes weren’t incorporated into the final budget document. And then also during the Budget session there was an additional \$45,000 appropriation for the Councilmember individual accounts so that amount too hadn’t been allocated to the different individual accounts. And then, finally, there were a couple of internal transfers that were done or one of ‘em was already done and one of ‘em is being done to address some additional needs in the Members’ offices. So, when you add up all of those, that’s how these numbers were derived at.

COUNCILMEMBER HOKAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: Do you have copies of the internal adjustments for us to look at?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: We can provide . . . you’re talking about for the individual Members that asked for changes to be done for their accounts?

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: Well, just help us out. Yeah, so what is this adjustment? You stay within the 165,406?

MS. FUJITA: Right. So, well, for the transfers that were done there was a swap of some funds, I think, between the Wailuku and the Kahului District Offices. And then also, there were some additional “A” salary increases that were needed for the West Maui District Office. So, funds were swapped out for that.

COUNCILMEMBER HOKAMA: Within the districts.

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MS. FUJITA: Well, for the Wailuku and Kahului one, that was done within the district. But for the West Maui one, funds were used from the OCS General salaries. So, we absorbed some of it.

COUNCILMEMBER HOKAMA: Okay. So, the main thing is if somebody asked us is there was no shortages in the "A", "B", "C" accounts. Correct?

MS. FUJITA: Once this resolution passes there will not be any shortages, yes.

COUNCILMEMBER HOKAMA: This is adjusting so-called District Members and I understand the Wailuku-Kahului thing. Again, yeah, many . . . (*inaudible*) . . . asking me if there was a shortage in our cash. And I went, I'm not sure 'cause I didn't see what was the internal adjustments.

MS. FUJITA: Uh-huh. Yeah, there was . . . the "A" account is one that was less than normal and so, normally, OCS can absorb, you know, some of these changes but in this instance for this fiscal year the General Account we couldn't just absorb it. We had to move monies around in order to implement these changes.

COUNCILMEMBER HOKAMA: Okay. Nothing or . . . there was no problem with the transfers from the end of last fiscal to the start of this fiscal, right?

MS. FUJITA: No.

COUNCILMEMBER HOKAMA: Thank you very much, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Okay. Ms. Fujita, did you finish your opening comments?

MS. FUJITA: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Members, I'll open it up to additional questions. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, if you're talking about "A" account right, which is personnel or payroll, are you talking about overtime? What caused this additional that was needed, right, because we basically have a set budget so what's going on?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: With the "A" account generally there was a \$15,000 reduction in our premium pay appropriation for this fiscal year. So, that hampered our ability to absorb these changes with the existing breakdown.

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COUNCILMEMBER SUGIMURA: So, premium pay is overtime, yeah?

MS. FUJITA: It includes overtime, yes.

COUNCILMEMBER SUGIMURA: So, that was the problem – overtime pay?

MS. FUJITA: The appropriation was reduced for overtime pay from last fiscal year.

COUNCILMEMBER SUGIMURA: And then this fiscal year you wanted to pay, or you did pay, and you didn't have the money to cover it?

MS. FUJITA: Well, if this resolution doesn't pass, we won't have enough funds in the "A" account to cover.

COUNCILMEMBER SUGIMURA: So, you paid it already?

MS. FUJITA: No, we anticipate. We're looking ahead at what we, what would be encumbered by the end of the fiscal year.

COUNCILMEMBER SUGIMURA: Okay. But different way of asking the question. Was the overtime worked and paid to employees and you need to --

MS. FUJITA: Oh.

COUNCILMEMBER SUGIMURA: --cover the difference? Or are you saying you're gonna have this . . . you anticipate in this fiscal year you're gonna have the overage? What's going on?

MS. FUJITA: So, with the "A" account appropriations we try to estimate what we're going to need through the end of the fiscal year. And because the overtime appropriation was reduced by \$15,000 there won't be enough funds in the "A" account to cover the 'A' expenses unless this resolution is adopted.

COUNCILMEMBER SUGIMURA: The remaining of the fiscal year?

MS. FUJITA: For the remaining of the fiscal year.

COUNCILMEMBER SUGIMURA: Okay. I'll hold my questions for later.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. I think, and you can correct me if I'm wrong, but this Council has been very active as you know. We've been doing a lot of work and sending out a lot of PAFs, more than usual. Any other questions, Members? Member Molina?

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COUNCILMEMBER MOLINA: Yeah. Thank you, Madam Chair. And just so I can get some clarity on it. So, with the revised reso the 133,800 from the Council Services Program that's "B" Operations going to "A". So, is that coming from the Transcription Services contract? Where exactly is it coming from again? Or is it coming from budgeting software or could you provide us more clarity?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: It's just coming generally from the "B" account from Operations. Funds that we're not anticipating that we're going to encumber this fiscal year.

COUNCILMEMBER MOLINA: Uh-huh. So, nothing is being . . . anything being eliminated or reduced per se?

MS. FUJITA: No.

COUNCILMEMBER MOLINA: Okay. Madam Chair, you're going to do another round later on? I just have a couple more. I know you have plenty stuff on your . . .

CHAIR RAWLINS-FERNANDEZ: Do you have more questions right now? You can . . .

COUNCILMEMBER MOLINA: No, I'll yield the floor for my other colleagues, first.

CHAIR RAWLINS-FERNANDEZ: Okay. I don't see any hands going up for questions, so.

COUNCILMEMBER MOLINA: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Members, questions? Member Paltin and then I'll come back to you, Member Molina.

COUNCILMEMBER PALTIN: Are we in discussion or only questions? Discussion too?

CHAIR RAWLINS-FERNANDEZ: Sure. You want to provide comments?

COUNCILMEMBER PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Go ahead.

COUNCILMEMBER PALTIN: I just was seeing, you know, my Committee has some stuff that is like ten years old and then additional things that are coming on so I did request couple more evening meetings to be held in the district to make up for, you know, meetings that weren't held last term or whatever. So, I apologize if I'm taking more money to do that but, you know, some guys have been waiting ten years to hear their item. So, I think, I think it's an appropriate use of funds.

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CHAIR RAWLINS-FERNANDEZ: I appreciate you clearing your master agenda. I'm gonna do the same. Okay. Did you have a question, Member Paltin, or you just wanted comments?

COUNCILMEMBER PALTIN: No, just discussion.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: And then if guys wanted to know I gotta hire a new person and so it's hard because I can only guarantee them till December like for sure jobs. So, it's more difficult to recruit than when if you have like two years to promise somebody and so just, you know, some uncertainties arise and whatnot. So, I'm sorry but that's how it goes.

CHAIR RAWLINS-FERNANDEZ: Yeah, I don't know if an apology is necessary. And I also support you going out into the district to hold those meetings. Member Hokama then Member Sinenci.

COUNCILMEMBER HOKAMA: No, I think it's good that we go out, Chair. They can't always come to us, so I have no problem trying to go . . . get, go to them. I think that what maybe Ms. Fujita can do is this additional \$45,000 explain that and I think it will work out because that's the big knot between what we adopted and what is proposed, right?

MS. FUJITA: Uh-huh.

COUNCILMEMBER HOKAMA: You understand the internal transfers.

MS. FUJITA: Uh-huh.

COUNCILMEMBER HOKAMA: What can you give us comment on the additional 45?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Chair, so the additional 45,000 was added into this current fiscal year budget but the breakdown of that \$45,000 within each Member's account wasn't accounted for. So, this resolution does that. It breaks down that 45,000 additional appropriation into the individual Members' "A", "B" and "C" accounts. And I believe that was your . . . the Members provided that breakdown so that's what's incorporated in here.

COUNCILMEMBER HOKAMA: Uh-huh. Great. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Sinenci and then Member King. Oh, okay, and then Member Molina. Oh, okay.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair. Just for clarification so this doesn't affect our individual District funds. This is coming out of the Operational Funds for OCS?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Yeah, this doesn't, I mean, this . . . it will affect your individual accounts in a way that you'd establish the breakdown. So, it will implement what you had wanted. You wanted certain amount in "A", certain amount in "B", certain amount in "C" so that's what this resolution would do.

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

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And no apologies necessary like from my colleague from West Maui. It's just that we gotta ask questions because, you know, we ask all the other departments these kinds of types of questions, so we have to ask these questions of ourselves too. So, just for me I just need to get a clear, clearer understanding so with the 12,922 that's going from "B" account to "C" account again this is for the West Maui office or . . .

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Yeah, so Chair, each Member requested . . . so that \$12,992 [sic] is the total amount of "C" account monies that the Members asked for. So, I don't know exactly the breakdown for each Member and what each Member is using it for. But that was what was requested by the Members.

COUNCILMEMBER MOLINA: And this was during the past Budget session?

MS. FUJITA: Right.

COUNCILMEMBER MOLINA: Okay. So, this is more like the housekeeping deal then to balance the numbers that we're looking?

MS. FUJITA: That's, yeah.

COUNCILMEMBER MOLINA: Okay.

MS. FUJITA: That's how I view it.

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COUNCILMEMBER MOLINA: This whole thing has nothing to do with salary adjustments or anything of that nature?

MS. FUJITA: Uh-uh.

COUNCILMEMBER MOLINA: Nothing.

MS. FUJITA: No.

COUNCILMEMBER MOLINA: Okay. Okay, that does it for me. Thank you.

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

COUNCILMEMBER SUGIMURA: So, I guess what is the 133,800 from Council Services Program Budget "B" to Operational "A"? I know you said we asked for it.

MS. FUJITA: Uh-huh.

COUNCILMEMBER SUGIMURA: Right. So, I think we asked for it because we were told we had it, so we had to allocate the budget. So, it's not like we are asking for more. You make it sound like we're asking for more, but yet, you're asking this. It is more, right, because of premium pay, is what you said. Premium pay doesn't come from us because we don't pay . . . our offices don't have premium pay.

MS. FUJITA: Uh-huh.

COUNCILMEMBER SUGIMURA: Correct?

MS. FUJITA: Right. So, from the "A" account it's monies that . . . it's not that the Members are asking for more funds today. This is just to establish the "A", "B" and "C" accounts for the Members for this fiscal year. And the breakdown in the "A" account is, you know, what each Member asked for. Each Member has different needs for their office. I guess I'm not sure what else to say about that one.

COUNCILMEMBER SUGIMURA: I guess I'm not really understanding what you're trying to do. It sounds like there's some kind of excess. I don't really understand all that you're trying to do.

MS. FUJITA: Uh-huh.

COUNCILMEMBER SUGIMURA: 'Cause you're saying that you're trying to adjust our fiscal year budget based upon what the Members have asked for. I don't have premium account. I don't have overtime in my office but you're saying that part of it is that.

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MS. FUJITA: Oh, okay. I think I understand now.

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: So, normally, for the OCS Budget we usually have more monies in our account, in our "A" account to cover premium pay, overtime for OCS Staff. But this year, we have a \$15,000 reduction in our "A" account so we're not able to absorb. So, normally, you know, when things like this happens, we can try and absorb and we try to have the Members right trade and, you know, keep their accounts equal but if cannot, we can try to absorb that. But what I'm saying is this year OCS cannot, we cannot absorb it because our "A" account was reduced, the overtime appropriation was reduced by \$15,000. So, it's not overtime for the Members. The overtime is for OCS. But it's because of that reduction we don't have like additional funds to re-balance this. So, instead of using the General account to balance we have to do a reso to move the monies around. So, that's the . . .

COUNCILMEMBER SUGIMURA: So, the problem is OCS. It's not our individual accounts.

MS. FUJITA: The "A" account. The Council Services "A" account is less than normal.

COUNCILMEMBER SUGIMURA: Council Services "A" account is less than normal.

MS. FUJITA: Yeah.

COUNCILMEMBER SUGIMURA: And you need to pay more because of the premium pay that you paid out. Is that what you're saying?

MS. FUJITA: Oh, no, no.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member King and then Member Paltin.

VICE-CHAIR KING: So, can I explain it like this? In the past when each of us determines what our "A", "B" and "C" account is going to be from the equal money that we each get for our office, and if we go through the year and we end up deciding, oh, we need more money in our "C" account instead of "B" and we need to move it around, in the past we've been told or I was told in the first term that you had to find another Councilmember to balance that movement out. So, you would move more of your money into "B" account, they would move more of their money into "C" account to equal it out. And if that couldn't work, then OCS would absorb those changes. So, everybody's accounts stay the same but the movement and

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which category they go in might vary. And so, they don't have the money to absorb those changes this year in the "A" account so they're just asking us to on paper move these accounts around so that they match up with . . . so, it's a budget amendment so it's an official declaration of where we're using the money – "A", "B" and "C". Did I explain it correctly? Because it's . . . and then, I think it's confusing because on top of this we had an additional \$45,000 that went to Councilmembers – that's \$5,000 each last year. But when we put that into the budget it wasn't determined how that \$5,000 was going to get used by each Councilmember. Is that what you're saying, Ms. Fujita? And so, we're also doing that. We're also adding the designation for that extra 5,000. So, the amount you see in the bottom part of this paper that 165,406 was what was allocated to each Councilmember last year in the budget. We still have that same amount of money to work with for our budgets. It's just that some of us are going to be changing the "C" and "B" categories or "A" and, you know, the categories within that budget. So, I hope that . . . I think it was confusing because that was on top of the changes and you had that \$45,000 addition. But that addition was put in during the budget. There's nothing new happening here as far as monies.

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

COUNCILMEMBER PALTIN: I just would like to discuss that this is why "A", "B" and "C" sucks for us because we're not like a department, you know, where it's like standard. We gotta pick up the rubbish or we gotta pay the water, electricity. Like stuff happens especially if you come in new you have no idea really how you're going to "A", "B", "C" it out and so people get promoted to better jobs and whatnot and then we gotta waste time doing this. You know, if you got elected to office and then you're . . . there should be a little bit amount of trust that you can figure out your "A", "B", "Cs" internally amongst yourself and, if not, then remove the person from office or what. But I think that for this type of work that we do it's not, there's no parallel to running a department or anything like that and so, I think it should be removed.

CHAIR RAWLINS-FERNANDEZ: I agree.

COUNCILMEMBER PALTIN: And I didn't find anyone to switch the monies with and so I'm glad we're taking this action right now. But in the future like we shouldn't even be wasting time with this as long as we're staying within our main budget then it's, yeah, I feel like this kind of thing is a waste of time.

CHAIR RAWLINS-FERNANDEZ: I agree. Perhaps we can look at it this budget. Member Molina and then Member King and then I'm hoping, and then Pro Temp Kama and then perhaps we can move on this if everyone's okay with that. Member Molina?

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COUNCILMEMBER MOLINA: Okay. Thank you, Madam Chair. I guess we didn't anticipate we have a long drawn out longer discussion on this but it's good. And I thank you for allowing, providing us some time on this and why I ask because OCS received, you know, two salary increases on two occasions which is one at the beginning of the term and during the FY 2020 Budget review. So, which is why I asked the question – is this going towards salaries? But now it's been made clear by Director Fujita that this is I guess to pad the premium pay budget because of the \$15,000 reduction on that? Is that the . . . no, okay. I'm still . . .

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Yeah, this is strictly, sorry, this strictly has to do just with the Councilmember accounts. Has nothing to do with the rest of the OCS budget or anything. This is just to move monies around within the Councilmember individual accounts and that's it.

COUNCILMEMBER MOLINA: Okay. To make everything balance on the ledger, I guess.

MS. FUJITA: Right. Right.

COUNCILMEMBER MOLINA: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. I think I said Member King and then Pro Temp Kama.

VICE-CHAIR KING: Good memory. I just wanted to just to reiterate that actually the departments do have to do this same "A", "B", "C" account thing, and that's why they come to us with budget amendments because they're moving things from one category to another. So, what we have to do is kind of in line with what the departments do. I think if we want to change it, we probably could but it's a way of accounting to the public, you know, how much is going into salaries, how much is going into operations and how much is going into equipment. And, you know, I think our budgets are fairly small that, you know, I agree with Member Paltin that if we can do away with it is better. I just wanted to point out that that is what we expect all the departments to do because the public wants to know how much money is going into salaries and operations and equipment in the departments as well. So, I'm ready to make a motion if you want to have a motion on the floor and then we can continue discussing if anybody has discussion points.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. I'm going to Pro Temp Kama's questions or comments.

COUNCILMEMBER KAMA: Comment.

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CHAIR RAWLINS-FERNANDEZ: And then I'll provide my recommendation.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Pro Temp Kama?

COUNCILMEMBER KAMA: I just wanted to urge the Committee to really consider looking diligently into how we allocate our funds within our own offices because I didn't want to buy a \$1,000 desk but the account that the money was in said I had to pay a desk that was over \$1,000 in the "C" category. Therefore, I had to switch out so I can buy a \$100 desk. So, I think some of those . . . whatever the rules are for how we spend and what we spend and what we have to spend it on has to be clarified so that we don't end up making all these distinctive decisions that bring us here. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. And I think that, again, goes to Member Paltin's point of perhaps doing away with the "A", "B", "C" accounts and then we don't have to buy a \$1,000 desk for the \$100. And then, I just wanted to double check with Member Sugimura as far as if the 45,000, you understand the 5,000 per Councilmember's office that was an adjustment that was made during budget, so 5,000 times nine is 4,500.

COUNCILMEMBER SUGIMURA: I get that.

CHAIR RAWLINS-FERNANDEZ: Okay. Just checking.

COUNCILMEMBER SUGIMURA: But . . .

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER SUGIMURA: The thing that's really odd is it's a lot of money and you would think that since we're almost at the tail end of our fiscal year going into our new budget that this would have been handled – the 45,000 first of all, it's odd to me. You know, I understand, you know, the "A", "B" and "C". It would be nice if we didn't have to do that, but I think that we're accountable to the taxpayer just as much as the departments are. So, I understand the "A", "B" and "C" on what it's for and just to keep everything in order, I mean, I agree with that. But to talk about our office accounts now in this way, to me, number one it's late. Number two is like we all knew about that, which I thought was accounted for in the budget. So, you're coming now, not you, but it's coming now before us. I wish we would have had more explanation. I'm sorry if I could have sat with you before but I didn't think it would be this, kind of complicated, you know, for something that should maybe not have to be complicated. So, that's all.

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CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. Okay. No more questions, yeah, Member Sinenci? Okay. I will provide my recommendation, Members. Chair will entertain a motion to recommend adoption of the proposed resolution, revised resolution, entitled "AUTHORIZING THE TRANSFER OF AN UNENCUMBERED APPROPRIATION BALANCE IN THE OFFICE OF THE COUNTY COUNCIL, COUNCIL SERVICES PROGRAM, FISCAL YEAR 2020 BUDGET," incorporation nonsubstantive revisions to be requested from the Budget Director, and filing of County Communication 19-340.

VICE-CHAIR KING: So moved.

COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member King, seconded by Member Sinenci. Discussion? Member Hokama?

COUNCILMEMBER HOKAMA: Chair, I speak in support on the motion on the floor this afternoon. Hearing my colleagues' comments was very interesting. But I support it. I understand the requirement of having "A", "B", "C" categories. Okay. We went through line-by-line budgeting. Then we went to program budgeting which was lump sums; blobs of money thrown at blobs of programs. People didn't like it. Couldn't hold accountability. Couldn't hold who was going on making decisions, why was balances such. And then we moved to performance budgeting. But this County made great efforts because look where we came in 20 years with bond rating, balances, fiscal discipline, acknowledgements whether it's GFOA or whatever . . . (*inaudible*) . . . stuff we go after for awards. The point is, Chair, we've been showing the community accountability this branch of government. If we're not interested in the "A", "B", "C" of this branch of government then don't be in this branch of government. Go to a different branch that deals with blobs and generalities. We deal with specifics. We deal with money. We deal with cents. Not rounded off to the thousands. So, it disappoints me to hear that our fiscal practices allowed where Ms. Kama has a sense that she has to spend more than she should have because of budgeting. We should have informed her of financial practices, procurement requirements. She can buy whatever she wants under that amount. She just needs to come up with the quotes, give you the invoices and that's that. We pay. So, I don't get it. What's so hard to do our job? That's what we get paid for. That's what we get elected for. You don't like it, quit this job.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. I think that part of that funding for the desk was in equipment and not operating and that's why I had to follow that rule of a \$1,000 or more because it was the other half of the previous Councilmember.

COUNCILMEMBER HOKAMA: She came in the second half of --

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CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER HOKAMA: --the fiscal year. So, I get it.

CHAIR RAWLINS-FERNANDEZ: Yeah, it was chosen by her predecessor.

COUNCILMEMBER HOKAMA: Predecessor. So, that's a unique situation, Chair.

CHAIR RAWLINS-FERNANDEZ: Right.

COUNCILMEMBER HOKAMA: And it always happens in like transitioning area.

CHAIR RAWLINS-FERNANDEZ: Uh-huh.

COUNCILMEMBER HOKAMA: If the public looked at this, the only question I would think they would have asked any of us is why the big change in Operations or "B" account? Because it's a big adjustment – 100,000 out of a \$300,000 budget or 200,000. But then, again, it comes back to what did the Member understand should be in that category. So, we make adjustments, Chair, and we all put a lot more in "A" because that's what we like to pay our people because they get salary period. So, you make adjustments accordingly. But I think we have the paperwork to justify our numbers. We can show our community, our residents our tax base how we arrived at these facts, I would say, because these are facts. We pay on facts, Chair. So, this afternoon I support your motion. Thank you.

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

COUNCILMEMBER PALTIN: Thank you. I speak in support of the motion. I still don't support the "A", "B" and "C". I'm not quitting. I think, you know, with the Operations that's where we travel, go to conferences like that and then all of a sudden boom coronavirus, you know. Do you want to go to China or wherever you're gonna go, and you know, people move on, unexpected things happen. I'm all for the accounting of the salaries, the operations, and the equipment. But instead of trying to crystal ball it in the future why is it bad not to crystal ball it or factually do it at the end? I think that saves time. Like the end of the fiscal year you say I spent this much on salaries, I spent this much on operations, and I spent this much on equipment. So, whether you do it at the beginning or the end, it's transparent information. It's just trying not to predict the future when anything can happen, you know. So, that's my perspective and I support it.

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

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ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of revised resolution and **FILING** of communication by C.R.

ITEM 75(7): OPERATIONAL AND BUDGETARY REVIEW OF COUNTY DEPARTMENTS (OFFICE OF COUNCIL SERVICES) (CC 20-78)

CHAIR RAWLINS-FERNANDEZ: Okay, we're going to move on to the next item, which is the Operational and Budgetary Review of the County Departments (Office of Council Services), EDB-75(7). And we have Ms. Fujita and Ms. Kahinu here to provide a presentation on the FY '20 Budget update. Ms. Fujita?

MS. FUJITA: Thank you, Chair. So, we have a short presentation that we prepared and then we'll be available for any questions afterwards. So, the first slide here shows the Org Chart for the Council Services Program. For the Office of Council Services, we have a total of 24 full-time positions. We currently have three vacancies. The two Legislative Analyst positions are vacant. And then we're trying to fill this redescribed Accounts Payable Specialist position. And then we have our two part-time positions. The next slide shows just the FY '20 Budget overview for the entire Council Services Program. So, this includes the Councilmembers' and the Chair's accounts, the OCS accounts, and then our Audit and Professional Services accounts. So, you'll see in Column (A) this was the amount, the total amount that was appropriated, and then in Column (B) is the amount that was spent as of December 31st. Column (C) is the amount of expenditures that we're expecting to encumber by the end of the fiscal year. And then Column (D) is our projected Carryover Savings. So, the next slide, this breaks down the Chair's Contingency and Councilmembers Accounts. The columns (A), (B), (C), (D) and (E) are consistent throughout the slides. So, you can see in Column (A) the total amount that was appropriated, (B) is the amount that was spent as of December 31st, (C) is the expected amount that we were going to encumber by the end of the fiscal year, and then (D) is our projected Carryover Savings. The next slide is the Office of Council Services budget overview. This includes Salaries and Wages, Operations and Equipment so "A", "B" and "C". And then again, the same columns there is the total amount appropriated for FY '20 in Column (A), Column (B) the amount that was spent as of the end of the calendar year, the amount that we're expecting to encumber by

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the end of the fiscal year, and then the anticipated Carryover by the end of the fiscal year. And then we broke down further for Office of Council Services – the “A” account – Salaries, so you can see this includes Wages and Salaries as well as the Premium Pay. Again, the same columns there. You’ll notice that for the premium pay there is a projected deficit and that was what I was referring to earlier that we did have this \$15,000 reduction in appropriation from Fiscal Year ‘19 to ‘20. So, that’s what’s showing there. The next slide shows OCS Category “B” – Operations. Again, the same columns (A) through (E). These include Supplies, Services, Utilities, Travel and then Other Expenses. For the expected expenditures for this fiscal year we’re still looking to encumber about \$30,000 for Granicus and then 118,000 for the Maui Scribes contract. The projected Carryover includes about \$50,000 for Committee mailers that haven’t been used and we’re not sure if that’s going to be encumbered or not, but we have it as considered possible Carryover. And then also \$21,000 for Akaku live off-site coverage. There was monies appropriated in the budget for televising meetings off-site with Akaku, and those we’re not sure if that 21,000 you know may not get encumbered and it would be considered Carryover. And then, finally, for Office of Council Services Category “C” – Equipment, these include Machinery and Equipment, and our Leases. The same (A) through (E) columns there. For the expected expenditures we’re still looking to update to the Surface Pro computers so we’re going to be converting some of the desktops as they age out into the Surface Pros. And that will allow Staff to be able to use their computer anywhere. You know, they can take it with them basically. And then the small deficit you see there for leases, the three new copier leases came in a bit higher than anticipated so that’s what that amount is. Then we move on to the Audit and Professional Services category. So, these include Program Audits, Special Counsel, the Housing Authority Feasibility Study, the Community Plan Review contract, the Budget Software, and the Molokai Climate Change Master Plan. So, these are the different items that are in this Audit and Professional Services category. Same columns – (A) through (E). And I can kind of go over each one. So, for Program Audits, we do have a pending audit for the Maui Redevelopment Agency that was authorized by Council. The office is working with Councilmember Rawlins-Fernandez’s office to draft the RFP for the scope of that contract. For Special Counsel contracts we have a couple of pending ones. We have the Bank of America Special Counsel contract and this one, that one had to do with the mortgage fund – Bank of America Mortgage Fund. And that one was a \$25,000 contract that was issued to Bronster Fujichaku Robbins. The contract was certified on February 18, 2020 and the . . . a confidential report is supposed to be transmitted to the GET Committee by March 23rd of 2020. The second Special Counsel contract that’s pending has to do with the Interim Administrative Heads, and that one has to do with the Mayor’s authority to appoint. It’s a \$30,000 contract that was issued to Mia Obciana. The contract was certified in February and Ms. Obciana actually completed the work in advance. She was working on it as quickly as she could get it to us. It was transmitted to the GET Committee on January 30th and it’s GET-23. So then, we have several

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projects that was, yes, has been . . . funds have been appropriated for. We have our Housing Authority Feasibility Study. So, this project does require Council resolution to determine the scope of the study, and that is pending in the AH Committee. It's AH-22. So, that money is still pending. The next one is the expediting the Community Plan Review process. That contract award is pending HCE Compliance, which I think we just got today. We're double checking with the State HANDS website on that one. The Comprehensive Budget Software there was a \$400,000 appropriation that is probably going to be proposed for reappropriation in FY '21. It doesn't seem that we're going to encumber the funds for that contract this year. And then the final one is the Molokai Climate Change Master Plan. That appropriation description was amended by Bill 11 in February, and then the RFP was issued on February 24th. And then the proposals for that contract are due on March 24th. So, that one is still ongoing as well. Did we go through all of those, yeah. And I think that's it. And then we're open for questions.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for the presentation. I'll start with Member Hokama.

COUNCILMEMBER HOKAMA: I just want a quick clarification.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER HOKAMA: Did I miss, and I'm sorry if I misheard you. Did you say in one of the components the "A" account was going to have 100,000 Carryover? Did I miss . . . that's why I'm asking. I wasn't clear on whether I heard correctly, Ms. Fujita.

MS. FUJITA: On Slide . . . I don't know if they're numbered but Office of Council Services "A" account, the projected Carryover total we're looking at is 75,000.

COUNCILMEMBER HOKAMA: Seventy-five thousand. Okay.

MS. FUJITA: Seven hundred ninety-nine.

COUNCILMEMBER HOKAMA: Okay. Thank you for that. And I understand that we tend to be extra conservative, make sure that we can always do a Professional Services component through Council are deemed appropriate. So, I got no issues with some of your numbers. The premium pay, you know, where you show the negative --

MS. FUJITA: Right.

COUNCILMEMBER HOKAMA: --I understand you had to, you know, authorize overtime. That was for because of our vacancies?

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MS. FUJITA: Um . . .

COUNCILMEMBER HOKAMA: Or that was not including the vacancies factor?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Okay. So, I guess there was . . . the first thing is that the thing that really impacted that premium pay appropriation was the \$15,000 reduction --

COUNCILMEMBER HOKAMA: Okay.

MS. FUJITA: --from FY '19 to '20 so that was number one. And then, number two, so once we . . . as soon as actually the budget was adopted, I worked really, the Staff and I worked really hard together on trying to reduce our overtime as much as possible. We took certain measures like we've designated certain days during the month where we try to not interrupt each other, because when I talked to Staff and listened to what like their concerns were and why they incurred overtime, a lot of it has to do with being able to work uninterrupted. So, they'll come in, you know, either early or stay late because it's quiet and then they don't get all these interruptions, so --

COUNCILMEMBER HOKAMA: Uh-huh.

MS. FUJITA: --we've designated certain days where we, just internally, you know, we try not to interrupt each other so that people can try to, you know, get work done during normal business hours. But the vacancies definitely, you know, has an impact on overtime.

COUNCILMEMBER HOKAMA: Yeah, and then, you know, so to help the Chair and us we just need to know this and if you can break it up, the vacancies, because OCS get one savings since you're not paying anybody in the vacancy. We understand the overtime for the existing employees that we had to pay. Your premium projections and you minus, you know, 20-something percent that takes into account comp time (CTO)?

MS. FUJITA: No, I don't believe it does.

COUNCILMEMBER HOKAMA: Then we need to have those balances too, because that is translated into dollars and cents for us because we pay out eventually, Chair.

CHAIR RAWLINS-FERNANDEZ: We'll request that information from the Committee.

COUNCILMEMBER HOKAMA: Okay. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo.

MS. FUJITA: The Staff's CTO is capped so there is some control on that. But we can provide you with those numbers.

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

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

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Ms. Fujita. I just need a clarification on "B" for Operations, Other Costs. Did you mention 50,000 for Committee mailers?

MS. FUJITA: Yes. So, we were trying to take a look at, you know, what comprised this Carryover in large amounts in Carryover. One of them was this \$50,000 appropriation for Committee mailers. That hasn't been used yet. So, if the Committees don't use that money, it will carryover.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair.

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

COUNCILMEMBER PALTIN: Oh, thank you. I didn't know there was \$15,000 for Committee mailers. Like is that like to let folks know things that you're doing or something?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: The Committee that I think uses it most is the EDB Committee during Budget. You know, they'll do a mailer when the Mayor's proposed budget is received and then also towards the end when the Council comes up with its proposals. But other Committees could use the appropriation too if there were messages that you wanted, you know, to get out to the Committee about, I mean, to the community about certain Committees. It's a possibility.

CHAIR RAWLINS-FERNANDEZ: So, it's a post card with all the dates of the nightly district budget meetings?

MS. FUJITA: Yeah.

COUNCILMEMBER PALTIN: Oh, so we'll probably be using that, right? You're going to send that out.

CHAIR RAWLINS-FERNANDEZ: I hope so.

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COUNCILMEMBER PALTIN: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: I think it's helpful. I mean, I know we always put it on our refrigerator --

COUNCILMEMBER PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: --so that it reminds us.

COUNCILMEMBER SINENCI: Chair? She just said it was . . . oh, sorry. Go ahead.

COUNCILMEMBER PALTIN: One more. Is the CTO cap at 250 hours?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: We're actually looking at right now revising our OT policy but it's right now 24 hours for the Staff.

COUNCILMEMBER PALTIN: Per year?

MS. FUJITA: That's the cap but you cannot go above . . . above that.

COUNCILMEMBER PALTIN: Twenty-four hours?

MS. FUJITA: Uh-huh.

COUNCILMEMBER PALTIN: Oh. Okay.

MS. FUJITA: I believe HGEA was 240, I think, yeah. So, we're taking a look at that.

COUNCILMEMBER PALTIN: That's basically three days, right?

MS. FUJITA: Uh-huh.

COUNCILMEMBER PALTIN: Wow. Okay.

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

COUNCILMEMBER SINENCI: Thank you, Chair. Just clarification. Ms. Fujita said that there was Carryover funds for the mailers.

MS. FUJITA: Uh-huh.

COUNCILMEMBER SINENCI: But we do use it when the budget . . . to mail out the budget schedules.

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CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Yeah, so we may not use all of it but, yeah, if we do the fliers, the mailers that we have in the past, we'll use some of it.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Did anyone else have questions? Pro Temp Kama?

COUNCILMEMBER KAMA: So, is that available to all the other Committees?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: Chair, yeah, it's a general appropriation for mailers.

COUNCILMEMBER KAMA: So, what is the process if we wanted to send out something from our Committee? What is that process like? Who do you have to get approval from if anything?

MS. FUJITA: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita?

MS. FUJITA: First, I would suggest that you speak with your Staff and then the Staff can work with OCS on the procurement part of it.

COUNCILMEMBER KAMA: Okay. Thank you.

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

VICE-CHAIR KING: Thank you, Chair. I just wanted to let you know that because when we did this budget, we had a different OCS Director. Maria was still in there. And so, the research that went into that 50,000 was just for the Budget Committee [sic]. It came out, I mean, it didn't say Budget Committee [sic] emails, Committee mailer. So, I think before you offer it to any other Committees you need to know what the Budget Committee[sic] is going to need to send that, the notices of the Budget meetings and then post Budget we usually send out something that says, I mean, 'cause they're not cheap mailers. They go out to everybody, every taxpayer. So, I would just urge you to because it hasn't been spent yet because we're just getting into Budget session. So, before you offer it to other Committees make sure that Budget Committee [sic] has what you, you know, that you have a quote for what you're going to need.

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MS. FUJITA: Uh-huh.

VICE-CHAIR KING: Because that was the original intent that it was for the Budget Committee [sic].

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

COUNCILMEMBER KAMA: Is that in writing somewhere?

CHAIR RAWLINS-FERNANDEZ: I'm sorry. Ms. Fujita? Like as in a proviso?

COUNCILMEMBER KAMA: No, I mean, something that says --

CHAIR RAWLINS-FERNANDEZ: Oh, the policy --

COUNCILMEMBER KAMA: --this is . . . --

CHAIR RAWLINS-FERNANDEZ: --on how --

COUNCILMEMBER KAMA: --yeah.

CHAIR RAWLINS-FERNANDEZ: --the Committees can access --

COUNCILMEMBER KAMA: Right.

CHAIR RAWLINS-FERNANDEZ: --that funds?

COUNCILMEMBER KAMA: Yes.

CHAIR RAWLINS-FERNANDEZ: Ms. Fujita, do we have a written policy on that? I guess we can create one.

MS. FUJITA: Sorry, Chair. I'm not aware of a written policy about it. But what we can do is maybe take a look at how much was spent last year for the Budget mailers and then determine, you know, how much we think might be needed this year and then see what, you know, what the balance is and then go from there. We can work with the Chair's office on that if other Committees wanted to use funds. But . . . and we may have other funding available because this is all in our "B" account.

COUNCILMEMBER KAMA: Uh-huh.

MS. FUJITA: So, even if there wasn't a specific amount, you know, we may have money available.

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

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

COUNCILMEMBER SUGIMURA: We're all going to rush to spend their money. Just kidding. I have no question.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: That's a great discovery.

CHAIR RAWLINS-FERNANDEZ: It's not my money. It's all of ours so the community knows when we have our district meetings. Okay. Anyone else with questions? If not, I will defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. No objections. Thank you, Ms. Fujita and Ms. Kahinu. And then I will call up Office of the County Clerk.

ACTION: DEFER pending further discussion.

**ITEM 75(6): OPERATIONAL AND BUDGETARY REVIEW OF
COUNTY DEPARTMENTS (OFFICE OF THE COUNTY
CLERK) (CC 20-77)**

CHAIR RAWLINS-FERNANDEZ: Okay. Next on our agenda is EDB-75(6), Operational and Budgetary Review of the County Departments (Office of the County Clerk). And stepping up to the desk, we have Ms. Kathy Kaohu, our new Clerk and our new Deputy Clerk, James Krueger. And we're getting them set up right now. Thank you for joining us, Madam Clerk, Deputy Clerk. Will you please proceed with your presentation?

MS. KAOHU: Thank you, Madam Chair. And thank you, Councilmembers, for this time to present a general status update on our 2020 Budget. Just one thing that you're all aware that it was kind of going simultaneously at the State Legislature around the same time - April 30, 2019, the Legislature passed HB 1248, C.D. 1 and that was to implement elections by mail for the 2020 elections. It's now referred to as Act 136, Hawaii Session Laws 2019. So, there hasn't been a whole lot of time to put things together but things are moving with the partnership with Office of Elections and we're confident that a good election is gonna, a good turnout is going to happen with this first vote by mail process. At this time, I'm going to turn over the budgetary updates to Deputy James.

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CHAIR RAWLINS-FERNANDEZ: Mr. Krueger?

MR. KRUEGER: Thank you, Chair. Aloha, EDB Committee. We're happy to be here. So, we have a real brief presentation for you all regarding an update to our budget and operations. The numbers that you'll be seeing is as of February 29, 2020. So, beginning with a general overview of the structure of our office, you know, we have two divisions – the Legislative Division and the Elections Division. On the legislative side, we have three full-time positions. Then there's this one other position – an Administrative Assistant II position. That happens to be vacant right now. This position was reallocated this fiscal year from an Office Operations Assistant position that used to be tied to the Legislative Division. It's sort of separated now, you know, but our understanding is that the office has been looking at this position seeing where, you know, we really need to use it, so it has remained vacant. We're looking at for Fiscal Year 2021 having it redescribed back to an Office Operations Assistant II but that will be for FY '21 discussions. We also have our Elections Division. We have five full-time positions on that side. The head of that Division, the Elections Administrator, that position is still vacant. We're in open recruitment for it so we're looking for someone to fill that position and we'll see what happens. Aside from that, we have two Senior Elections Clerks and two full-time Elections Clerks. And then, as far as temporary positions, we have 20 temporary Elections Clerks. You know, only four are filled right now but that's because primarily most of those positions are only for two-month durations so we can't fill them at this time but we're gearing up to fill them as the primary election approaches. This table just shows the status of our accounts as of the end of February. As you can see, we, you know, adopted and we have a total of about 1.7 million, balance we have about 1.2 million still remaining but we're on track so that's looking good. As we recruit temporary Elections Clerks and things like that, we'll see salaries go down. As far as our totals go, I do want to bring the Members' attention to a couple of things. One of the things that we distributed was our actuals by Sub-object and Object Codes. On that page, as it relates to Operations, there's . . . our operations expenditures are deflated at the moment, and our balance is inflated. That's primarily because of two things we're doing both on the Elections side. On Page 2, under . . . you know, at the bottom we have our Professional Services. You'll see there that it appears that we're getting like a credit of \$96,000. Really that's just how the accounting is working for that. That's one of the contracts we have for our Elections equipment vendor. Basically, an encumbrance has been unencumbered to be expended but the expenditure hasn't happened yet. So, it's appearing as a credit. The other thing that's kind of causing that inflation in our balance and deflation in our expenditures is on Page 3, under . . . in the middle. It says rental of machinery and equipment. We have a \$56,000 encumbrance. That's another Election-related equipment that we have. We're encumbering funds from there right now, but our actual intent is to utilize grant funding that we received from the State. So, below that table that's the grant amount we have. The Council amended the budget for us to include that grant in the budget -

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\$106,000. We haven't expended any of that yet. Kathy and I are looking at the procedural side of that grant and make sure everything is okay before we proceed with expending it and re-accounting that election equipment down into that grant. The last thing we just wanted to touch on was our performance measures and our goals in the budget. We also distributed that for everyone's information. Again, those numbers in our performance measures are as of the end of February. Looking at them we are on track to hit our goals to the end of the fiscal year. I did want to bring the Members' attention though to our performance measures for Goal No. 3, which relates to elections in the County. Some of those measures pertain to how we used to run elections with the polling places and walk-in centers. So, we will be looking at those measures and seeing, to update them, now that election by mail is implemented to make sure that they're updated to reflect what we're doing on that side. And that's all we have for you today. Thank you very much. We're available for questions.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Deputy Clerk Krueger. And the one thing that you brought up earlier with the elections by mail is that we won't have crowds of people spreading the COVID-19. So, that was a good comment. Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you and thank you for that precautionary word. So, for our Clerks Division, do we have a . . . our site on Lāna`i is still going to be the school for on-day requirements of the Clerk's Office? Is that all . . . I mean, those things are all set already, right?

CHAIR RAWLINS-FERNANDEZ: Deputy Clerk?

MR. KRUEGER: Thank you, Chair. It won't be the school on Lāna`i . So, what's happening with our elections is we won't have polling places anymore because of election by mail. But Act 136 does mandate voter service centers --

COUNCILMEMBER HOKAMA: Uh-huh.

MR. KRUEGER: --which will be open ten days prior to the day of election for both the Primary and the General. For Lāna`i , we'll be operating a voter service center out of the Lāna`i Police Station. They have a meeting room --

COUNCILMEMBER HOKAMA: Yes.

MR. KRUEGER: --which we are allowed to use.

COUNCILMEMBER HOKAMA: Okay. And I've been talking to some of our new residents. Are we tying any component with Census with our voter registration efforts or we're not going to do anything regarding Census?

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CHAIR RAWLINS-FERNANDEZ: Deputy Clerk?

MR. KRUEGER: Thank you, Chair. Not at this time. You know, in the outreach events that we have done though the Census has been there. We've been seeing them do their rounds. But, no, not at this time. We do not have any coordination with the Census.

COUNCILMEMBER HOKAMA: Okay. Is there something you're open to, if it can be worked out? And, again, yeah, my comment to our people is that it will depend, impact the funding on programs we currently getting benefits from. So, that's how I sell it.

MR. KRUEGER: Ah, yes, certainly that's something we're interested in looking into. And we will say there are community organizations out there who are also seeing that sort of connection. We've gotten someone from AARP has reached out to us actually to kind of help us on the voter registration side, and one of the things he said was they're also helping out the Census to get that information out too.

COUNCILMEMBER HOKAMA: Terrific. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. And our Clerk's Office is also tracking two automatic voter registration bills. Hopefully, they're passed this session to help our new residents with this election by mail process. Okay. Member Sinenci and then Member Paltin.

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Deputy Director [sic]. Is Hana still . . . would show in the plans of getting a drop off area for the ballots site?

CHAIR RAWLINS-FERNANDEZ: Ms. Kaohu?

MS. KAOHU: Thank you. Yes, and our most recent, in our most recent progress in identifying sites Countywide, it looks like there is an interest with the Fire Departments to possibly host some of the sites. So, we're hoping Hana is one of those locations. The drop boxes will play a critical role of overlap because the post office there collects their mails as early as 11:00 a.m. So, from 11:00 to 7:00 p.m. on Election Day there will be no alternative for them unless they want to drive to town . . . residents want to drive to town. So, with the drop boxes they'll be able to drop there and then we'll have a distribution and collection team collecting the ballots at 7 p.m. and driving them back to the counting center.

COUNCILMEMBER SINENCI: Okay. Thank you, Director [sic].

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MS. KAOHU: But mid-May, the Office of Election has to put out a proclamation showing, informing all the voter service sites and also the drop boxes throughout the County. So, we'll have more details that are solid by then.

COUNCILMEMBER SINENCI: Okay. Great. And just one more question. Did you receive the ballot sorting machine yet?

CHAIR RAWLINS-FERNANDEZ: Madam Clerk?

MS. KAOHU: Thank you. No, early April.

COUNCILMEMBER SINENCI: Okay. Because my office wanted to come check it out.

MS. KAOHU: Okay. Yeah, we'll inform everybody, and you'll probably see it trying to make its way up to the 7th floor as well. But, yeah, we'll inform everybody, and they can come and test it and --

COUNCILMEMBER SINENCI: Okay.

MS. KAOHU: --operate it.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Site inspection.

COUNCILMEMBER SINENCI: Yeah.

CHAIR RAWLINS-FERNANDEZ: Cool. And then to follow-up, Member Sinenci, for like the Hana area we had talked about amending Act 132, amending the law so that we could have areas that can have a voter service center for part of the time. Any updates on that for places like Hana? Madam Clerk?

MS. KAOHU: There was . . . there's three bills that incorporate that same idea. One of them that is very specific to allowing flexibility and pretty much that's it, that's the whole gist of the bill. Got some traction last week, I think, or two weeks ago and made the crossover so it's Senate Bill 2137. And if that bill does pass it allows each of the counties flexibility to have days and times that fit each County. So, in other words, if we can't make the standard ten days from 8:30 to 4:30 and 7 to 7, we'll be allowed to alter that and at least be able to offer maybe for five days instead of the required ten days that we can't meet with volunteer staffing and locations. So, hopefully, that keeps moving.

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

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COUNCILMEMBER PALTIN: Thank you, Chair. I just was wondering if other districts were on to have volunteer service centers on track?

CHAIR RAWLINS-FERNANDEZ: Madam Clerk?

MS. KAOHU: No. Sorry to say. Drop boxes, yes. And there's also . . . actually, the ballot drop boxes are in . . . Act 136, I'm sorry, referred to as places of deposit. So, the drop boxes we're trying to disperse at least one in every Member district area. But for the voter service centers we're required to have one on Molokai, Lāna'i , and then one here on Maui, which will be Velma McWayne Santos. Anywhere else we're not pursuing that actively because of the volunteer . . . the ability to secure volunteers and because if we have it in West Maui or another district we have to conform with the State's days and times, which we're not able to do right now due to even availability of facilities. So, if this, sorry, if this Senate Bill 2137 does pass, it is dated to take effect this election season. And then that's when possibly we can look at alternatives.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. So, I guess, you know, testifying in support of SB 2137 to allow that flexibility would be helpful so that our communities in, you know, West Maui, East Maui can have voter service centers for at least a few days because of the lack of volunteers. And for the public listening, they can support it too. Pro Temp Kama?

COUNCILMEMBER KAMA: Thank you, Chair. So, with that being said, I was thinking about Kalawao County in Kalaupapa. How does, how you handle that? It's a different County but it's still in our purview, right or no?

CHAIR RAWLINS-FERNANDEZ: No.

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: It falls under Department of Health.

COUNCILMEMBER KAMA: Okay. But they still gotta vote, right?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: Ms. Kaohu?

MS. KAOHU: Thank you, Chair. Kalawao County is still one of our districts and precincts in Maui County. They are under the jurisdiction of the Department of

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Health and they are the first County that actually did all mail in several years ago and it was very successful.

COUNCILMEMBER KAMA: We should award them for that.

MS. KAOHU: They set the standard, yes. And shared with the rest of the State that it is doable.

COUNCILMEMBER KAMA: Yeah, it's doable. We should go over there and give 'em an award for doing that, Chair.

CHAIR RAWLINS-FERNANDEZ: We should. Mahalo, Pro Temp Kama. Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you. Sorry. Just one more question. You know, some of our residents in East Maui they don't have I guess they're out in the rural areas so I don't know if some of 'em might not have a P. O. Box. They might have like a delivery that goes out to Kipahulu, Kaupo side. I mean, does that pose a problem for those who are . . . who don't have a mailing, a mailbox address?

CHAIR RAWLINS-FERNANDEZ: Clerk?

MS. KAOHU: Chair, we noticed that on the drive out that, the drive back from when we gave a presentation out there. As long as the voter realizes that they can't put their voted ballot envelope in their mailbox on election day and expect it to magically get to us by 7 p.m. At that point, they're gonna have to drive to Hana town and use the U.S. Postal drop as long as they understand that that's going to be an early pick up, and then also their alternative would be the places of deposit or the ballot drop box.

COUNCILMEMBER SINENCI: Would they be able to receive their ballot in their mailbox?

MS. KAOHU: Yes, if that's where they get their mail, they will be able to receive it. And that will be sent out 18 days prior to the General and Primary election.

COUNCILMEMBER SINENCI: Okay. Thank you, Director [sic]. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, Members, any other questions or comments? Member Hokama?

COUNCILMEMBER HOKAMA: Chair, just for clarification, yeah, for those in case we get asked. You need a verifiable street address to register to vote or just a mailing address? Because somebody told me that, you know, someone who has a general delivery box at our post office but doesn't have a street place.

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MS. KAOHU: Chair?

CHAIR RAWLINS-FERNANDEZ: Madam Clerk?

MS. KAOHU: Okay. Thank you. That's a really good question. You need a verifiable residence to qualify you to register to vote. We have homeless that are registered voters. The challenge for that constituency is they can use a general delivery receipt address or mailing address, but they have to show ID at that point to the post office. But even if they have a friend that they can use their address as a mailing address and then Kanaha Beach Park as their residence or wherever, they can still vote --

COUNCILMEMBER HOKAMA: Okay.

MS. KAOHU: --and register.

COUNCILMEMBER HOKAMA: You should need an accepted government ID.

MS. KAOHU: Yes.

COUNCILMEMBER HOKAMA: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Okay, Members, any other questions or comments? Seeing none. I will defer this item without objection.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo for . . . congratulations on your first Budget presentation.

MS. KAOHU: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, and it's a little early but what do you think about taking our afternoon break now and coming back at 3:05 to take up the last three items? No objections?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Great. Okay. It's 2:54 on March 9th and Economic Development and Budget Committee is in recess till 3:05. . . . *(gavel)*

ACTION: DEFER pending further discussion.

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RECESS: 2:54 p.m.
RECONVENE: 3:08 p.m.

**ITEM 75(4): OPERATIONAL AND BUDGETARY REVIEW OF
COUNTY DEPARTMENTS (OFFICE OF THE COUNTY
AUDITOR) (CC 20-60)**

CHAIR RAWLINS-FERNANDEZ: . . . (*gavel*) . . . Okay, Committee, please return to order. It's 3:08 on March 9th. And we'll pick up where we left off with EDB-75(6) . . . oh, sorry, EDB-75(4), Operational and Budgetary Review of the County Departments (Office of the County Auditor). We have with us on the floor our County Auditor Lance Taguchi and in the gallery, we have Administrative Officer Camille Sakamoto. Ready Mr. Taguchi? The mic is yours.

MR. TAGUCHI: Thank you, Chair. For my presentation, I don't have a PowerPoint, but I'll be going over the what I believe is the major items for my office to keep it brief. For the Office of the County Auditor, one of the largest challenges we have right now is staffing. In the Fiscal 2020 Budget, you approved two Audit Analysts, a Senior Audit Analyst, Administrative Officer, and a half-time Office Support Clerk. I recruited for the expansion position for the second Audit Analyst and that Audit Analyst came aboard. Unfortunately, after a short four-month period she found a better opportunity here on the island, so I have now one vacancy for the Audit Analyst position. So, I am left with one Audit Analyst, one Supervising Analyst, myself and the Administrative Officer. In the 2020 Budget, I also was given a half-time Office Support Clerk. Unfortunately, we went through two recruitments for this part-time position. We were unable to find someone that would, that applied for the position. So, we reached out to specific individuals that we knew had some background into the Legislative Branch Office of Council Services or the prior Councilmembers' offices since they're familiar with the process. However, we weren't able to recruit anyone. So, for the Fiscal 2021 Budget, I will be requesting to make that half-time position to a full-time position. Excuse me. So, those are the vacancies. Although there's vacancies, we have been able through the time that I've been at the . . . _____ the County Auditor to recruit and hire quality people. We were very fortunate in the last recruitment, you know, we had two people with both audit knowledge, both of them worked for CPA firms. They also were Maui residents. They were born and raised on Maui, which helps a lot because they understand the challenges that we face as Maui County. The person I lost also was a CPA; however, she found somewhere. She told me she couldn't refuse the offer because is an opportunity that she always wanted. So, you know, at that point, I realized that my office is a reservoir of talent that other departments or even the Council may want to recruit from because I hire quality people. And, for me, that's okay because as long as the talent remains in the County, I feel that that's a benefit to the County. You know, our office staff has been recruited numerous times by the Administration and the

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Council as well but for the most part they elected to remain with me. They like the work; they like the independence and they feel that they can contribute to this County. In a future staffing area but I've thought about it and I'm monitoring the bills before the Council regarding the proposed Charter change regarding the County Manager. I'm monitoring it more in a sense to see if any part of that proposed changes will have an effect to my office. So, it's just something I try to keep up with. I know it hasn't passed Council yet and I know the terms of that is still being proposed and managed. But I will watch in terms of any effects to my office, if they are any effects to my office. And finally, current project status just to let you know, the financial audits for the County's Compensated Annual Financial Report and the Department of Water Supply audit were completed. We are awaiting for the final draft of the Single Audit and that is estimated according to N&K CPAs to be in by this Friday. We completed and issued in February 2020 the Implementation Status of the Audit recommendations made in the Treasury Department Audit. In other words, it was the follow-up on the recommendations made in our Treasury Audit. Currently, we are still working on the audit of Deferral Agreements. That was an audit that was . . . that the Council requested that my office take on because of its complexity, and the Council is right it is complex. We've also had some challenges getting information from the departments. And I felt a need to hire a Special Counsel. Primarily, I felt that need to be, to make sure that the audit is independent because there had been allegations made regarding Corporation Counsel's involvement. So, I wanted to make sure that when I needed legal opinions or legal research that we get it from an independent source. So, I made, I contracted an attorney. Her name is Linden Joesting and she's working with us. We also had the audit of the County vehicle use. There was a change in Administration, so we weren't sure about what direction they're going to be using the GPS. So, I met with the Managing Director to understand how they're going to be using the GPS. They're still in the process of solidifying that. I think he has one of his Executive Assistants working on that. And I met with them, I kind of briefed them and updated on where the audit was. And right now, I'm considering whether to postpone the audit until I understand better where they're gonna go with the use of the GPS system. The other projects that was on the list was establishing the fraud, waste, and abuse hotline. That is still ongoing. I'm looking at the possibility of doing that but it's rather difficult because I'm not fully staffed and I'm not sure if I need another person to properly do that. And I also . . . I watched one of your meetings and I understand that your offices are inundated with people calling you. And they call you for all sorts of things. I do have some calls to me and I try to handle them the best I can but I'm not sure if I want to commit to that amount of traffic especially if I'm going to publicize that the audit has a fraud, waste, and abuse hotline. So, I'm still looking at that. There's another project that I was thinking about doing is on the audit plan, which is the report of fiscal sustainability and financial condition of the County. That has been ongoing, but it's been delayed because I don't have . . . I lost one auditor. I have been doing some things and I think I've met with the Council Chair and I thought I had explained to her that

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I've done some graphing on like the County's long-term obligation. I'm not really prepared to be presenting that to you folks yet but it kind of gives you an idea of the acceleration of our long-term debt in regards to bond debt, unfunded liabilities for both the ERS and the OPEB. But it has an interesting when you look at it in a graphical sense, it will give you as decision-makers a basis to make your budgetary decisions. And the final thing that I wanted to talk about was on the Government Auditing Standards 2018 revision that was made, which is effective for . . . after 7/1/19. Basically, what happened was that GASB – Government Accounting Standards Board, they recognized that the Auditor's Office has a unique technical expertise. And that technical expertise is a value to smaller governments because we have, you know, accountants, CPAs, things like that. So, what they've done is in the 2018 revision, they made it more flexible for my office to advise and to perform some technical maybe investigations and things like that which would not require adherence to yellow book or Government Auditing Standards. What that does is that it makes a lot easier for me and my office to look at requests from both the Administration and Council. From an auditee standpoint, they created this section called Routine Activities, and that allows us to provide assistance to audit entities as long as it doesn't have a threat to the auditor's independence. So, in other words, when we go into an area whether it's the Finance Department – Treasury, as long as we're doing an evaluation about our independence we're able to advise them or make recommendations to them or give some technical expertise regarding different areas. Regarding . . . there's another area called Other Services Provided by Government Audit Organizations, and that part of it allows us to do particular requests involving our . . . I guess would be involving the Legislative Branch. So, basically, before I was very cautious of doing, providing information, giving technical expertise, and all these other things to the Council. It was two-fold. One was because we were starting off, I didn't want an impression that the Auditor's Office was under the Council. So, I . . . for my first term I made sure that I tried to keep it very . . . (*inaudible*) . . . But with this revision to the Yellow Book Standards there are certain activities that I am allowed to do providing I analyze how it affects the offices and my independence to the Council. To give you some examples of that would be since we are able to provide assistance and technical expertise to legislative bodies. Assistance and advising and giving advice regarding contract for audit services on behalf of an audited entity overseeing an audit contract. So, what that would be in this, in the situation with the Office of Council Services, you know, I've spoken to Chair Lee and to the Legislative Analyst Supervisor. Primarily, what it allows is that, if requested, we could look at possible investigations and things like that to give you advice about what we believe could be done or what couldn't be done. Not necessarily to do the procurement for you but to help you help people understand what is the right tool because at times a lot of it the procurement for the Council wouldn't require a performance audit. It may just be an agreed upon procedure type of situation or it may be even a review or a research project. It doesn't necessarily require a performance audit especially since you're cast in terms of budgetary assistance

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and the general direction for the County wouldn't necessarily require a performance audit. And we have some other things that the new pronouncements allows us to do, but I don't want to go into too technical type of situations. But, basically, the idea would be that if you request my office to do something else, I'll take a look at it. If I feel that we are independent and if I feel that the Government Auditing Standards would allow me to do it, then I can move forward and assist. And that's, that's my presentation.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Taguchi. Members, any questions for our Auditor? Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. That was interesting your last closing comments, Mr. Auditor, regarding some flexibility, I guess. They're going to give you the Legislative Branch. So, we ask you to look at something but you're already working on your own projects. You're going to put your project on the side?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you. No. Our performance audits will still continue. I think the majority of this type of investigative work or advice will involve myself and my Senior Auditor. My staff auditors will continue doing the performance audits that we have engaged. One of the things I've noticed, and it's always been a difficult hurdle is that performance audits done to what we call Yellow Book Standards or Government Auditing Standards, require . . . those standards are high, so it requires a lot of time to meet those standards. And it's a situation where we have to pass those standards because we get peer reviewed. And that's why when we do a performance audit it generally takes us anywhere from nine months to over a year. So, we end up doing maybe one audit per auditor. And I've known that that's something I'm trying to get, I want to use the resources of our office better, but I haven't been able to find a way to comply with those standards and shorten the time frame. The only . . . one method that I considered but I did not want to follow was some audit offices they narrow the scope of the audit. For example, you may have a lot of cash handling procedures at one department and then they move it to the next department. Those audits are faster because they're boiler plate. They do the same thing at here and they move to another department. I think the State Auditor does what is called review of special funds. They can produce that relatively quickly because they have a template and they review every special fund.

COUNCILMEMBER HOKAMA: You're reluctant to hire third-party to assist you on certain work?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

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MR. TAGUCHI: Thank you. I'm reluctant to hire third-party auditors to do performance audits. The reason . . .

COUNCILMEMBER HOKAMA: Doesn't have to be performance. You can keep that for your in-house.

MR. TAGUCHI: Oh, okay.

COUNCILMEMBER HOKAMA: Are you reluctant to just use third-party?

MR. TAGUCHI: I used to be but with the changes and the revisions to the Yellow Book Standards I might be able to. I mean, that's a good observation. Before if I did . . . if a third-party did a performance audit and I issued that audit, I would be still accountable to make sure that that audit was up to Yellow Book Standards. So, I had to go through all the processes and, quite frankly, the only way I would feel comfortable in doing that type of audits would have been contracted to a CPA firm. CPA firms there's a limited amount. On Maui, I don't believe there's a CPA firm that's qualified to do Yellow Book Standard audits so it would probably be in Honolulu. Those type of audits are quite expensive because of the standards that they have to adhere to. So, I haven't done that in the past. But if I'm allowed to take a look at investigations and provide assistance maybe data, research, there's an opportunity to do exactly what you said to hire people to do these investigations because the standards has changed.

COUNCILMEMBER HOKAMA: Well, if it fits, it fits, yeah, Mr. Auditor. And you know how the previous State Auditors approached the work and, you know, so I understand what you say is part of that vehicle thing. So, you gave me one red flag. So, by State law every Director needs to sign off a physical inventory worksheet, a listing of assets by department. That cannot be done because we cannot verify our physical inventory as it regards to vehicles. Is that what's been, is that our problem?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. Member Hokama, the audit of the vehicles we targeted towards the lease of the GPS units. When we looked at that audit, we focused on what we look at what is called audit risk or risk to the County. We focused on actual driving vehiculars of County employees. Obviously, they could be significant liability to the County in regards to speeding, accidents, etc.

COUNCILMEMBER HOKAMA: Uh-huh. Uh-huh.

MR. TAGUCHI: So, we focused in, we didn't focus in on the equipment side primarily because the bigger risk factors pointed towards liability caused by erratic driving or speeding. So, we focused on that. But since there's a new Administration, we

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wanted to make sure that the policies of what they're going to do, what direction they're going to take with regarding the GPS units. I think . . .

COUNCILMEMBER HOKAMA: So, in this audit in no way verifying our physical count?

MR. TAGUCHI: No. The audit wasn't targeted to verifying the number of vehicles.

COUNCILMEMBER HOKAMA: Okay. No, no, to me, that's part of the problem, yeah, on abuse of vehicles, use of vehicles. My other question hearing how things interesting happen within the District of Columbia, you feel the current language in our Charter regarding your subpoena powers is strong enough to get the response you require if you use such a legal option?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

COUNCILMEMBER HOKAMA: I mean, we learned that, you know, even Presidents and whatnot can ignore court subpoenas.

MR. TAGUCHI: Thank you for the question. The short answer, yes. There's some housekeeping things I would have wanted done to the language in the Charter. But they're not significant enough to create a separate Charter amendment at this point in time. I think it will be confusing especially with the possible Charter amendment when it comes forward in this election. The subpoena powers . . . I have the power to hire special counsel to get subpoenas. I could also utilize a Corporation Counsel. Sometimes I'm aware that Corporation Counsel may not . . .

COUNCILMEMBER HOKAMA: We didn't with the fact that you already made the comment that for arm's length transparency requirements you hired special counsel, yeah. So, you can keep Corp. Counsel out of the picture.

MR. TAGUCHI: Okay. That's . . . I can take that under advisement. I often . . . I was concerned about Corporation Counsel primarily because of what happened in past history where I think this body was told that Corporation Counsel could not represent two sides of the coin. I'm not quite sure when I issue a subpoena if they're going to tell me that they also are the attorney for the employee or the Director and I didn't want to breach that subject yet because I have no need to subpoena anything yet. So far, I've been able to obtain all the documents necessary without a subpoena. The subpoena process is a long process because I have to go to court.

COUNCILMEMBER HOKAMA: Uh-huh.

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MR. TAGUCHI: But I know how I would execute it without Corporation Counsel which would be to hire special counsel. So, it's not a major problem at this point in time. If it comes a major problem, then I'll come back to Counsel --

COUNCILMEMBER HOKAMA: Okay.

MR. TAGUCHI: --to clarify the subpoena powers.

COUNCILMEMBER HOKAMA: And just one last clarification. We need to make adjustments in our contracts, labor contracts, to allow you to do your work.

MR. TAGUCHI: Excuse me. Could you explain contracts?

COUNCILMEMBER HOKAMA: Labor contracts. We get contracts with how many different units with our employees. Is there something in those union agreements that we need to be aware of to protect the employers' position?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you.

COUNCILMEMBER HOKAMA: Especially with audit requirements.

MR. TAGUCHI: For the audits, to date, I haven't had a need to address labor contracts. Union contracts haven't been a barrier for my audits to this point. I had an audit where the employer got an attorney but that wasn't in regards to union contracts. I think it's more likely that if I subpoena or I . . . subpoena information from an individual more than likely I think what will happen is that individual will probably get an attorney if they feel that they don't want to provide the information. But so far, I haven't had a need to . . . *(inaudible)* . . . The union contracts haven't been a barrier at this point.

COUNCILMEMBER HOKAMA: Thank you, Chair.

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

COUNCILMEMBER SINENCI: Thank you, Chair. I just had a question for Mr. Taguchi about the special counsel. So, you hired a special counsel for the deferral agreements so that budget was part of your original budget to hire then?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you. Incorporated in my Fiscal 2020 budget is an amount for Professional Services. So, within that amount, I provide an amount which in case

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I need special counsel, or I need some kind of a professional with certain insights, for example, health professional or various expertise. So, there is that an amount in my budget that is there for that purpose. In regards to special counsel, the only requirement that I need is because I'm not a Chief Procurement Officer the Procurement Officer for my office is the Council Chair. So, whenever I go for special counsel, I approach the Council Chair and ask for permission. And, to date, the Council Chair has allowed me to procure with no problem.

COUNCILMEMBER SINENCI: Oh.

MR. TAGUCHI: So, that's not a problem. And I think Councilmembers, in general, know that my office needs to be independent. So, I think they're well aware that they don't want to interfere with any kind of investigation or audit that I'm doing.

COUNCILMEMBER SINENCI: Okay. Thank you for that explanation. Thank you, Chair.

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

COUNCILMEMBER PALTIN: Thank you, Chair. And thank you for taking the deferral agreements seriously. I agree that it's a complex issue. I just was wondering if there's a time frame on when the audit would be complete now that special counsel has been involved.

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you, Member Paltin. The . . . I hesitate to give deadlines primarily because as we go through the audit process, we often find things that we didn't anticipate. In regards to the legal side, this one is a little more difficult because I need to rely on a special counsel. At this point, we've given all the research, all the legislative history, and all the background material that my auditors have found, and information is provided by the auditee. But I do have a targeted deadline but it's a soft deadline because I'm not going to issue any report based on a deadline because I need to be certain about the outcomes. So, right now, we're targeting the end of the fiscal year, which is 6/30 to try and issue the report. But that's a tight deadline so I can't commit to it but it's a soft deadline that I've challenged my . . . I challenge my auditors and we'll see how that goes.

COUNCILMEMBER PALTIN: Awesome. And then like the outcome of that, would that be like a solution offered or it would just be if there was criminal situation or like what would the outcome look like of an audit like that?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

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MR. TAGUCHI: Thank you for the question. Our office in doing its performance audit if we discover possible fraud or criminal type of activities, our standards require that we notify the person in charge of that person or two, two levels higher. And we circle around it or if we feel it necessary, we'll go directly to the Police Department. In the past, when we did the pCard audit, we have communicated and spoke directly to the Police Department and provided information directly to the Police. In our County, it is the Police Department that does the investigation not the Prosecutors. When a police officer does an investigation or Detective does an investigation, their standards of evidence are higher than our audit. They have custody, chain of custody in all of these things. So, we give 'em what we got and try and help 'em but at the end of the day they have to perform their own investigation. So, if that answers that portion of it. Regarding our performance audit on the deferral agreements, I've always valued trying to have a recommendation that's implementable and assist the County. Although there are findings for me the value of the audit is in its recommendations. So, to answer . . . short answer on your question, yes, we'll try and point you in the right direction what we believe the Council, or the Administration should be looking at to resolve this issue. We'll give you an idea as much as we can of the scope of the problem but in as much as we're independent, we're going to take a clean look at it and there may be things you don't like . . . no one is going to be fully satisfied. It never happens that an audit fully satisfies everybody especially the auditee. And if you remember my post office audit, Council at times will not like the answers that I have or the recommendations that I have in my audit. So, basically, yes, we're trying to provide as much value as we can for the audit.

COUNCILMEMBER PALTIN: One last on the vehicle situation?

CHAIR RAWLINS-FERNANDEZ: Sure. Go ahead.

COUNCILMEMBER PALTIN: Are you also looking into Supervisor vehicle as well as frontline vehicle? And, you know, whether all vehicles have GPS and some vehicles don't have GPS and the distinction of that. And then, would the outcome be like is it worth it to pay the GPS Program or because it's so haphazard be applied it only . . . it doesn't give a full spectrum picture.

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Regarding the GPS audit, it was focused on the highest risk factor, which was liability. If there's a need to do other areas, we can separate it out in a different audit. But to do entire County vehicle program would be too large of an area. For example, there was one point in time where the Administration said that the use of the GPS unit was to do maintenance on County vehicles, tracking, and for making sure. . .

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COUNCILMEMBER PALTIN: Idling more than 20 minutes.

MR. TAGUCHI: Right. But that's . . . the maintenance of the vehicle and buying new vehicles when vehicles get old it's not a high-risk factor when we do the risk assessment. Yes, it's a concern but the other area that we initially thought about, and we assessed was take home vehicles 'cause take-home vehicles used to be a big problem. We had so many vehicles that were being taken home. But to the Administration's credit many of the departments reviewed the take-home vehicle policy plan and the majority of the departments drastically reduced the amount of take-home vehicles. I believe there's only one department that still has a lot of take-home vehicles. And I'm not going to name them right now.

COUNCILMEMBER PALTIN: What is the problem with the take-home vehicle plan?

MR. TAGUCHI: It's not a problem with the plan because they implemented the plan. But prior to that plan, the County had a lot of employees taking home vehicles.

COUNCILMEMBER PALTIN: What is the problem with that?

MR. TAGUCHI: It depends upon whether or not the vehicle is really needed for the person to do his duties. I think a long time ago the vehicle might have been used as a way to reward a long-time employee for good work. So, I think several years ago there was an effort to reduce it and a lot of the departments reduced their take-home vehicles. There's all kinds of things involved like liability, cost, things like that. But, once again, when we looked at it, we didn't target that because we were more concerned about the bigger liability of speeding.

COUNCILMEMBER PALTIN: I just was saying because in my experience I take home the vehicle on the weekend and then in the middle of the night if we had one tsunami warning, we just get in the vehicle and start to move the equipment to high grounds so it didn't seem like a bad thing. You cut down on 30 minutes of me driving to town, grab the vehicle to get the jet ski to bring it up to the Ritz.

MR. TAGUCHI: Yeah, I think a lot, and this is not part of my audit. It's going to tell you something that I three . . . working for the County so long that I understood. At one point in time, for example, I think there was a study done during the Apana Administration. And then what happened was they looked at the take-home vehicles and they . . . a lot of the vehicles were sent, oh, this person has a vehicle because they have to respond to emergency. This is the backup to that person and then this is the backup to the backup. When you look at how many times they actually responded to an emergency, the first person responded. The second person maybe two times a year. The third person went zero. So, the question becomes what was the vehicle really used for? Do you need that level of backup? But that's a different issue. That would be a different audit 'cause as I told you that when we looked at it there's a drastic reduction in the amount of vehicles so

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we didn't target that. In terms of our risk factor, it wasn't a bigger risk as what we targeted.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay, Members, seeing no other questions or comments, I'm going to defer this item. And we have two more items – CDBG and Finance. Okay. Mahalo, Mr. Taguchi, for your representation and for responding to all of our questions.

MR. TAGUCHI: Thank you.

CHAIR RAWLINS-FERNANDEZ: And I'll call up Mr. Pontanilla. Okay. Okay, so I'm going to defer Item EDB-75(4). Any objections?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo.

ACTION: DEFER pending further discussion.

**ITEM 75(3): OPERATIONAL AND BUDGETARY REVIEW OF
COUNTY DEPARTMENTS (COMMUNITY
DEVELOPMENT BLOCK GRANT PROGRAM)
(CC 20-59)**

CHAIR RAWLINS-FERNANDEZ: Okay, the next item on our agenda is EDB-75(3), Operational and Budgetary Review of County Departments (Community Development Block Grant Program), and we have with us Mr. Joe Pontanilla, CDBG Program Manager. He has . . . he doesn't have a PowerPoint presentation, but Staff is distributing his handout. Okay. Mr. Pontanilla, mahalo for joining us today. Will you please provide us with your presentation?

MR. PONTANILLA: Chair Rawlins-Fernandez, good afternoon. Good afternoon, Members.

CHAIR RAWLINS-FERNANDEZ: Good afternoon.

MR. PONTANILLA: I'm Joe Pontanilla from CDBG (Community Block Development Grant) [sic] Program Manager for the County of Maui. Just for your information, CDBG HUD Administered Non-Entitled Counties in Hawaii Program provides annual grants on a formula basis to Hawaii, Kauai, and Maui counties to provide decent housing and a suitable living environment and expand economic

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opportunities, principally for low- and moderate-income persons. HUD determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas. Over a 1-, 2-, or 3-year period, as selected by the grantee, not less than 70 percent of the CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevention of or elimination of slums and blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available. Just for your information, on the next page, I do have some pictorials on the projects that we've done for our Program Year 2019 and Fiscal Year 2020 for the County of Maui. Hale Mahaolu - *Hale Mahaolu Lahaina Surf Asbestos Abatement 15 Units Floors and Ceilings*. CDBG is already completed with the Subrecipient Agreement's Environmental Review. At this time, I understand that Hale Mahaolu had already selected a contractor to go ahead and do the abatement at the Lahaina Hale Mahaolu Lahaina Surf Project. And the next page, the next pictorial, again, this is Fiscal Year 2020 Project - Hale Makua Health Service - *Hale Makua Kahului Boiler Upgrade*. Again, the SRA as well as the Environmental Review by CDBG is completed. Hale Makua is in the process of selecting a contractor for this particular work. All of the contracts that are agreed upon, we do have a pre-con meeting as well as materials procurement and demolition and installation . . . things that we need to have them abide to. The next project - *Ka Hale A Ke Ola Homeless Resource Center, this is for Building No. 6*. The pictorials that you see is Building No. 5 where we did the same type of work that's going to be done on Building 6. The center photo is what they do - demolish or rehabilitate the inside, and on the far right is the finished product. It's almost like a brand-new unit for the homeless resource center. Also, approved in 2020, *Cameron Center Rehabilitation/Improvement Projects*. Contract has been awarded. SRA and Environmental Review by CDBG is already completed. This is for the rehabilitation of the fire system within Cameron Center facilities. The next one is Fiscal Year 2020 - Big Brothers Big Sisters of Hawaii - *Hale Makana Mentor Center Restoration*. Sorry we don't have a pictorial for this. But the project is to replace the roofing as well as replace the air conditioning at that Hale Makana Mentor Center Restoration Project. We did have some . . . many projects for Fiscal Year 2019 and majority of the projects are already completed. We supported Environmental Management Department by purchasing a *landfill trailer mounted diesel tank for the landfill on Molokai*. The equipment is on the island. Project is closed. On the next page, although the project was approved in 2019 of Fiscal Year 2019, we're still awaiting for the *Hana Landfill Bulldozer*. And I gotta thank Member Sinenci for helping us out during the LMI survey. It's almost like a, you know, Census survey for Hana. Then we also purchased a *Molokai Landfill Wheel Loader*. It's in operation. Project has been closed. The

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next set of approved projects are all related to Fire equipment because of some of the grantees' location their fire alarm system is outdated so we're going to re-support *Arc Residential Group Home Safety Project*. This is to rehabilitate their fire system alarm at three different location. One is Wailuku, another one in Kihei, and another one in Waihee Valley. For Fiscal Year 2018, just recently completed and they had a dedication was *the Hale Mahaolu Ewalu Senior Center Commercial Kitchen*. Also, 2018 for *Hale Makua Kahului Generator Upgrade*. The upgrade was to provide a backup system should they do have an electrical power outage at that facility. So, these are some of the projects that are ongoing as well as completed that we have funded throughout the years. Also, in your handout is our so-called report card. This is our timeliness, strategy form that HUD tracks all of the projects here on Maui County. As you can see, all the ones with the yellow are pending. And, you know, the SRAs are already approved so it's all in the hands of all of the grantees to move forward on their projects. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your presentation, Mr. Pontanilla. Okay, Members, I'm going to take questions in order. I'll start with Member Sinenci and then work our way down. One question each. Member Sinenci?

COUNCILMEMBER SINENCI: All right, Chair. Thank you, Mr. Pontanilla, for being here today. I'll look for your presentation. At our last meeting, you mentioned about the U.S. Census and having it upon us now. How much is the CDBG rely on the U.S. Census?

MR. PONTANILLA: The CDBG rely on the Census in regards to the type of funding that we can get from the Federal government. In our case, when we had gone to Hana or do the Hana Census, we also had gone to Lāna`i to do a census on Lāna`i because couple of years ago Lāna`i was taken out of the so-called area benefit. So, although they can apply, you know, the nonprofits on that island but, you know, you would be only for the specific entity. When you go area benefit, it's for the benefit of the whole community. So, last year, when we had some information regarding the census, we've gone to every community in Maui County to encourage individuals to, you know, when the Census come out in April, early April, that they take the time to do the survey 'cause it only will help benefit Maui County.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

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

COUNCILMEMBER MOLINA: Madam Chair, no real questions at this time. Maybe I'll wait come Budget session but just appreciate Mr. Pontanilla being here and giving us an update on these various projects. I'm sure if there's anything that

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pops up, we'll ask, and he'll certainly provide us with a response as well. Thank you.

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

VICE-CHAIR KING: Thank you, Chair. So, thank you for being here, Joe. I understand the President is trying to cut this program totally out of the Federal budget. But are you going ahead anyway with looking forward towards next year and getting projects?

MR. PONTANILLA: For next year, I got some information from our Honolulu office that our budget for next year is already set at \$1,879,000.

VICE-CHAIR KING: Okay.

MR. PONTANILLA: So, after that year, I really don't know.

VICE-CHAIR KING: Okay. So, that next year is that already procured centrally?

MR. PONTANILLA: The budget is there. I'm just awaiting for the confirmation letter.

VICE-CHAIR KING: Oh, okay.

MR. PONTANILLA: You know, for me, yeah, I wanna, you know, make sure that the monies is --

VICE-CHAIR KING: Right.

MR. PONTANILLA: --in hand, yeah.

VICE-CHAIR KING: Sure.

MR. PONTANILLA: And then for Program Year 2020, we're in the process of selecting the projects at this time.

VICE-CHAIR KING: And that monies already encumbered.

MR. PONTANILLA: Not encumbered --

VICE-CHAIR KING: Not encumbered but . . .

MR. PONTANILLA: --but to those individual projects.

VICE-CHAIR KING: Okay. I guess we'll just wait and see what happens. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. I know that the President took a lot of the funding out. But when we met with the Congressional delegates specifically the ones that sit on the Appropriations, they assured us that they would put those fundings back in especially since it's Congress that approves the budget. So, I have confidence. Member Hokama?

COUNCILMEMBER HOKAMA: I'm glad you have confidence, Chair. We need someone who has confidence. So, I'm glad that at least Mr. Pontanilla and the Maui office knows that the President is making big changes in his budget to pay for the military requirements. So, besides . . . 'cause we got our briefing at our Board meeting so CDBG is zeroed out. Home funds are zeroed out. TANF funds are zeroed out. Pre-school money is zeroed out. They're changing also school meal subsidies amount 'cause that's funded by the ports . . . when we do security for the harbors. So, that's the President's proposal.

MR. PONTANILLA: Uh-huh.

COUNCILMEMBER HOKAMA: And I agree our delegation is going to do its best but so far Mr. McConnell has only allowed this current calendar year only six bills have reached the Senate floor regarding legislation. Six, okay. The Democratic Minority in the Senate feels that there's not going to be many more opportunities for legislative decisions this calendar year till election is over. That's the reality of the district in national politics. So, we gotta gear up because the President is like we are, Chair. There is a concern of cash. The U.S. runs on cash, the State runs on cash, this County runs on cash. The big issue for this country at this time is the cash. Okay. Tourism is in its slump. Okay. The State is revising projections currently for announcement on Wednesday . . . how much less cash we're going to have. So, my thing to you, Mr. Pontanilla, is that you're an area that we hope you can at least finish what you started. So, you feel you got enough resources to finish what you've already started?

MR. PONTANILLA: Yes, we do. When you look at the handout for Fiscal Year 2020 those projects are . . . soon will be all under way. I feel confident that majority of the projects will be completed by the end of the year.

COUNCILMEMBER HOKAMA: Uh-huh.

MR. PONTANILLA: That's our target, actually.

COUNCILMEMBER HOKAMA: Okay. So, most of these are our own nonprofits, yeah? Hale Makua, basically, Cameron Center . . . there's not much departmental requests?

MR. PONTANILLA: Yeah. Remember back in 2015 we had that issue regarding the County of Maui purchasing equipment through the CDBG funds and we came to

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the agreement that we would be doing alternate years so that we can do more bricks-and-mortars through to take care some of the needs in our community.

COUNCILMEMBER HOKAMA: Okay. Any outstanding old projects that punting us now regarding either refunding funds to back to the Feds for something . . .

MR. PONTANILLA: Right now, none.

COUNCILMEMBER HOKAMA: Oh, great. I'm just hoping the Hana Bulldozer comes in in the next couple of months. So, that's our oldest.

CHAIR RAWLINS-FERNANDEZ: Member Hokama, I'm going to move --

COUNCILMEMBER HOKAMA: Okay. Thanks.

CHAIR RAWLINS-FERNANDEZ: --to the Councilmember.

COUNCILMEMBER HOKAMA: Yeah.

CHAIR RAWLINS-FERNANDEZ: And then if you have more questions, I can come back to you. And I guess I'm afflicted with eternal optimism. Member Paltin?

COUNCILMEMBER PALTIN: Thanks. I'm optimistic too. Just wondering, you know, I know you have the pre-construction meeting but for those projects with demolition and things like that what kind of safeguards are there in place or tracking that the demolished materials get to the correct location, you know, like contractors can't drop off at transfer stations and there's a fee to drop off like in the asbestos? Like is there any tracking that like whatever asbestos got removed didn't just get dumped say at Honolua Bay or someplace like that?

MR. PONTANILLA: I understand that there's only one contractor that does it here on Maui. And that particular contractor has done asbestos abatement for the facility in the last I don't know maybe three, four years. He also does other contract work in regards to asbestos abatement. And they follow the rules. I understand there's certain procedures they need to follow to rid of the asbestos material.

COUNCILMEMBER PALTIN: Okay, so, I mean, like any kind of construction waste is there any process to make sure that it doesn't just end up in the field somewhere?

MR. PONTANILLA: No, I'm sure that we, you know, we do have inspectors for the County of Maui that inspect all of the construction projects.

COUNCILMEMBER PALTIN: But nothing tracking that it gets to the landfill?

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MR. PONTANILLA: I don't know about the tracking from site to landfill but there is a process.

COUNCILMEMBER PALTIN: Okay. Thank you.

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

COUNCILMEMBER KAMA: No.

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

COUNCILMEMBER HOKAMA: No. They're doing a good job.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Members, if there are no other questions, I will defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. This item has been deferred. Mahalo, Mr. Pontanilla, for your presentation and for responding to all of our questions.

MR. PONTANILLA: Thank you, Chair.

ACTION: DEFER pending further discussion.

**ITEM 75(1): OPERATIONAL AND BUDGETARY REVIEW OF
COUNTY DEPARTMENTS (DEPARTMENT OF
FINANCE) (CC 20-57)**

CHAIR RAWLINS-FERNANDEZ: Okay, I will call up our Finance Director Scott Teruya and Deputy Director May Anne Alibin. And so, okay, agenda item EDB-75(1), Operational and Budgetary Review of County Departments (Department of Finance). Okay, so, right now Staff will upload the presentation and distribute a hard copy of the presentation. Okay. Mahalo for joining us today, Director Teruya and Deputy Director Alibin.

MR. TERUYA: Good afternoon, Chair and Members. Scott Teruya, Director of Finance. We're going to go through our Department budget right now but I'm going to have Ms. May Anne Alibin present it as she did all of the heavy lifting as I was supposed to be at a conference this week but it got canceled due to the coronavirus.

CHAIR RAWLINS-FERNANDEZ: We rather you be safe.

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MR. TERUYA: The staff actually that hosted the conference comes from King County, Washington, and they didn't want to disappoint a lot of the attendees, so it got canceled last week Friday. So, I'm going to give it over to May Anne Alibin. Thank you.

CHAIR RAWLINS-FERNANDEZ: Please proceed, Ms. Alibin.

MS. ALIBIN: Good afternoon, Chair and Members. So, the first slide shows you our Department of Finance Vision and Mission Statements. I'm not going to go over the statements in detail due to timing constraints but it's there for you for reference. This slide shows our Chart of Organization and we currently have five programs and with Financial Services Program broken down into two different divisions, which is the Motor Vehicles & Licensing and the Real Property Assessment. This table shows you our equivalent personnel by Program comparing our budgeted equivalent personnel in 2020 versus 2019. We have 159.5 funded by the General Fund and that's an increase of 12 equivalent personnel from prior year. In addition to the General Fund equivalent personnel, we have 17.3 that's funded through Grant Revenue primarily for our Division of Motor Vehicle. Our total vacancies as of March 2nd is 17 equivalent personal [sic]. The next slide shows our Fiscal Year 2020 Budget by Program with comparison of the actual expenditures as of February 29, 2020. With the budgeted amount of 13.2 million our expenditures of 6.7 million or 52 percent of the budgeted amount have a remaining balance of 47.7 percent. And majority of this remaining balance is primarily due to the DMVL and RPA operations. In Fiscal Year 2020, we had requested an increase of about \$400,000 for motor vehicle transaction charges, driver license transaction charges, plastic driver license production, and temporary driver license, and there's just some timing delay associated with the billing. We had also increased the budget for RPA's Professional Services relating to the tiered rate assessment. So, I know that there's been a lot of work completed by the RPA and they're still currently working with the vendor and so there's just some timing delay on the billing as well. Our anticipated Carryover Savings of 8 percent is based on our historical average on Carryover Savings. This chart shows our year-to-date expenses, again, as of February 29, 2020, by Cost Category. And as you can see, 70 percent or 4.7 million of our year-to-date expenses covered our base salaries and wages followed by Other Costs, which marked at 11 percent. So, the Other Costs includes dues, meal allowances, miscellaneous costs, registration and training, and publication, and subscription. This chart gives you a closer look of our year-to-date Total Gross Pay by Program. And as you can see, 40 percent or 706,000 of the total is for DMVL, and next top gross pay is from Real Property Assessment at 24 percent or 432,000. The chart here shown is our year-to-date Overtime Expenditures by Program and Accounts Program makes up 81 percent or 93,000 of the total and this is primarily due to the workday implementation. For the Administration Program, which consists of Director's Office, our main responsibility includes

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establishing policies and provides oversight direction and support for the implementation and review of policies and procedures for all five divisions. Since January 2019 when we took office, we had issued, updated policies for the following areas: procurement, travel, overtime, flex time, and leave without pay. And we also conducted a Department-wide training in February, which the focus was on customer service, and we were very thankful that our guest speaker that time was Mr. Glenn Furuya from Leadership Works. And we heard a lot of great feedbacks from the Staff so we're hoping that we're going to be able to conduct this type of training annually. And the Director's Office also provides interdepartmental/Countywide support including fiscal control, budgeting, economic and strategic planning, internal auditing, internal controls, and financial analysis. In Fiscal Year 2020, we added a new position for the Real Property Manager under the Director's Office, and we would like to thank this body for providing that expansion position for us. Just some update on this. We completed our consultation with the union in July and a reorg was approved in September 2019. Currently, we were provided by DPS with the Class Specifications for the Real Property Management Specialists series and it's being reviewed by our office. Part of this, we've also started doing scanning of all real property land management records electronically. In Fiscal Year 2020, we had also requested additional funding for training, which is allocated for the Internal Control Officer and the anticipated filling of the Real Property Manager. We had a planned GFOA Annual Conference; however, that was canceled by the event organizer due to the coronavirus issue. The Treasury Program consists of two sections primarily banking and investments, and the real property tax collection. It's responsible for cash management and investment and debt management. On July 1, 2019, the County actually started its contract with the third-party Administrator, which is FHN Financial Main Street Advisors. And for Fiscal Year 2020, we've conducted two Investment Committee meetings, one recent in February. This program is also responsible for preparing, mailing and collecting real property tax bills and other miscellaneous bills. For real property taxes, our total billed for Fiscal Year 2020 is at 369.7 million and we've collected 358.3 million or 97 percent based on the levied value. For Fiscal Year 2020, we had requested an expansion position for Revenue Manager as a result of the audit finding by the Moss Adams. We had completed our consultation with the union in October 2019, and the reorganization was approved in 2020, and we recently submitted the request to fill the position. Other updates regarding Treasury, we are planning for a General Obligation Bond Issuance for August/September timeline. We had already issued the RFP for the Municipal Advisor in December 2019. We received total of four bids, and we had awarded the bid but because we were still finalizing the contract, we cannot disclose the selected vendor at this time. We are also preparing for the RFP for the Bond Counsel. Moving on to the Countywide Cashiering System, I just want to thank this body again for providing your continued support and this initiative ongoing one Countywide Cashiering System. So, for Real Property Tax we are anticipating to go live on June 1st of this year. The Department of Water Supply we're currently

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working on integrating with the software, CC&B, and we've started that since last year. In addition to the Countywide Cashiering System, we are also exploring a one site online payment system for all utility bills and real property tax. For the Department of Environmental Management sewer, I mean, I'm sorry, the Solid Waste Refuse is actually online now so they have the ability to accept payments online and using credit card with a convenience fee. Moving on to our Accounts Division, which provides centralized accounting and financial reporting for all County operations. The Fiscal Year '19 CAFR was completed in December 2019 and for the Single Audit, which is due March 31st, we are working with the Auditor in finalizing that report. For the CAFR, we . . . there was a total of five audit findings of which one finding is a material weakness. The Accounts Division is also responsible for administering the County's accounts payable, fixed assets and payroll responsibilities. We process 61,000 paychecks for more than 2,500 employees and processes 31,000 accounts payable checks each year. Just an update on the new payroll system or Workday, all departments are now live. And I just want to give, take this opportunity to thank our Payroll staff and, of course, under the direction of Ms. Marci Sato as well as Department of Personnel Services and the IT for the diligent work in getting this. So, we are still, the Staff is still working on stabilizing the system and addressing issues that are reported. And, again, just want to say kudos to them. For the IFAS upgrade, we had completed the Business Process Review last month and we're waiting for the report, and as soon as we receive that report, our plan to upgrade to . . . migrate into the One Solution is no later than end of Fiscal Year 2021. For the Accounts Division, there was an added position in Fiscal Year 2020 and, again, we want to thank this body for providing us the support for the Accountant IV under the Payroll section. The consultation was completed early June of 2019, and the reorg was approved subsequently, and the position was filled in September 2019. There's also another position added, which is Accountant III and we're currently establishing the position description for this. Moving on to Purchasing, as you know, it administers all the purchasing and contracting activities for goods and services for the County. So, they provide technical assistance and advice relating to purchasing and contracting to all departments. And they process over 70 construction bids, 80 goods and services, and 20 RFPs annually. And they process over 14,000 requisitions, not including Water, on an annual basis. And over 25,000 pCard transactions with annual spending of 4.3 million. Just an initiative that they're working on is the electronic receipt of bids for construction projects. This gives the ability for the bidders to submit their construction bids electronically now. Moving on to Financial Services Program, which consists of the Division of Motor Vehicle and Licensing and the Real Property Assessment. So, I'm going to go and detail for DMVL. DMVL has seven service locations and, as you all know, the famous self-service terminals or SST has been really successful since its inception. And currently, we have service kiosks at these locations: Kahului DMV, Lahaina Safeway, Kihei Safeway, County Building, and the Wailuku Safeway. The new Kahului Safeway we're awaiting confirmation for the installation date, but I believe that they already received the machine. And

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now in addition to the motor vehicle registration renewals, the system also is programmed to issue moped registration renewals. So, kudos to Mr. Lito Vila and their staff for this initiative. And I just want to brag more a little about this self-service kiosk. As far as the number and dollar amount transactions for calendar year 2019, the system processed over 18,000 transactions in all five locations, which amount to 5.7 million. For DMVL in Fiscal Year 2020, we had requested and got approval for eight equivalent limited term appointment positions which are for DMVL Service Reps. And all positions have been filled. Just to remind you, this is the one relating to the Real ID Conversion Status. So, the LTA positions alone screened over 17,000 records and mailed out 15,000 RID duplicates by mail. As of March 2020, 76,000 or 60 percent of the total 124,000 license holders have now the RID star designation. Moving on to Real Property Assessment. So, the Real Property Assessment is primarily responsible for appraising and assessing all real properties, maintaining ownership records, administering various exemption programs, maintaining the County's GIS base maps, and establishes Tax Map Keys for parcels designated on GIS maps. And we have two service locations. Some of the initiatives that they've been working on - the tax maps file plans. So, they are being scanned and currently 80 percent completion. Their anticipated completion date is by April and this is to access the files in AX, which will be beneficial for both in-house and DSA staff. Next initiative is or training that they conducted is with CycloMedia in February and this is for staff utilizing the new Imagery software. They're also been working on the Field Mobile App with field tablets, which is currently in production and available for appraisal staff. They currently have three tablets for use and primarily for efficiency of data entry and image transfers anticipated. The next one is the paperless BOR hearings. It's in full effect and kudos to Ms. Marcy Martin and her staff for getting this initiative implemented. So, we are currently utilizing five iPads from ITSD to process the 2020 appeals. And this is for ease of setup and breakdown is anticipated for the staff. That's all that we have, Chair and we're here to answer any questions that you may have.

CHAIR RAWLINS-FERNANDEZ: Mahalo for going through that so quickly, Deputy Director. I'm going to take up first round of questions starting with Pro Temp Kama and then we'll work our way down. We can do like one question, one follow-up for the first round and then I can go back again. But just be mindful that it's 4:24. Okay. Pro Temp Kama?

COUNCILMEMBER KAMA: . . . *(inaudible)* . . . 4:30. Okay. I have no questions, Chair.

CHAIR RAWLINS-FERNANDEZ: No, if you have your questions, ask your questions.

COUNCILMEMBER KAMA: No, we'll wait till Budget.

CHAIR RAWLINS-FERNANDEZ: Okay. And if you would like, you know, the Committee to send written questions, please let me know. Okay. Member Sugimura?

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COUNCILMEMBER SUGIMURA: So, I'm having my Staff check on the Upcountry Foodland for the DMV recruit. I know we did it before, so I just want to follow-up on that. And then for the additional LTAs that we did with the star, do you still need them past this fiscal year?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TAGUCHI: Thank you. We just submitted our request to the Mayor's Office for the next upcoming budget and we're requesting for four to remain as on . . . for full-time and four others – one at each location to only be for half-year salary. So, it should be ending in October of '20. We don't know how much from then will be on but we're monitoring the situation but we're already proposing to knock four, one at each satellite to only one position for half-year funding. And that's being proposed through the Mayor and I'm not sure what his decision is so far, but we have a plan to cut it down.

COUNCILMEMBER SUGIMURA: Okay. We'll watch for that and then I'm glad that the staff person that you needed worked out. Yeah. Thank you.

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

COUNCILMEMBER PALTIN: Thank you, Chair. I just was wondering if all the departments are on the INovah like Parks and those?

MS. ALIBIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: So, currently, Parks Permits is not in INovah yet. And I believe they're getting ready to issue an RFP for their, it's not cashiering system but more like on the back end. So, we're in discussion and they do have a current contract with ACTIVE.Net. And that's the reason why they're exempted to this.

COUNCILMEMBER PALTIN: But all the other departments are on the INovah?

MS. ALIBIN: We're still working on it. There's still a lot. The major departments that we're working on is Real Property Tax, Water, and Solid Waste.

COUNCILMEMBER PALTIN: And then when you were saying about the online, would it be all on the same site or would it . . . it would?

MS. ALIBIN: Yes. Our intent is to have one website --

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COUNCILMEMBER PALTIN: Where you can pay all your County bills?

MS. ALIBIN: --where you can pay. Yes.

COUNCILMEMBER PALTIN: And then just how much is the convenience?

MS. ALIBIN: I'm sorry, Chair. I can't remember on top of my head. It's different rate for debit cards and then the credit cards . . . I believe it's 2.35 percent.

COUNCILMEMBER PALTIN: Oh, it's a percent rate, not a flat rate.

MS. ALIBIN: No, it's not. But, yeah, we can confirm that.

COUNCILMEMBER PALTIN: Okay. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Paltin. And just a reminder to turn off your mics when you are pau using it. Mahalo.

COUNCILMEMBER PALTIN: Oh, and I just wanted to say, good job, that was a lot of stuff you guys did. Thank you.

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

COUNCILMEMBER HOKAMA: Just one area for me this afternoon, Chair. I'm getting tired too, so my problem area is accounts. I going to tell you straight. For 20 years it's been a problem for me. So, one, even with all of this new toys we give you, no, not necessarily we give you or IT regarding IFAS, regarding Workday, I still see you get 81 percent of your overtime for your Department in Accounts. What's happening?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

COUNCILMEMBER HOKAMA: And don't tell me it's for GFOA or that kind of stuff. We do it every year.

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: So, Chair, historically, since . . . I have information since Fiscal Year 2019 our average expenditure for overtime for Accounts has been at about 80,000 a year.

COUNCILMEMBER HOKAMA: And why can't we do better? We give you positions. We buy new programs, software.

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MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Over the past fiscal year or at least until we took over office in January of '19 all of this overtime is being charged to the Workday account. It's not coming out of Finance. It's a budgeted account for Workday. And I know all of the Workday is being charged for Workday. It's nothing to do within Finance Department.

COUNCILMEMBER HOKAMA: Just anything on the system? Anything . . . who is working on this software program to implement it, it gets charged to this account overtime? So, if you work in IT or whatever and you're working on Workday you charge this?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: Chair, I believe it's budgeted in Countywide Cost for all Workday implementation related expenditures.

COUNCILMEMBER HOKAMA: And your Accounts Division is responsible for that?

MS. ALIBIN: Yes, Chair.

COUNCILMEMBER HOKAMA: Well, we'll see the Details when we dig in with you, Chair. But how long more we going wait until we get a completed implementation of what we've been paying millions for? This thing keeps nagging away like a bad stab. Thank you.

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

VICE-CHAIR KING: Thank you. Thanks for that presentation. You guys are doing a lot and it was very clear. My biggest concern is we gave you 12 positions and you have 17 vacancies, and when I added up the overtime it came to roughly 115,000 which is not 17 positions. So, just from a simplistic view it looks like you don't need 17 extra positions, but I don't know that for sure. I just have some concerns about . . . you know. And then with the kiosk I would hope that and maybe you don't need that many because with the kiosk it looks like you should be saving a lot of labor, right? People are going, I mean, that's a lot of money that a lot of . . . registrations are being handled electronically now so just can you kind of explain are you going to be asking for less positions next year or are you going to be asking for the same? Are you close to filling these 17 vacancies?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

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MS. ALIBIN: Chair, I have before you a report of our vacancy position. This is as of December 31, 2019. And let's see if I can make that bigger.

VICE-CHAIR KING: We can't see that.

MS. ALIBIN: So, those are the positions, the vacant positions are coming from DMVL. And, as you know, there's always change in the turnover in DMVL with the positions and also with the, in the Real Property Assessment. So, there's been a lot of musical chairs in that position. But, right now, we have about five vacant positions for the Property Assessment and seven for DMVL. We have been actively in recruitment so most of these positions shown here are actually, some of them have already been filled and then there's more vacant positions coming in.

VICE-CHAIR KING: Okay. But can you, can you just maybe speak to – are we saving any positions by going with these electronic kiosks for DMVL? Are we . . . can you do with a few less positions because we're doing so much electronically and assume that was kind of part of the purpose of going that way?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair. That is something that we gotta look at. We got a lot of the data coming back regarding the _____ kiosk. We got the eight LTA positions to handle that Star program by itself. Those eight positions within a year and a half would no longer be with us and that's why we asked for you, the body, as an LTA so when it's completed it will be off our books. But for sure, technology is taking place of the later part but we're not, we're not cutting positions but we're definitely using technology as a way of moving forward that government doesn't expand using technology. As far as the other . . . we have two positions that are vacant right now because we just can't get it pass DPS in the review process and that kind of takes time. It's not blaming DPS, but that portion takes time. As far as Real Property, we had movement from even including myself there's a person that moved up – Marcy Martin took the Administrator. Then another person took her position so there's some musical chairs in that sense. But we also have couple positions – an appraiser left the County so that created a vacancy, and that position is being reallocated. The reallocation process is not the simplest in a sense that it takes several months for DPS to go through the process of down grading it and there's paperwork involved. So, all of those positions that I mentioned right there, including the Clerk III, believe it or not it's been very difficult to get a Clerk III or . . . (*inaudible*) . . . list. There's not many people applying and by the time we get to them sometimes they already either got a job or don't want the pay. So, some of those things are sight cyclical. We always get that situation when we get entry positions. When they find out their pay, sometimes they just don't like it and they turn it down or we don't get applicants.

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VICE-CHAIR KING: Yeah, I wasn't, you know, I understand that, you know, it's difficult right now especially with low unemployment. But, no, my concern was do you need all these positions given the fact that your overtime is like 115,000 which is, you know, basically maybe two positions and you have 17 vacancies that's well over a million dollars' worth of positions. So, that's why I'm just like wondering if you're taking a look at how many positions you really need if we can get by without because we gave an additional 12 positions last year. But we have 17 vacancies. So, you just, you know . . .

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Well, I can assure you, Member King, a lot of our overtime is primarily coming all from the Workday project. And that, at some point, it's gotta end. So, it's not any other program that's eating overtime. Lot of times at the DMV they just have to stay open because they have people in their office and they gotta work overtime.

VICE-CHAIR KING: No, I'm not, I'm not criticizing the overtime. I'm just saying it doesn't really balance out with the 17 positions that were vacant. So, that's why I'm wondering why. It seems like there would be more overtime if we really needed those 17 positions. That's all I'm asking.

MR. TERUYA: Yeah, not a problem. It will be addressed this fiscal year when the WorkDay project kind of resolves. Sorry.

VICE-CHAIR KING: Okay. And you feel like you'll have those positions filled and they are all needed?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: We always hope to fill all of our positions as soon as we can. Every single one in recruitment is trying to be as fast as we can. Sometimes we just don't have to but we need to make that happen.

VICE-CHAIR KING: Do you expect to be asking for more positions?

MR. TERUYA: Right now, we are asking for positions in different areas. Some maybe Ms. May Anne Alibin able to explain in regards to the audit findings. So, I'm not sure if you want to go over that.

CHAIR RAWLINS-FERNANDEZ: Right now, we're just looking at FY '20.

MR. TERUYA: Pardon me. Sorry, Chair.

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CHAIR RAWLINS-FERNANDEZ: So, I'm sorry to put you on the spot too, you know, before the Mayor's budget is proposed. So, we're only asking about FY '20 and not FY '21.

VICE-CHAIR KING: Okay. Yeah, it was kind of in relation to all these vacancies.

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Just two quick questions. First, any events that Intel is to when the budget will be sent to Council. Will that be by the, on the 25th on or about?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: My understanding is March 25th.

COUNCILMEMBER MOLINA: March 25th. Okay. And the other question relates to the Red Star designation. Recently, I guess you have to have that star on your license by October especially for travel purposes. I recently had mine done and it was a \$12.00 fee. Now, when my license actually expires or prior to, how much will that fee be now?

CHAIR RAWLINS-FERNANDEZ: I think it's like \$80.00.

COUNCILMEMBER MOLINA: . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Eighty.

COUNCILMEMBER MOLINA: Close to 80? Yeah. Yeah, okay.

CHAIR RAWLINS-FERNANDEZ: To renew. The duplication was \$12.00, and renewal is like \$80.00.

COUNCILMEMBER MOLINA: All right. With that being said, \$80.00 just in case anyone from the public ask why the, you know, increase.

CHAIR RAWLINS-FERNANDEZ: The increase in the renewal?

COUNCILMEMBER MOLINA: Yeah, with the renewal. Why is it . . . it goes to \$80.00, yeah.

CHAIR RAWLINS-FERNANDEZ: Uh-huh.

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MR. TERUYA: Chair, in the matter we can't find it right now, but we'll get the answer back to you.

CHAIR RAWLINS-FERNANDEZ: Okay. We can request the information in writing.

COUNCILMEMBER MOLINA: Okay. Yeah, I can wait for the answer. No problem.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Real quick. You know, you mentioned that the GFOA Conference was cancelled due to COVID-19. And I was just curious if the Administration has kind of addressed the departments about being more prepared for COVID-19. It was just a general question. I don't know if his budget might, when we get his budget, it might show maybe some shifts within the department. I was just curious if the department had anything from upstairs?

CHAIR RAWLINS-FERNANDEZ: Yeah, I think that will be FY '21.

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: And then we'll see that one is proposed.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Really quickly. I just have a few questions, follow-ups. So, first, I wanted to thank the Finance Department – May Anne and Ms. Marci Sato for helping to get the business process going and operating IFAS and working with our EDB Committee in getting software to help us with our budget. For the Star program, the new EPs the intention of increasing the fee for a duplicate was to pay for the LTAs. Did that work out as far as the amount that was collected from the increase of the duplication fee and paying for the LTAs?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: I don't have that analysis --

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CHAIR RAWLINS-FERNANDEZ: Okay.

MR. TERUYA: --in front of us. I can get back to you.

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. TERUYA: But I would like to add that it's a \$10.00 annual fee so if you have an eight-year license, it's \$80.00 in regarding to Mr. Molina's question.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Mahalo for that information. And then, for the . . . Member King was asking about the vacancies. How many of the new, the expansion EPs is part of those vacancies? And if you don't have that information, I can request it in writing too.

MS. ALIBIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: Currently, we have three vacancies relating to the expansion positions so the Real Property Manager under the Director's office, the Revenue Manager under Treasury, and for the Accountant III under the Accounts Program.

CHAIR RAWLINS-FERNANDEZ: Okay. Great. Mahalo. And then for the kiosks I see that the County building there was only ten transactions. Any clear why as far as, you know, was it . . . is it just because it recently got installed?

MS. ALIBIN: Chair, we believe that there's really not going to be a lot of transactions at the County. It's more for a convenience for those, for one, for employees located here and also for some that are, you know, customers that are paying their water bill. So, we don't really anticipate a lot of transactions at the County. It's just one of those initiatives that the Mayor had asked us to consider and the vendor was happy to provide us.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that information. And then the last question is regarding the Single Use Audit. Mr. Taguchi said that it would be completed and transmitted to the Council by this Friday. I just wanted confirmation from your Department that that would happen this Friday.

MS. ALIBIN: Chair, yes, so I have . . . Ms. Sato just provided the draft of findings for my review today so as soon as I get that reviewed, we should be good.

CHAIR RAWLINS-FERNANDEZ: Great. Mahalo, Deputy Director. Okay, Members. Member Hokama?

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COUNCILMEMBER HOKAMA: I just have one in regards to this year's budget, Chair. To the Director, you have any indications or financial heads up from banks, credit unions, insurance companies, State, anything that you see is giving you some kind of indication varying cash flow for this County, impacts on our collections, and cash flow? Anything at this time that we should be at least aware of to make appropriate plans and adjustments?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair. Well, for certain, we know interest rates are not doing really good right now. So, for our third-party investments the interest rates have been going down. On Wednesday, this Wednesday there is a Council on Revenues presentation at the State DOTAX that myself and the Mayor is planning on attending to see the impact. Just in my opinion, I don't think in the near future it would be really affecting the County. We know for certain that it would be crashing right now as far as visitor counts and things on the hotels. But as far as revenue wise I don't see any immediate concern but there will be maybe in the future. I know the TAT is based on a number. It's not based on a percentage. So, you know, in that sense, you know, we're not per se going to lose a lot but there will be impacts. Right now, I think until we get that presentation to be kind of little premature to make that opinion. But I think for right now the immediate future I think we're okay for now.

COUNCILMEMBER HOKAMA: So, even with adjustments with oil with our Franchise Tax revenue components and everything else we're okay at this point in time?

MS. ALIBIN: Chair?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: Based on our review of the half year collections with the Budget Director most of our anticipated revenues for Fiscal Year 2020 is pretty much online. We don't anticipate any decrease, major decrease. The only thing I can think of on top of my head is relating to Solid Waste and as well as some Highway Fund.

COUNCILMEMBER HOKAMA: Uh-huh. Uh-huh.

MS. ALIBIN: In addition to what Director Teruya, we do anticipate on the earned interest for our investment purposes we would, given this coronavirus issue, we've actually have like three calls that's scheduled this week. So, our projected . . .

COUNCILMEMBER HOKAMA: That's like margin calls?

MS. ALIBIN: Yes.

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COUNCILMEMBER HOKAMA: Okay.

MS. ALIBIN: So, we . . . but at the present, we have no problem with liquidity.

COUNCILMEMBER HOKAMA: That makes me happy. So, what are you telling us – put our money in gold? ‘Cause looks like oil is not the place to go. So, any changes in our assessment values we should be concerned about with recent sales?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: We are close to you receiving the assessment notices that are going out in March 15th. As of presently, it looks like we are on par. I don’t think the assessments are going down as of yet. I think you know interest rates are very low so there’s a lot of refinancing going out there. There’s opportunities for people to purchase but then again if there’s anything available, right. You know, so in that sense with interest rates doing well I consider right now a good time to borrow. As far as the near future with the assessments, I don’t think we’ve seen any negative impacts so far for this upcoming fiscal year. What happens from now till the next fiscal year may be different. But as of right now, we’re looking pretty good for the upcoming fiscal year, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director.

COUNCILMEMBER HOKAMA: Good. I’m looking at one parcel minus 5 percent already, Mr. Teruya, and I don’t think I’m that far off. Thanks, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Okay. Let’s thank Director and Deputy Director for being with us. Thank you so much for being here overtime. Members, if there are no objections, I will defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. Any last comments or questions? If not, I’m going to adjourn this meeting. It’s 4:47 on March 9th and Economic Development and Budget Committee is now adjourned.

ACTION: DEFER pending further discussion.

ADJOURN: 4:47 p.m.

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APPROVED:

Keani Rawlins-Fernandez

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

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Transcribed by: Jo-Ann Sato

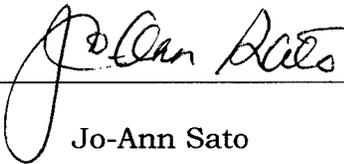
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CERTIFICATE

I, Jo-Ann Sato, 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 28th day of March, in Pukalani, Hawaii



Jo-Ann Sato