

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE
Council of the County of Maui

MINUTES

April 30, 2020

Online Only Via Blue Jeans

RECONVENE: 10:15 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly Takaya King, Vice-Chair
Councilmember Riki Hokama, Member
Councilmember Tasha Kama, Member
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member
Councilmember Tamara Paltin, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF: Shelly Espeleta, Legislative Analyst
Lesley Milner, Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Ana Lillis, Legislative Analyst
David Raatz, Supervising Legislative Attorney
Richard Mitchell, Legislative Attorney
Yvette Bouthillier, Committee Secretary

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

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

ITEM 1: PROPOSED FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI (CC 20-56, CC 20-114, and CC 20-229)

CHAIR RAWLINS-FERNANDEZ Aloha kakahiaka kākou. Will the Economic Development and Budget Committee please return to order. It's April 30th at 10:15 a.m. and I'm calling to order the reconvened meeting of Friday, April 24, and Monday April 27. I'm the Chair of this Committee. I'm Keani Rawlins-Fernandez, and we have with us this morning our Committee Vice-Chair, Kelly King.

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VICE-CHAIR KING: Aloha kakahiaka, Chair, and fellow Members, and an early Happy Birthday, hau`oli lā hānau to Member Molina. Since we won't be meeting tomorrow, it did pop up on all of our screens. So, I hope you have a *very good day*. . nice day off.

COUNCILMEMBER MOLINA: Thank you. Nice surprise, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King, and hau`oli lā hānau, Member Molina.

COUNCILMEMBER MOLINA: Mahalo, thank you.

CHAIR RAWLINS-FERNANDEZ: Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka kākou mai Maui hikina, and hau`oli lā hānau e Mikaela. Aloha.

COUNCILMEMBER MOLINA: Mahalo, Councilmember Sinenci.

CHAIR RAWLINS-FERNANDEZ: Aloha, Member Sinenci. The early birthday boy, Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha kakahiaka, Madam Chair. Greetings and blessings to you, my colleagues, members of the public from paniolo country in Makawao and mahalo for the birthday greetings. I'm just glad to be alive. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. And I'm so happy we'll be able to give you your birthday off. Aloha.

COUNCILMEMBER MOLINA: Thank you for that too.

CHAIR RAWLINS-FERNANDEZ: It's an early birthday present. Council Chair Lee, Alice Lee.

COUNCILMEMBER LEE: Madam Chair, we say in Persia sobh bekheir. And to Mr. Molina, I would like to wish you a happy 39th. I know you're two years older than me. But, you know, we're getting up there. And you know what? You can golf this weekend if you want to. Happy birthday.

COUNCILMEMBER MOLINA: All right, I'll see you on the golf course.

CHAIR RAWLINS-FERNANDEZ: Member Riki Hokama.

COUNCILMEMBER HOKAMA: Aloha, Chair, good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka kākou. Me hau`oli lā hānau, Member Molina.

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COUNCILMEMBER MOLINA: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good morning, everybody, from Upcountry. Mike Molina, we'll stop by your house and we'll pick up our cake from you and we'll drop off cake. Happy birthday.

COUNCILMEMBER MOLINA: Okay. Looking forward to it.

CHAIR RAWLINS-FERNANDEZ: And Pro Tem Tasha Kama.

COUNCILMEMBER KAMA: Good morning, Chair, and a very blessed birthday to you, Mike. God bless you, and God keep you that you can continue to be the man that he put you there to be. God bless you, Mike. God bless all of us today from beautiful Kahului.

COUNCILMEMBER MOLINA: Mahalo, Tasha.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And from Corporation Counsel, we have Deputy Corporation Counsel Mimi Desjardins.

MS. DESJARDINS: Good morning, everybody.

CHAIR RAWLINS-FERNANDEZ: Good morning. From the Office of the Mayor, Budget Director, Michele Yoshimura.

MS. YOSHIMURA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning, and our Committee Staff, Committee Secretary Yvette Bouthillier, Legislative Analysts, Shelly Espeleta, Lesley Milner, Kasie Apo Takayama, and Ana Lillis. We have three items on today's agenda, EDB-1, Proposed Fiscal Year 2021 Budget for the County of Maui, EDB-6, Contract Negotiations and Cost Item Proposals, and EDB-77, Amending the Fiscal Year 2020 Budget: Department of Police (Wailuku Fire Station...Wailuku Police Station Fuel Tank Replacement). As a reminder to the general public, public testimony is closed. We received public testimony on Friday, and this is a reconvened meeting. You may still submit written comments to edb.committee@mauicounty.us. The Chair's plan today is to discuss the following remaining components of the Fiscal Year 2021 Budget in this order, Revenues and Expenditures, RPT Rates, Minimum Tax, Circuit Breaker, the Circuit Breaker Bill, Emergency Fund, OPEB, Amendments to the General Budget Provisions, and then we will vote on the Budget Bills. Okay. So, we're waiting on a few more pieces of information that I think will be critical in our decision making this morning. We do have to; we have a deadline of noon today to post the RPT rates. And so, we do have, that's why we're starting with RPT because we have to get the posting docs up by noon. So, we'll take a quick recess to check on the documents so that everyone has it before we start, we continue moving forward. Okay. Any objections, Members?

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COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members.

VICE-CHAIR KING: Give us a . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: It's 10:20, I think Staff said that it's getting uploaded right now. So, we'll just do ten minutes. So, we'll reconvene at 10:30. It's 10:21 and the Economic Development and Budget Committee is now in recess. . . . *(gavel)* . . .

RECESS: 10:21 a.m.

RECONVENE: 10:42 a.m.

CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)* . . . Will the Economic Development and Budget Committee please return to order. It's 10:42 on April 30th. All right, so Members now have all the documents that we need to complete our decision making this morning. Are there any questions for the plan for today as far as the order that we'll be taking things up? So, Expenditures, and then the Revenue spreadsheet, RPT, Minimum Tax, Circuit Breaker, Emergency Fund, OPEB, Amendments to the General Budget Provisions, and then we'll be voting on all the bills. Okay. So, if you'll recall at our last meeting on Monday night, we went through the entire Exhibit "1" and made the necessary corrections. Those corrections included, including other non-substantive revisions were incorporated in a further updated version of Exhibit "1" that was transmitted to EDB and it's item 122, I think it was...item 125 is Exhibit "1". So, really quickly, Committee Vice-Chair King's office sent the Committee a proviso for the South Maui Economic Development, Environmental and Cultural Programs Funds, and the e-mail that was sent yesterday to the EDB Committee with the following language, Councilmember King would like to keep the balance of funds open to fund a phase II project for North Waipuilani Beach Park after we receive a report on the phase I project grant for this location. Please do not allocate any funds without checking with our office first for funds coming from our Fiscal Year '21 allocation of \$140,000. Because the project is not yet defined, we recommend that proviso language not be included in the budget at this time. Committee Vice-Chair King?

VICE-CHAIR KING: Thank you for that. It's not so much that it's not defined, it's just that we wanted to make sure that phase I did what they were supposed to do before we went into phase II. So, just trying to be responsible with this particular project.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Okay. So, we'll first, Ms. Milner, bring up the expenditure's spreadsheet, that's the green one. That's the one that looks like this, Members. Yeah, that's the one. Well, I guess if you all have it printed, then we can just ask Ms. Milner to prepare to share the revenue spreadsheet. And then, I'll just quickly direct everyone to the expenditure's spreadsheet, and at the bottom you'll see that we reduced the overall total from the Mayor's Budget by \$53,017,101. And then, we'll go to the Revenue spreadsheet.

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MS. MILNER: Sorry, Chair, I grabbed the wrong screen, it'll be up in just a second.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Okay. So, we'll start at the top. And so, the top half of what you have in front of you shows the revenues that was projected by the Mayor. So, that's what we received in the proposed Budget. In property taxes, the circuit breaker, and then, all the different special revenues, charges for current service, the TAT, the licenses, the fuels, and we'll go down. So, we made adjustments to the revenues and we'll go to charges for current service first. Charges for current service, we expected a shortfall of \$1 million per month for five months from the Water Department. And we also expect, or want to prepare for, a shortfall of \$800,000 a month for the Solid Waste Fund, and \$1.8 million a month for Sewer Fund. And we can discuss this, but my thoughts was that we would keep it, since Water is expecting five months, that I would use the same five months for Solid Waste, and Sewer. And so, for five months that came out to \$4,198,000 for Solid Waste, and for five months for the shortfall of \$1.8 million per month for Sewer came out to \$9 million. Below that is the Transient Accommodation Tax for \$23,484,000, and we discussed zeroing that out. Yesterday we, Staff uploaded the Governor's Sixth Proclamation announcing that TAT distribution would be suspended until May 31, and that's the length of that proclamation for now, and it could be longer. Below the TAT we have the Fuel and Franchise Tax, and that is the \$4.9 million in Highway Funds that we anticipate. So, we will go above, so, in the, so, we can, all of this is, you know, we can discuss this. But in trying to run the numbers to figure out how to adjust for potential shortfalls, above for the adjustment for certification and increase for minimum tax and adjustment to rates. So, in the rates that we'll look at next, which is the proposed rates, it adjusts for these shortfalls for \$5,044,166, and the minimum tax for that will be approximately \$2,689,102, yeah, perfect. So, that's the projection right now. And, okay, so, and then, go to the bottom for the totals. Okay. And then, okay, and then, you'll see a disclaimer that the FY '21 did make adjustments for the potential shortfall of 3., sorry, of the Planning permits. And after adjusting for Carryover/Savings, the Sewer Fund is short \$1,626,399, and Solid Waste is short \$3,949,979 which we'll need to do a supplemental transfer from General Fund in Countywide in order to account for that. And, you know, because the Budget wasn't challenging enough, we got another curve ball this morning, which is not shown on this spreadsheet because we just... it just came to our attention minutes ago. You can stop sharing, Ms. Milner. So, we just learned that the rental car companies may be sending some of their rental cars away from Maui County. And so, there's a total of 22,000 rental cars. We don't know how many rental cars will be leaving Maui County. And each car contributes \$115.50 in weight tax which goes to the Highway Fund, \$25 each car for disposal fee that goes to the Disposal, the Vehicle Disposal Revolving Fund, \$2 a vehicle for the Highway Beautification Revolving Fund, and \$20 per vehicle for registration, which goes to the General Fund. Up for discussion is how much we want to project, how many cars we project will be going. We don't have a certain number. So, if we went with half, so 22,000 vehicles and half of that is 11,000 times \$115.50 for weight tax is \$1,270,500 less in Highway Fund, \$275,000 less in the Vehicle Disposal Revolving Fund, \$22,000 less in the Highway Beautification Fund, and \$220,000 less in General Fund from registration. Okay. So, we can first discuss the

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revenue spreadsheet as was presented. Does anyone have any objections to using the same five-month projected shortfall that Water used for Solid Waste and Sewer?

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR RAWLINS-FERNANDEZ: Okay. Any objections to making TAT zero?

COUNCILMEMBERS VOICED NO OBJECTIONS

CHAIR RAWLINS-FERNANDEZ: Okay. All right, and now for the rental cars, any objection to using 11,000 as the number of vehicles?

COUNCILMEMBER LEE: No objection.

COUNCILMEMBER KAMA: No objections.

VICE-CHAIR KING: Chair?

COUNCILMEMBER SUGIMURA: I think a good guess.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Thank you. Do you have a total with all the fees and taxes on what that 11,000 cars is going to . . .

CHAIR RAWLINS-FERNANDEZ: Yeah, I just outlined them.

VICE-CHAIR KING: You don't have a total for all of that?

CHAIR RAWLINS-FERNANDEZ: Well, it comes out of different funds. So, we would have to adjust in each fund separately.

COUNCILMEMBER PALTIN: About like 1.7 total, yeah, 1.78 million?

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER PALTIN: I had a question.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: You know, in the second sheet that was up on the screen share, was that the expenditures one?

CHAIR RAWLINS-FERNANDEZ: The green...

COUNCILMEMBER PALTIN: At the bottom.

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CHAIR RAWLINS-FERNANDEZ: The green one was the expenditures.

COUNCILMEMBER PALTIN: Oh, the revenues one I guess then.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER PALTIN: The disclaimer part at the bottom where it says, total of 3.5 for the March 21 Fiscal Year '20 4.09 million was connected for LUCA, Administration adjusted for a potential shortfall for Fiscal Year '21 of 3.5 mil, and then, the Sewer Fund and the Solid Waste plus the rental cars is the total that we're below approximately 10 mil? Is that what you gotta do? You gotta add up the shortfall for the LUCA, Sewer Fund, Solid Waste, and rental cars?

CHAIR RAWLINS-FERNANDEZ: No, so, the shortfall was already adjusted for.

COUNCILMEMBER PALTIN: Oh, this one is already adjusted for?

CHAIR RAWLINS-FERNANDEZ: Yeah, for --

COUNCILMEMBER PALTIN: Just the...

CHAIR RAWLINS-FERNANDEZ: --the LUCA, what Finance Director told us on Friday I think or Monday, I can't remember, that when Member Hokama asked if there would be any shortfalls in the amount of revenue we get from permits, Director Teruya let us know that they already adjusted for that, and that they had collected \$4.09 million in March, on March 31 of this year. And so...

COUNCILMEMBER PALTIN: This note is just that it's our, this stuff has already been taken care of, it's just the Highway Fund like \$1.78 in all those different funds that's not taken care of yet?

CHAIR RAWLINS-FERNANDEZ: Yes. So, the LUCA was already taken care of, and then, the Sewer Fund, and the Solid Waste we still have to adjust for in supplemental transfers.

COUNCILMEMBER PALTIN: Okay. But we didn't, did we account for it that we would supplemental transfer it out of the General Fund or we didn't?

CHAIR RAWLINS-FERNANDEZ: No, not yet. So --

COUNCILMEMBER PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: --we need to discuss rates and how much we would need to generate in property taxes for General Fund so that we have enough to transfer for the two shortfalls for the Sewer and Solid Waste shortfall, and now the rental car, potential rental car shortfall.

COUNCILMEMBER PALTIN: So, do you want...

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CHAIR RAWLINS-FERNANDEZ: Member Hokama? Sorry, Member Paltin? Go ahead.

COUNCILMEMBER PALTIN: I just was saying if like now you wanted us to make a motion to address that, or not there yet?

CHAIR RAWLINS-FERNANDEZ: Oh no, we're not there yet.

COUNCILMEMBER PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: So, we'll address that in the amount of, in when we set rates. So, in order to generate enough revenue from General Fund, in General Fund from Property Taxes to cover that, I think like \$5 million in shortfall. So, we would have to generate more taxes to cover that and to cover the TAT being zero. Okay. Okay. Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. I would hope the Committee is, would still look at the other option as well, Chair, which is we're going to consider raising the fees in Solid Waste and Sewer. We cannot just have General Fund be the, carry the total burden of these Special Fund programs to, you know, to deal with interfund transfers. So, I would hope that we look at the fee structure, especially for those areas that get no service out of these two programs. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Okay. Ms. Yoshimura, if we were to play with the rates and...adjust the rates and fees for Sewer and Solid Waste, would we be able to get numbers in real time from someone?

MS. YOSHIMURA: Chair, yes, I could call Director Nakagawa. I think Wastewater, they have a rate model, they'll run that through, and then, Solid Waste we can also do the calculations. So, if you want him to be on standby, we can have him be on standby.

CHAIR RAWLINS-FERNANDEZ: Do you know how long it would take for the model to come out with adjustments?

MS. YOSHIMURA: I don't know, but I can check with him and let you know. The Solid Waste Fund shouldn't be too hard or too difficult. It'll just be the tonnage that they anticipate receiving multiplied by the rate that you want to use at the landfill. And then, I think the number of accounts they use for residential refuse collection is like 25,000 accounts. So, that multiplied by the rate you want to charge per month.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Yoshimura. Okay. 'Cause I know that to do the RPT, it takes about a half a day for all the numbers to come back to us. So, do Members want to look at adjusting Sewer and Solid Waste rates to cover the shortfall?

COUNCILMEMBER LEE: Yes.

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COUNCILMEMBER SUGIMURA: Yes.

COUNCILMEMBER PALTIN: At least Sewer for sure.

COUNCILMEMBER MOLINA: Yeah, let's look at it.

CHAIR RAWLINS-FERNANDEZ: Okay. Do Members want to go and look and come up with proposals?

COUNCILMEMBER PALTIN: For Sewer. I don't know, Solid Waste is hard I think to come up with the whole shortfall but maybe a combination. Member Sugimura had a question.

CHAIR RAWLINS-FERNANDEZ: So, we can...Member Sugimura?

COUNCILMEMBER SUGIMURA: So, I would like to hear from the Department and then we could look at comprehensively what we're talking about. I mean, I'm curious to see what Director Nakagawa has, can tell us and then we can decide.

CHAIR RAWLINS-FERNANDEZ: Okay. It looks like Ms. Yoshimura is trying to get a hold of him now. So, if Members will pull up...oh, Member Sinenci?

COUNCILMEMBER SINENCI: Just if we could see some of the Department of Water Supply, that rates that they had already come up with.

CHAIR RAWLINS-FERNANDEZ: So, we're not going to be looking at Water. We're going to look at Solid Waste and Sewer.

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. So, you can find those in your, I think it's Appendix B for the rates and fees. Okay. So, we'll take a quick recess while we get Director Nakagawa on, and, Members, go and look at your rates and fees and see what it is that you would be comfortable proposing since it'll be an increase to Sewer and Solid Waste. Okay. It's 11:05, we'll just do ten minutes and we'll reconvene at 11:15. Okay. So, it's 11:05 on April 30th and the Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS: 11:05 a.m.

RECONVENE: 11:41 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . It is 11:41 on April 30th. And while we wait for the additional information needed to move forward on RPT, we can discuss amendments to the General Budget Provisions, and that's item 124 on Granicus. On Page 38 of the document, there's a new section 25 and 26. Section 25, Legislative Intent, unless stated otherwise, the Council's intent is for each appropriation to be expended in the Mayor's good faith exercise of management authority. If an

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appropriation will not be expended, the Council's intent is for the Mayor to propose a Budget amendment within a reasonable time so that the appropriation does not lapse to allow the funding to be reallocated. And Section 25, Reporting on COVID-19, the Mayor or the Mayor's designee must submit a written report at least monthly to the Council standing committee with jurisdiction over the County Budget on the Administration's response to the COVID-19 epidemic, including the status of efforts to obtain funds and financing under State and Federal programs. Okay. So, we can, we'll take up Section 25 first. The intention with adding this section was to ensure that the Members' proposals that's included, that there would be communication from the Administration so that if any of the items that the Council put into the Budget if you know there's a good reason for the Administration not being able to move forward on the projects that Members put into the Budget that the Department would communicate to the Council, you know, what the challenge has been, and you know, if that funding could be reallocated to something else then, you know, we could be open to that. But primarily, the intention behind this Section 25 is to encourage more communication. And I thank the Administration for the communication that they did provide in this last Fiscal Year. Okay. So, Members, does anyone, would anyone like to share comments on that? Is it something that the Members would like to add? Member Sinenci?

COUNCILMEMBER SINENCI: Chair, yes, I'm supportive of Section 25. You know, in the last Budget, you know, sometimes, and whether it be the Department didn't have time, or they were too busy to do some of the things, some of our proposals didn't get done. So, I think by letting us know ahead of time that we could somehow redirect the funding into something that'd be more feasible. So, I'm supportive, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Committee Vice-Chair King followed by Member Hokama.

VICE-CHAIR KING: Well, pretty much Mr. Sinenci outlined my support. So, I just wanted to thank you for putting this paragraph in because it's very expressive of the Council's desire to have these things funded. Thank you.

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

COUNCILMEMBER HOKAMA: Thank you very much, Chair. I understand the proposed, the intent. So, for Ms. Desjardins, my concern is are we getting close to crossing the line between the Administration and the Council regarding authority over the Executive Branch? Is the Council close to overreaching?

MS. DESJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Desjardins, and we also have Mr. Raatz and Mr. Mitchell on the line. Ms. Desjardins?

MS. DESJARDINS: So, I'm looking at the Charter, Section 9-11 which addresses what happens to the lapse of appropriations, and it does provide that an appropriation will

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lapse by the close of the fiscal year if it hasn't been expended or encumbered by contract. So, the Charter controls what happens to these funds that are appropriated. When I read Section 25, as long as it is aspirational in nature but not mandatory, I understand that seems to be what you're asking for. But as long as it's clear that the Charter has total provisions about for example, transferring lapsing funds by reso within a department or transferring lapsing funds by ordinance between departments. So, there's plenty of language in there that already controls this, I think. But as far as your aspiration in Section 25, I'm okay with it as long as it is aspirational. Thank you.

COUNCILMEMBER HOKAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Desjardins. Mahalo, Member Hokama. Okay. Members, any other questions, or comments about Section 25? If not, I'll ask for consensus.

COUNCILMEMBER KAMA: Wait, question, Chair, Chair, Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, Pro Tem Kama, sorry.

COUNCILMEMBER KAMA: Thank you, Chair. So, I was just reading the, I guess maybe the last line that says, if an appropriation will not be expended, and then it continues with the Council's intent, so, how do you determine if the appropriation is the will and just not because of anything else? I mean, to me it would sound better if it said if an appropriation is not expended as opposed to will not be. It sounds like I willfully do not want to do this, and therefore, and then the Council's going to say you didn't want to do it. I mean, I don't know if that's potentially possible to say because I don't know what your will is. But to me it just sounds, it would be a better piece of legislation if it just said if it wasn't expended, and then we can continue with what our intent is. But that's my comment, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Pro Tem Kama. And then, I'll just, I'll cite the Kihei Sewer expansion as an example, we appropriated 7.5 million and there weren't any planned projects. But Department of Environmental Management did their best in trying to find projects to use that funds for, and then they came to Council and explained and, you know, we supported that and that, you know, that was something that I think the Council really appreciated. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Can we get an interpretation from either Mr. Raatz or Mr. Mitchell?

CHAIR RAWLINS-FERNANDEZ: Mr. Raatz?

COUNCILMEMBER MOLINA: Basically, the same question that Member Hokama asked Ms. Desjardins from Corp. Counsel.

MR. RAATZ: Thank you, Chair and Councilmember Molina. We agree with Corporation Counsel's viewpoint. I mean, the Mayor...and with Councilmember Hokama pointing

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out in the Charter that the Mayor has the ability during the fiscal year to control the Budget. But we thought language like this on intent would be advisable partly because of the County Auditor's recommendation that the County Council in adopting the Budget ordinance needs to be as clear as possible to provide direction to the Administration. So, this is to reflect the Council's viewpoint that an appropriation is in fact an ordinance that is meant to be executed. Each appropriation does have legal effect and it's a legal directive. And if the Mayor in his judgment as managing the County's finances sees that a particular appropriation will not be executed, then there's a direction to come back to the Council for reallocation of funding. Ultimately, it would be hard to strictly enforce this direction. But again, it's just a concept based on the Auditor's advice largely to provide direction. Thank you, Chair.

COUNCILMEMBER MOLINA: Thank you, Mr. Raatz. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Raatz. Mahalo, Member Molina. Okay. Anyone else have any questions or want to speak to Section 25? If not, I'll ask for consensus.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay. And then, for Section 26, I thought in adding a, put a Budget provision that would communicate to the Mayor the hope that the Administration would report to the Council since in this Budget Session we never really had too much information. And the Administration didn't have too much information to share because there's so many uncertainties when it comes to the CARES Act and how much funding our County would get, and what the conditions would be, and what it could be used for. So, just to ensure that there's, you know, that communication from the Administration on the funding that would be used for FEMA, for CDBG, and, you know, I think that would be helpful for us moving forward so that we are on the same page. Anyone have questions on Section 26 or comments? Okay. All right, if not, I'll ask for consensus.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. Okay. So, on the rest of the Budget provisions there were just non-substantive changes made. Do Members have any comments on the rest of the provisions? Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you. Two things, one, Section 18 I noticed you're proposing some new language and some, I guess, styling revisions. I'm wondering, did our bond counsel give guidance because bond counsel is the one that wrote this language for us previously. So, I'm just wondering if the new proposed language has any impact as we move forward to a potential bond float this coming fall?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama.

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COUNCILMEMBER HOKAMA: Yeah, I don't know if Mr. Teruya can give you comment or anything, Chair?

CHAIR RAWLINS-FERNANDEZ: Okay. I can call Director Teruya. I'm not sure if he read the revised language. Director Teruya, did you get an opportunity to review Section 18 of the General Budget Provisions as amended? Oh, you might be muted, hold on, let's see if I can unmute him. Okay. Director Teruya?

MR. TERUYA: Okay. Chair, I'm unmuted.

CHAIR RAWLINS-FERNANDEZ: Okay. Good.

MR. TERUYA: Good morning, Chair and Members. I have not had the opportunity to see the amendment. I will open it up. I was just forwarded it from Budget. So, I will take a look at it and forward it on to bond counsel for review and comment, Chair. Thank you.

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

COUNCILMEMBER HOKAMA: Yeah, that's my only concern, Chair, that again, I know we crafted the existing language from our bond counsel. So, again, I just ask that in the measure of ensuring that we can go forward with the borrowing, proposed borrowing, Chair. So, that's my area of concern with that new language. The second one, I can move on, Chair, the second, my only second one that I wanted to ask you and the Members to consider is I sent a proposal, an amendment this morning to the Members so I don't know if you folks have received it. It would be a proposal to amend Section 7 of the General Provisions of the Budget. And under Section 7 it's the A, B, C Accounts, and my proposal is during this period of the virus as we allowed ourselves some flexibility, this is my proposal, "if the disbursement is within the program and category of use for which it was appropriated, public health and safety for the County of Maui, appropriations for each program may be disbursed for the following categories of use A, salaries, premium pay, or reallocation pay, B, operation services and equipment." Furthermore, the Budget Director shall submit to the County Council a quarterly report of all unbudgeted equipment purchased for the Fiscal Year 2021. And that's basically the amendment, Chair.

COUNCILMEMBER LEE: Second.

COUNCILMEMBER HOKAMA: And I think it's item 127 on Granicus, Members.

CHAIR RAWLINS-FERNANDEZ: Did all the Members get an opportunity to see Member Hokama's document? It's on Granicus, item 127. Moved by Member Hokama, seconded by Chair Lee. Okay. And so, the intent of your motion, Member Hokama, is to collapse B and C accounts for all departments?

COUNCILMEMBER HOKAMA: Yes, Chair.

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CHAIR RAWLINS-FERNANDEZ: Okay. Members, so, that's the intent behind this motion.

COUNCILMEMBER HOKAMA: And again, Chair, it's only for this fiscal year, yeah? There's a clock and it's only for this fiscal year, and then, the Council can review and see if it's something it wants to continue or terminate after the end of the fiscal year. Thank you, Chair.

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

COUNCILMEMBER SUGIMURA: Thank you. I speak in favor of this. It was something that as you recall when we heard from the Department of Environmental Management, they had asked we consider this just because of the COVID-19 and the responsibilities of their Department. So, I totally support this. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Right, so, we took this vote for DEM and then the vote failed and that was for Department of Environmental Management. And now, we're taking the vote to collapse B and C accounts for all departments and not just Department of Environmental Management? Okay. Anyone else wishing to speak to the motion? Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. This is certainly a major shift in philosophy if you will. But because of the times that we're in, I think it's appropriate for this, at least for this fiscal year. So, I can support it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. I'm not sure, Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, Chair, I know we voted on this and we voted it down. And I'm not really in favor of this because I think especially with limited funds, we want to make sure how the funds are used, or how they were allocated. So, that's a, a year is a long time to do this experiment. And I'm not even sure how strong the other provision is, you know, as far as the will of the Council if we're just going to basically erase that provision and allow them to just, you know, figure out what they want to do. So, I'm just, I'm not real comfortable with this move. And it's a big move, it's a big shift. Just, to me, the timing's not quite right. And we're still trying to get, there's still some items from the, this current year that we're trying to get quarterly reports on that we haven't been able to get. So, I'm not sure how good the reporting will be. I don't have a lot of confidence in the reporting going forward either. So, that's kind of where I'm at right now.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. I echo your comments and I know with DEM I think we discussed doing six months for this time. So, if Members would want to propose amending the main motion to six months instead of a year, I would entertain that motion. Anyone else wishing to...oh, Chair Lee?

COUNCILMEMBER LEE: Yeah, I would like to make that amendment, that motion.

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COUNCILMEMBER MOLINA: Second.

COUNCILMEMBER LEE: To amend the period to six months.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair Lee, seconded by Member Molina to amend the main motion from a period of 12 months to a period of 6 months. Anyone wishing to speak to the motion to amend the main motion?

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King, followed by Member Hokama.

VICE-CHAIR KING: I guess I would, I would be concerned about some of the items that we put in, that the Council put in as priorities being totally wiped out because some of them were in B and C categories. So, how does that work if we have provision that says, you know, that the, is urging the Administration to respect the will of the Council as policy setters per our Budget and then where we've got another provision that says never mind, you can just do whatever you want with those categories? So, I, you know, even for six months I just...does that, does the six months, would that protect these provisions that were put in by the Council, push them back to the second six months, or, you know, how would that work with the provisos? Maybe, Miss, Chair Lee can speak to that motion?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Chair Lee?

COUNCILMEMBER LEE: I can...thank you. An appropriation is an appropriation. And whether it's, no matter which account it's in the Mayor can't just cancel what we appropriate. He doesn't have to fund it. But he can't just cancel it. So, I'm not concerned about that. I'm willing to compromise. I would've been supportive of one year because of the pandemic. We are still in an emergency situation and it's going to get worse and we know that. So, time is going to be of the essence, and it's, you know, we need to cooperate and start to trust one another and work together. That is hopefully the direction we're going to move in, and that's the direction I support. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. Real quickly, I'm going to support it, yeah, Mr. Molina is correct. I, it's a big stray for me too, but I feel I need to adjust during this pandemic as well. And part of it is, Members, is they only can still spend within what we approve under the B and C accounts anyway, even if we collapse it. The key is to give them, in case let's say they came out for a piece of equipment a little bit short, they still need it to address the pandemic, they'll be able to now use some funds from B savings to support the C category requirements. It's about time, efficiency, and the ability to respond in a timely manner to the community's requirements. So, again, I think it's worthwhile to try, and again, I don't have a problem. The Director needs to report back to the Council any adjustments that are being, that will be made. And if

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we're going to do it for six months, then we should do it from the start of the fiscal year for the first two quarters. Thank you very much, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Pro Tem Kama?

COUNCILMEMBER KAMA: Thank you, Chair. I support Mr. Molina's amendments. I think that we're still correct, right? We're not sure what's going to happen from moment to moment or day to day. But I think the word that we've been using throughout this whole pandemic was flexibility is that as we try to figure out what does this new norm look like, well, this is some of the things that we gotta do. We gotta try things differently. We have to trust that our Members can come up with some pretty nifty ideas about things. And then we gotta trust that the Department is able to do the things for the betterment of our community and the County. So, I kind of like that idea and I think it's us just kind of like moving into this new norm, whatever that new normal might be. So, thank you, Chair. Thank you, Mr. Molina.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Tem Kama.

COUNCILMEMBER MOLINA: Madam Chair, point of information. The amendment was Member Lee's. So, I just want to give credit where credit is due.

COUNCILMEMBER KAMA: Oh, sorry. But you started it. Thank you.

COUNCILMEMBER MOLINA: Thank you. Mr. Hokama, too.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Pro Tem Kama, Member Molina. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, thank you. I like this discussion and I think that we're opening a door as we did from the very beginning of this Budget process of, I think it was Member, or Chair Lee where she said we'd like the departments to work with us and trust us and we're trying to develop this relationship. So, I believe the departments will do the very best for our residents as we do for their health and safety and this is different times. So, we'll take baby steps and do this, what Member Hokama is recommending and we'll try it for six months and see how it goes. And who knows, we may end up doing this for the whole year, it may work out fine. But thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. If no one else is wishing to speak to the motion to amend the main motion I will provide my comments. My comments are the same as when we took the vote to decide whether we were going to collapse B and C account for Department of Environmental Management. And at that time, I voted no. And if I didn't know that you, that Members have the votes right now to collapse B and C account I would again vote no. But I see that there are the votes for that. And so, I thank Chair Lee for accepting my proposal to compromise from 12 months to 6 months because I think transparency right now is of the utmost importance. And as the Budget Chair, I have been working really closely with Budget

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COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member Sinenci. Member Paltin?

COUNCILMEMBER PALTIN: I just made the motion because, you know, Public Works, Department of Environmental Management, and Transportation are three departments that are going to have a hard time adjusting because of all the unknowns with the pandemic and if the tourists can come, the water, the sewer, the rubbish. And the rest of the departments aren't quite as essential in those terms where they're going to have to be making these adjustments and it's the difference between providing an essential service and not providing an essential service. I don't really feel comfortable with other departments doing that. You know, Parks and Recreation, you know, even Police and Fire, we gave them pretty much everything that they need. If there's some big deviation from that B and C, come to us, we're open, you know. Like the Chair said, it's just, you know, with the Sewer Fund, the Highway Fund, and all those different funds I can understand the need for flexibility. So, I just wanted to give the flexibility where it could be needed and not just open house on things that aren't quite as essential and complicated with all the different funding sources and whatnot. Everything else is pretty much General Funds and we can be doing it like how the Chair of Budget Committee said.

UNIDENTIFIED SPEAKER: Wow.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin.

UNIDENTIFIED SPEAKER: Good time.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Sinenci, as the seconder of the motion?

COUNCILMEMBER SINENCI: Yeah, I agree with Member Paltin. It looks like these departments are the ones that are going to need to be more flexible than the other ones. Again, during the current circumstances, you know, we all gotta work together and I think we took on that challenge as a Council and that's why we voted, you know, the collapsing of B and C accounts earlier. So, I'm open to working with those departments that would need the most flexibility. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Anyone else wishing to speak to the motion to amend the main motion? So, when we also took the vote last week on collapsing B and C for DEM, you know, Member Hokama also spoke to the philosophy and protecting our bond rating. And I agreed with him at that time too. Director Teruya, does Finance have any comments?

MS. ALIBIN: Chair, this is May Anne Alibin, Deputy Director of Finance. I just kind of want to provide a comment regarding implementation on the financial system side of it. For putting it to six months there's going to be, we need to look into it more because I don't think it's going to be possible to just put a, program it just for six months versus

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a fiscal year. The main challenge that we're going to have is the, so, on the control side, currently when, right now if it's going to be B and C combined together, it will be okay. But putting it only good for six months, we're not sure how we're going to be able to control that in the middle of a fiscal year. Just for consideration before you make the decision on this.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Deputy Director. Okay. So, the motion to amend the main motion right now is that collapsing B and C accounts would only apply to Department of Environmental Management, Department of Public Works, and Department of Transportation. Okay. So, no one else wishing to speak to the motion? I'll just say that I'll be voting in favor of the motion for the same reasons I mentioned before that promoting transparency, for maintaining the same fiscal philosophy, and that we already have been collaborating with the departments and the Budget Director to expedite these requests. Okay. So, I'll call for the question. All those in favor of the motion to amend the main motion please raise your hand and say "aye." Member Paltin, Committee Vice-Chair King, Member Sinenci, and myself. All those oppose please raise your hand and say no.

COUNCILMEMBER SUGIMURA: No.

COUNCILMEMBER MOLINA: No.

COUNCILMEMBER KAMA: No.

CHAIR RAWLINS-FERNANDEZ: Member Hokama, Member Molina, Member Sugimura, Chair Lee, and Pro Tem Kama. Okay. Motion fails.

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Paltin, and Sinenci.

NOES: Councilmembers Hokama, Kama, Lee, Molina, and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION FAILED.

CHAIR RAWLINS-FERNANDEZ: Okay. I'll call for the main motion as amended. All those in favor of the motion as amended, please raise your hand, and say "aye."

COUNCILMEMBER KAMA: What is the amendment? What is the amendment?

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CHAIR RAWLINS-FERNANDEZ: The main motion as amended is that we would be collapsing B and C accounts of all departments for six months.

COUNCILMEMBER KAMA: Okay. That's what it is.

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

COUNCILMEMBER KAMA: Okay. That's what it is.

CHAIR RAWLINS-FERNANDEZ: Okay. So, all those in favor please raise your hand and say "aye."

COUNCILMEMBER SUGIMURA: So, Chair? Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Chair Lee? Chair Lee, and then Member Sugimura. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, based upon what Finance just told us and the complexities of doing it only for six months, can we take it back to move that this be for the full 12-month period for the fiscal year, and that they're going to report to us so we can, you know, keep tabs if we don't trust that if six months is too short or six months is too long. But I would like to see us honor what the Department just shared with us in terms of what reality is. So, I would like this to go back to move to 12 months, Chair.

COUNCILMEMBER KAMA: I second that.

CHAIR RAWLINS-FERNANDEZ: So, your motion would be, I move to reconsider?

COUNCILMEMBER SUGIMURA: I move to reconsider. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura, seconded by --

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: --Pro Tem Kama.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Anyone else wishing to speak to a motion to reconsider? Okay. All those in favor of reconsidering the motion to amend the main motion to reduce it from 12 months to 6 months please raise your hand and say "aye." Okay. Member Hokama, Member Sugimura, Member Paltin, Pro Tem Kama, and Member . . .

COUNCILMEMBER SINENCI: Chair?

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MR. TERUYA: As soon as I get the response, I'll forward it back to you folks. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Okay. So, are there any other comments to the Budget, the General Budget Provisions? If not, I'll ask for a consensus on all but Section 18 until we hear back from our bond counsel.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Consensus. Okay. Okay. So, consensus on all but Section 18 until we hear back from Director Teruya on the feedback that we receive from bond counsel. Okay. Okay. So, I'm not sure if Members would like to discuss OPEB before we determine our RPT. Or if RPT is incumbent upon what we decide for OPEB? Okay. So, I'll ask for a quick recess again to check in with Budget Director and Director Nakagawa to see what they've been able to come up with. All right, so, it's 12:21, I don't know how long this will take. So, I'll just...

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, okay, Ms. Yoshimura?

MS. YOSHIMURA: For Wastewater, I worked with Director Nakagawa, we have one recommendation. I don't know if you have it handy. But the spreadsheet that he provided when he made the recommendations for the 5 percent cut, the one that had the risk score on it listed all of his CIP projects. So, there was one appropriation for \$3 million for Wastewater Reclamation Facilities. It was broken down into several different projects, CBS-1119. So, after discussion with him, we could move \$2 million of cash projects to bond and that would take care I think of your shortfall. So, referring back to that sheet it would be the, let's see, it would be the project that is listed, there would be the last section in Risk 4-1, and there's three projects listed for 1119. Those three projects can move to bond as well as if you look further up the page there's a cash project that is for Kihei Wastewater Reclamation Facility Central Lab Trailer. That's a million-dollar project and that could also move to bond. So, that would give you some flexibility.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Members, I will entertain a motion to move the projects named by Ms. Yoshimura from General Fund to Bond.

COUNCILMEMBER SUGIMURA: So moved.

COUNCILMEMBER KAMA: Second

MS. YOSHIMURA: It's Wastewater.

CHAIR RAWLINS-FERNANDEZ: Moved by Member, oh sorry, for Wastewater. Did I say Solid Waste? Okay. Okay. Moved by Member Sugimura, seconded by Pro Tem Kama.

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Member Sugimura, okay, Members, don't forget to mute yourselves, right, when you're not speaking 'cause it creates feedback. Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: I think this is going to help solve the bigger problems. So, I appreciate the Department coming up with this and Director Yoshimura. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Anyone else wishing to speak to the motion? If not, I'll call for the question. And again, the motion is to move the four projects that Ms. Yoshimura named from Cash to Bond Fund. Okay. All those in favor, please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, motion passes unanimously.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE

CHAIR RAWLINS-FERNANDEZ: Okay. So, we'll need time for Staff to make that adjustments. Okay. Don't forget to mute yourselves. Okay. And then, for Solid Waste, Ms. Yoshimura, do you have any updates? Or should we take a quick recess?

MS. YOSHIMURA: Chair, for Solid Waste, there are no projects that could move from Solid Waste Management Fund to Bond. So, the only options would be to either do a General Fund subsidy or supplemental transfer or look at the rates. And I'm awaiting confirmation from the Department on the tonnage that is being used to calculate the rates. As soon as I get that, I can give that to you and you can use that to adjust your rates if you wanted to or how you want to deal with the shortfall. Thanks.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Yoshimura. Okay. Members, are you still wishing to wait for rate increase proposal from the Department...so it brings it to

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\$3,949,979 that we would need to increase the rates to generate from Solid Waste. Is that something the Members are wishing to wait for?

COUNCILMEMBER PALTIN: No, not me. I think, you know, Sewer is...oh sorry, do I need to get recognized?

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Not for me, like you know, Sewer there's definite users of it and some guys are on alternative systems and they're paying for their own alternative systems. The way that I looked at Solid Waste is that's a, kind of is a shared responsibility like, you know, you have your customers who you get the solid waste service for. But it's not just that, we also have to, you know, maintain our landfills, maintain our closed landfills, and we pretty much, the County takes care of rubbish and that's the way I see it, it's an island-wide responsibility. Of course, people pay their fees, you know, to use it. But to maintain old landfills and maintain new landfills I think that's really for the benefit for all. Like where sewer, wastewater, some guys have to maintain their own separate system, you know what I mean? So, it's just where I look at it. Of course, ideally it would all come from its own revenues. But, you know, emergency situation pandemic, so, that's how I view it for this year. If it goes on beyond this year, then we may have to look at a different thing.

CHAIR RAWLINS-FERNANDEZ: . . .*(inaudible)*. . . Member Paltin. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I'm, you know, personally for me, rates adjustments is sort of a last resort. But if I could ask Miss, Director Yoshimura in her consultation with the DEM Director as far as so, there's no projects that could be laid for Solid Waste. And also, I'll throw this out for consideration, it may not be popular, but the possibility of reducing pickup service to once a week instead of the twice a week 'cause I remember back in the day, rubbish pickup was only once a week and just for informational sake, at least, how much we could save if we had to cut back on rubbish pickup to just once a week. So, those are just my requests, Madam Chair, and thoughts. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Committee Vice-Chair King followed by Member Sugimura.

VICE-CHAIR KING: Thank you, Chair. I would like to second that motion by, well I know it's not a motion, but the thought by Member Molina about reducing the pickups because now that we have these huge cans, most people I know that don't even need that second pickup. And it would be interesting to see what we could save by going back to one pick up a week. I would be interested in finding out that information first.

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

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COUNCILMEMBER SUGIMURA: Yeah, I just want to echo exactly what is being discussed. So, I would look forward to getting more information from the Department. Thank you.

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

COUNCILMEMBER PALTIN: Yeah, just before we talk about going down to one day a month, or one day a week, I think we should first look at holiday and overtime charges, you know, like how we suggested the first time because that's a lot more money for a lot less service. When you're talking about once a week, that's pretty much 50 percent of the service. And are you going to charge the same amount or is there going to be a discount? But if we just cut out the holidays to start with, that's paying overtime for the, basically the same amount of service, you know. Just, I think there's like 12, 13 holidays. So, it could be like, you know, cutting down 18 days and I just think that's a more conservative place to start. Not everybody is responsible with their rubbish the way it is now. And I can imagine half the amount of service, how much rubbish there will be all over our island.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. All right, Members, so now that there are a lot of things on the table, so I guess we'll just, we'll take a quick recess unless, yeah, we'll just take a quick recess. Okay. It's 12:31, and we'll recess to 12:45. Okay. It's 12:31 on April 30th, and the Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS: 12:31 p.m.

RECONVENE: 12:59 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . .(inaudible). . . Ms. Yoshimura was able to get a hold of Director Nakagawa for some responses to the ideas that Members had. Okay. So, we'll start with the, from the twice-a-week pickup to once-a-week pickup, and most of that in order to get cost savings from that, we would have to lay people off from work because it comes from salaries. So, that's where the cost savings would come from, and so, unless Members want to lay people off from there, then there wouldn't be a cost savings to going from twice a week to once a week. For holiday overtime, that's \$225,000, but it is part of the collective bargaining unit agreement, and I don't think that's something that we...we would need to discuss that with the unions before we were to take action on something like that. So, that's not really something that would be on the table right now. Member Paltin?

COUNCILMEMBER PALTIN: I just, you know, yeah, it's not on the table right now, but I just was wondering if possibly, 'cause it doesn't sound like things are going to get better real quick, like if they'd put that on the table for the future because when it comes to getting laid off or not making your overtime, I can bet choke guys going choose not making my overtime and still having a job. So, I mean, it's something worth looking into future discussions, especially with the outlook not being so good.

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CHAIR RAWLINS-FERNANDEZ: Agreed. Mahalo, Member Paltin. So, we can look at that in the future. But for today's purposes, it's not something that we would really be able to take action on right now. Oh, Member Paltin, and then, there's the Olowalu Transfer Station, that's a contract, and if we didn't move forward on that contract, we would save \$400,000. But again, you know, for every action we take, there's, you know, potential repercussions. So, if we didn't have the Olowalu Transfer Station, would that increase the amount of trash on the side of the road? So, that's something that Members would also have to consider. So, in order to, if we were to increase tipping fees to cover the \$3.9 million shortfall, we would need to increase it from \$103 per ton, to \$138 per ton. Okay. And for residential refuse, from \$4 to \$10, and again, so, there's consequences to all of those actions as well. If we charge residents \$10 for taking their trash, are they going to instead decide to leave it on the side of the road instead of paying that \$10 to dump their trash. And for the \$138 per ton, you know, would be impacting those businesses that are right now already struggling to continue to operate and there aren't any further cash funded CIP's for us to move to bond funded. So, that's the situation that we're in, Members. We could consider a combination of things, you know, so, or the supplemental transfer from General Fund. Member Hokama?

COUNCILMEMBER PALTIN: I move to look at the RPT.

COUNCILMEMBER HOKAMA: Thank you, Chair. Thank you for that analysis and comments to the Committee. I would be very open to a combination, Chair. I think you're right, just making an adjustment on fees would be very heavy and drastic at this point in time. But I don't have a problem, you know, increasing the fees slightly to reduce the General Fund subsidy, as well as to continue to make our community aware, our residents aware of what it truly costs to take care of our rubbish. And, you know, it's sad to hear, and I agree with Ms. Paltin, you know, part of the problem is guys going to start dumping on the side of the road. But so much for the talk of our locals who say love the aina, protect the island, but we still going dump rubbish on our own properties, right. So, thank you, Chair. I appreciate the, this opportunity.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Chair Lee followed by Member Molina.

COUNCILMEMBER LEE: I think a combination of increases would be a good idea not to offset the shortage entirely, but some of it. Were you thinking of working on a proposal then giving it to us? Or do you want us to go one by one? What did you have in mind?

CHAIR RAWLINS-FERNANDEZ: Well, I was just going to do a supplemental transfer. That was what I had in mind before I started this meeting this morning. But if Members want to do some combination of increasing tipping fees, I would be open to hearing the proposals. I wasn't planning to work on a proposal to present to the Members. I wouldn't be in favor of increasing residential refuse any more than \$4, and there's the Olowalu Transfer Station for 400,000. So, those are all the items that we have for consideration.

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COUNCILMEMBER LEE: Well, Madam Chair, I really believe that the residents could handle another dollar or two. So, you know, to me, there is room, there is some flexibility there at least in combination with other small increases it's going to make a difference. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Molina, followed by Member Paltin, and then Committee Vice-Chair.

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Just dovetailing off the question that Member Hokama had asked about the County subsidizing, could we get, of the fees that residents pay, how much of that is subsidized by the County? If maybe Director Yoshimura has that answer, or I could wait on a response from Director Nakagawa.

CHAIR RAWLINS-FERNANDEZ: For the residential refuse?

COUNCILMEMBER MOLINA: Yeah, 'cause I think the County subsidizes a portion of that.

CHAIR RAWLINS-FERNANDEZ: Six dollars. So, it would be \$10 for the, is the true cost.

COUNCILMEMBER MOLINA: Ten dollars is the true, that's what we subsidize? 'Cause the residents pay about \$30 plus...

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, I'll find out the true cost of doing the landfill, residential landfill and the residential refuse collection and get back to you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Member Paltin, followed by...

COUNCILMEMBER MOLINA: Okay. Thank you, Director. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Paltin, followed by Committee Vice-Chair King.

COUNCILMEMBER PALTIN: I just had a question on the Olowalu contract. Is that something that if it's a contract that we can cut down on hours or holidays, or something to bring the contract down to like 200 or 300? Or is it a set flat rate for the services we get? There's no option to decrease services based on bringing down our cost.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura, do you have that information? If not, we can wait.

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MS. YOSHIMURA: Chair, yeah, I believe the contract is based on the hours of operation and tonnage that is transferred. So, I can check on when the contract will go out to bid again and if we can reduce the scope of the existing contract.

COUNCILMEMBER PALTIN: Yeah, like, I mean, maybe make it one, Monday, Wednesday, Friday, Saturday, Tuesday, Thursday.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Committee Vice-Chair King followed by Chair Lee.

VICE-CHAIR KING: Thank you, Chair. I agree with the concerns about adding on fees and people leaving trash on the side of the road because it does happen. I know everybody loves the island, but they still do it. I worry about the, some of the tipping fees because I know that every time the tipping fee goes up for grease trap, that hurts all the restaurants on the island and they're in really bad shape right now. So, adding that on to their burden, that gets passed along to them. I would be in favor of a General Fund transfer and looking for what we're doing there, and also looking at where, we haven't characterized any of our CARES Act money yet coming into the Budget. So, there's money coming in and we haven't put it anywhere. And I would be in favor, and I ran this by Dave Raatz earlier, I would be in favor of looking at for the General Fund something like taking that \$10 million fund for COVID and putting, taking it out of the Emergency Fund since we are thinking we're going to get reimbursed and we know there's CARES Act money coming. You know, that was, that's sort of one of my ideas. But I would support a General Fund transfer.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Chair Lee?

COUNCILMEMBER LEE: Yeah, Madam Chair, just in case nobody, or people don't remember what they pay for Solid Waste, for 6 months we are charged \$198. So, I think we could afford another couple hundred, I mean, a couple dollars more in terms of an increase. Thank you. I would be very skeptical about taking monies from the Emergency Fund at this time. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. I think Member, Committee Vice-Chair King was talking about the COVID Fund that we put \$10 million, not the Emergency Fund.

VICE-CHAIR KING: Right, just transferring that from the Emergency Fund instead of General Fund because we are expecting to get paid back for that. That's what, so, that wouldn't come out of cash because we don't, we haven't put our CARES Act money anywhere right now. Right now, it doesn't exist in the Budget.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Okay. Members, anyone else wishing to provide comments on the direction that this Committee should take? If not, I think there's a little bit more information that we're waiting for that we can take a recess for that. But before we take a recess, I wanted to also bring to your attention now that Staff was able to plug in the numbers for the shortfall that we

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could experience if the rental car companies send their cars elsewhere. In Highways, we're looking at a shortfall of \$732,082. So, we'll need to make adjustments for that as well. It's a, if we're estimating 11,000 cars going, and that's \$115.50 per vehicle for Highway Fund, that's \$1,270,500, which would give us a shortfall of \$732,082. Okay. So, that, those are the decisions. Okay. I guess, I guess I can try to see what kind of a proposal I can work with Ms. Yoshimura on providing the Committee. So, we'll take a recess. Member Paltin?

COUNCILMEMBER PALTIN: Oh, I just was wondering if you didn't want to try take a stab at RPT 'cause it seems like that might be another alternate solution.

CHAIR RAWLINS-FERNANDEZ: Alternate solution for covering the shortfalls in Highways and Solid Waste?

COUNCILMEMBER PALTIN: I don't know about Highways, but Solid Waste.

CHAIR RAWLINS-FERNANDEZ: Okay. Well, the Members have on Granicus, it was posted, the rates that could cover the shortfall. So, what was posted are already rates that would be able to cover the shortfall of Solid Waste and Sewer. So, they wouldn't have to cover Sewer now because we were able to move some cash funded CIP's to bond. So, it could cover Highways, the rates as proposed on Granicus. And it covers the TAT at zero. If you'd like to discuss that, we can discuss that. Or if you'd like to take a quick recess to see if we can get Solid Waste to be a little lower in the amount that we would transfer from General Fund then we can take a quick recess.

COUNCILMEMBER PALTIN: Was that item 126 that you were referring to?

CHAIR RAWLINS-FERNANDEZ: Maybe, I don't know. I'm not looking at it right now and I didn't memorize the Granicus numbers. It would just say RPT, it's one of the last ones. Chair Lee? I cannot unmute you, Chair Lee, you have to unmute yourself. Okay.

COUNCILMEMBER LEE: I just wanted to express my opinion that I'm really not in favor of raising any more Real Property Taxes. If anything, I thought we could possibly make a couple of reductions downward instead of upward. I'm hoping this is the case.

CHAIR RAWLINS-FERNANDEZ: So, Chair...

COUNCILMEMBER LEE: Not everybody gets rubbish pickup. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. So, do you want to discuss the RPT, or do you want to take a recess?

COUNCILMEMBER LEE: Me? I thought we were going to take a break.

CHAIR RAWLINS-FERNANDEZ: Yeah, I thought so too. But you started talking, so I wasn't sure if that was an indication that you wanted to continue talking or if we...

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COUNCILMEMBER LEE: No, I was just expressing my opinion that I'm hoping we're not going in that direction, that's all.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Well, the rates are either the same as the Mayor's or less in the Tier 1's.

COUNCILMEMBER LEE: No, no, I believe that Member Paltin just mentioned, you know, taking a look at Real Property taxes, making up the difference there. I may have heard her wrong. But if I didn't hear her wrong, I hope we don't go back to RPT for additional funds. If anything, I was hoping we could reduce some of it in some areas. Thank you.

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

COUNCILMEMBER SINENCI: Thank you, Chair. And so, I just had a question about the RPT rates that was sent to us. And so, I mean, proposed by you, the latest one. So, it looks like you mentioned on the bottom it considers the TAT, the Sewer, and the Solid Waste shortfall within this scenario.

CHAIR RAWLINS-FERNANDEZ: I'm sorry?

COUNCILMEMBER SINENCI: So, it does consider the TAT, the Sewer, Solid Waste shortfall within this tax scenario?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SINENCI: Okay. All right, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sinenci. Okay. And then, Director Teruya was able to hear back from our bond counsel. Director Teruya?

MR. TERUYA: Hi thank you, Chair. I've heard back from bond counsel and they are, they said that the amendments that's proposed in Section 18 should be fine, and they don't have a problem with the amendments. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Anyone wanting to speak to that? If not, I'll ask for consensus on Section 18. Member Hokama? Yeah consensus, or did you want to speak?

COUNCILMEMBER HOKAMA: Consensus, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, mahalo. Okay. Consensus, Members? All right, we finished one thing so far. So, General Budget Provisions are pau.

VICE-CHAIR KING: Chair, do we...

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CHAIR RAWLINS-FERNANDEZ: Okay, so...Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, do we have a issue with the, I thought you said earlier we had a noon posting deadline for RPT.

CHAIR RAWLINS-FERNANDEZ: Yeah, so, it sounds like the Clerk said that the 12 o'clock is not drop dead, but 4 o'clock is.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: So, wait, mahalo for remembering that deadline.

VICE-CHAIR KING: I remember everything you say.

CHAIR RAWLINS-FERNANDEZ: You get an extra five minutes. Okay. So, before I take a recess, I know Members are looking at a combination of things for Solid Waste. So, the amount is about 4 million that, the shortfall after adjustments. So, do Members want to look at covering half of that with a transfer and adjusting the tipping fee to cover half? Is that something that Members are looking at for a proposal?

COUNCILMEMBER PALTIN: Does it have to be through the tipping fee? Or could it be through the residential refuse pickup?

COUNCILMEMBER LEE: Combination.

CHAIR RAWLINS-FERNANDEZ: Okay. I'll look at that. I'm not in favor of adding more to that though.

COUNCILMEMBER PALTIN: The residential?

CHAIR RAWLINS-FERNANDEZ: Yeah, I don't know how I'm going to propose that if it's not something that I'm in favor of. But I'll look at it and I'll put it out there for consideration and I'll probably vote against it. Member Sugimura, and then Member Molina.

COUNCILMEMBER SUGIMURA: Yeah exactly, I just wanted to hear back what the alternatives may be so that we can, you know, make a decision based upon information from the Department. So, thank you.

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

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Well, first of all, I'm in favor of looking at a combination of ways to cover this shortfall, whether it be General Fund transfer, or rate adjustments. But any consideration for maybe looking through the Real Property Tax revenue that that could possibly cover some of the shortfall? So, exploring that and just throwing it out there for discussion.

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CHAIR RAWLINS-FERNANDEZ: Yeah, so Real Property Tax is the General Fund that I was mentioning and that was what I mentioned --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: --to Member Paltin and Member Sinenci --

COUNCILMEMBER MOLINA: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: --that the RPT . . . *(inaudible)*. . . already adjusts for the shortfalls. So, what you...

COUNCILMEMBER MOLINA: Oh, okay. Okay. Thank you for that clarification.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER PALTIN: Yeah, I...

COUNCILMEMBER MOLINA: All right, thank you.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Point of information. So, yeah, point of information. It wouldn't need, we wouldn't need to raise your proposed rates 'cause it's already covered in there.

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

COUNCILMEMBER PALTIN: Yeah, and then, we covered the Sewer fee. So, we could even bring it down without doing anything because now the Sewer fees aren't involved, or the Sewer fees are going to take over for the rental car fees and we could still leave things the same.

CHAIR RAWLINS-FERNANDEZ: Right. So, I was going to work with Ms. Yoshimura to figure out how we could adjust for the Highways Fund shortfall.

COUNCILMEMBER PALTIN: Just kind of leave it the same, minor little adjustments in there and, 'cause otherwise it gets more complicated and you did so much good work already and it's good, and we adjusted for the Sewer. So, then, that other adjustment could be for the cars and then just minor tweaks for the Highway. That would be my preference 'cause it's not like we have to raise things 'cause you already accounted for it, you did so much work, good job. I'll do just little minor things on that and it, I don't think you would have to be any significant increase to any category. I got some numbers or some motions to throw out and I don't know if everyone will agree or not. But it won't be something new if not everyone agrees with my suggestion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Chair Lee?

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COUNCILMEMBER LEE: Oh, wait, was that a point of order, Ms. Paltin?

COUNCILMEMBER PALTIN: Information, information.

COUNCILMEMBER LEE: Oh, point of information and a bunch of questions. Okay. So, are we still on the idea of exploring a combination or am I hearing that Members feel satisfied with the way things are? That's, if I could get a sense from other Members.

CHAIR RAWLINS-FERNANDEZ: I was trying to get that same sense, Chair Lee.

COUNCILMEMBER KAMA: I favor a combination of sorts.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King then Member Sugimura.

VICE-CHAIR KING: Well, I like your new proposal, your updated proposal, Chair, for RPT, and so, I think the only thing, what I'm hearing is the only thing outside of that balanced RPT is the rental car fees and how we're going to make up for those. So, you know, to me, I think we could...if we're looking at a, just the Highways Fund, is that right, right now? Or is there, is it spread...

CHAIR RAWLINS-FERNANDEZ: The rates that you received, the proposed rate...

VICE-CHAIR KING: Well, I know you mentioned a bunch of different taxes that the rental car fees go, different pots of money of, that they go into. So, do we have to adjust for all those now that we've found out this new information?

CHAIR RAWLINS-FERNANDEZ: Did that already.

VICE-CHAIR KING: Oh, we did, you did that already?

CHAIR RAWLINS-FERNANDEZ: That's how I gave you the number that we're short \$732,082 because...

VICE-CHAIR KING: Right, but is that, that's not made up . . . right, but that's not made up for yet. We still have to cover that, is that correct?

CHAIR RAWLINS-FERNANDEZ: So, the RPT rates that you received that I proposed covers \$1.6 million shortfall for Sewer --

VICE-CHAIR KING: Oh...

CHAIR RAWLINS-FERNANDEZ: --but not . . . *(inaudible)*. . . So, now that we've made up for Sewer, it would cover the 732 for Highways.

VICE-CHAIR KING: Oh, okay. So, if we like this RPT proposal, then we're pretty much good is what I'm hearing? Okay.

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CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR KING: Well, you know, I looked through it, and I looked through it compared to the last one and I can support your new proposal. I, you know, if Members want to talk about it and try to make a tweak here and there, I think that's a good conversation to have. But most of the rates are reductions from the existing rate right now. So, you know, I think everybody should realize that we're, when we talk about these rates, even if they're increases over the Mayor's rate, they're not increases over the current rate. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah, that's correct. Mahalo, Committee Vice-Chair King. Members Sugimura?

COUNCILMEMBER SUGIMURA: I really, yeah, I appreciate all the work you've done, Keani, I appreciate that a lot. But I really would like to get the rest of the information from the Department as I've been saying and just, you know, the RPT discussion is going to be, could be short or could be long. But at this point it's something so important that we should give it enough time and not just try to slip this through before lunch. I don't know, I would rather us go on a break and get all the information and put everything on the table and then talk about it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. We'll take a, we'll break to 1:45. So, about 20 minutes. And then, that way I can kind of put together some kind of a proposal to increase tipping fee so that not all of the shortfall will come from General Fund and then we can discuss that proposal when we get back and the RPT. Okay. All right, so it's 1:26, and we'll reconvene at 1:45. The Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS: 1:26 p.m.

RECONVENE: 2:34 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . The Economic Development and Budget Committee please return to order. It's 2:34 on April 30th. Mahalo for that break, Members. We were able to get some numbers to propose to you all. So, we'll start with the easier one. I think it's going to be easier anyway. Highways, so, we're short about \$732,082. I know that we already voted on...oh shoot, I meant to ask Staff before I announce this, and then, Staff, you let me know if this is not possible, but going back to the fuel tax reso, and adding 1 cent, which would give us \$717,391. And then, the remaining, about 16,000, we could take out of the Countywide Road Resurfacing and Pavement Preservation which has \$6.9 million which shouldn't affect anyone's district. And that's CBS-1023. So, that's in a proposal for covering the shortfall in Highways because of the potential loss of rental cars. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, Chair, that's a good idea, and I have another idea based upon the April 15 letter that Director Takamori sent to all of us for responses to the

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question. He mentioned the contract for the paratransit, commuter and fixed route. And we already addressed, we took it down to 2 percent from 3 to 2, and I would recommend we take it down to zero and I'll tell you what the outcome is. Okay. Let me go through this, and then, we're going to end up with similar results that you just mentioned. But the, I inquired, okay, what is the contract that portion, that 5 percent, and it's like a cost of living allowance, right? And under the circumstances and where we are, and the rental car situation which is becoming a reality today and the reality of this COVID-19, I want to ask the Committee to take this as a consideration also. So, for the fixed routes, where, what we would end up with if we took the three different routes from 2 percent to 0 percent and that would give us another \$271,167. And I also looked at that road resurfacing CBS-1023 and to delete 460,833 from there to take us to address the Highway Fund shortfall which is \$732,000. So, it'll get us to a similar place than what you just proposed. You want me to go through each fixed route, paratruck...paratransit and commuter route numbers or you want to just talk about it?

CHAIR RAWLINS-FERNANDEZ: I need the total amount from the contract.

COUNCILMEMBER SUGIMURA: So, the total amount from the contracts is 271,167 total.

CHAIR RAWLINS-FERNANDEZ: And you're proposing to take the remaining...

COUNCILMEMBER SUGIMURA: From your CBS.

CHAIR RAWLINS-FERNANDEZ: Four, yeah, 400,000 from the CBS?

COUNCILMEMBER SUGIMURA: Four hundred sixty thousand, eight thirty-three.

CHAIR RAWLINS-FERNANDEZ: Okay. Do Members have any other ideas? Chair Lee?

COUNCILMEMBER LEE: No, I was just wondering which is the easiest route? It gets us to the same place.

CHAIR RAWLINS-FERNANDEZ: I'll ask Ms. Yoshimura. I know that we increased, I don't know if, you know, what'll be the impact of not approving any percentage increase to the contracts.

COUNCILMEMBER LEE: Okay. Okay.

CHAIR RAWLINS-FERNANDEZ: And then Member Paltin.

MS. YOSHIMURA: Chair, I believe the contracts for the three different routes are built with a up to 5 percent. So, if funds are available, we could add anywhere from 1 to 5 percent, or a cost of living adjustment. We have gone some years where we haven't done any. We've gone some years where we've done up to 5 percent. So, it's up to the Committee if you want to fund the increases to the contracts or if you just wanted to leave it flat moving forward.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Member Paltin?

COUNCILMEMBER PALTIN: I prefer the 1 cent fuel tax. And the only difference I would say instead of the road resurfacing, I would take it out of that one priority about the traffic wide . . . Countywide public safety that I had put 25,000. I would just drop that amount down to 10,000, or 9, I mean approximately instead of taking it out of the road resurfacing one 'cause I added 25 grand to that and just, you know, do the best they can for those intersections with what that provides.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your offer to sacrifice, Member Paltin. Okay. Any other ideas, Members? Okay. Okay.

COUNCILMEMBER PALTIN: Member Molina got his hand up.

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry, Member Molina's video isn't on my screen. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Just a, just more comment. I appreciate Member Paltin's willing to sacrifice. But I think that's really important stuff to leave in there for Member Paltin. I'm open to the fuel 1 cent increase. I think it's, wouldn't be as painful. One of those few increases I believe wouldn't be too painful. Question for Member Sugimura. The 468,000 out of Road Improvement, would that have any potential impacts on projects, road projects? 'Cause I know this County; people expect us to resurface their roads. So, that's why I'm kind of concerned about that proposal. So, is there, would there be any impacts?

COUNCILMEMBER SUGIMURA: So, the...

CHAIR RAWLINS-FERNANDEZ: . . .*(inaudible)*. . . talking about that district.

COUNCILMEMBER SUGIMURA: Oh sorry.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, so, I gotta say that Public Works, they do a great job with road resurfacing. You know, one of our star departments that, you know, functions. But it's an open fund. And so, therefore, I talked to the Department about possibly looking at this and they're fine, you know, they'll just adjust. And I just thought this was a good alternative to present instead of, you know, raising somewhere else. It's just to kind of relook at possibilities of how to cut. And so, that's my project, I mean that's the recommendation.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura.

COUNCILMEMBER MOLINA: Thank you, Member Sugimura. Thank you, Madam Chair.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. So, with the 460,000 cut from the Road Resurfacing, let me know which Member's district you would like to give up road resurfacing. Committee Vice-Chair King?

VICE-CHAIR KING: Okay. Thank you, Chair. I wasn't offering my district. But, for that road resurfacing, but I do support the zero increase in the contracts for the reasons I said earlier because I think there's a lot of money being made in those contracts on the price of fuel being so low. One of my questions for Ms. Yoshimura is if we raise the fuel tax 1 cent, what is that projected revenue based on? Because the, I think the numbers of fuel, the number of fuel gallons used is probably going to be less than in previous years. So, are you already basing the gain on that, on less fuel used overall?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, it was based on the amount that we had projected as revenue for Fiscal Year 2021. So, actually, that would be a reduced amount then.

VICE-CHAIR KING: Yeah because I think the original projection was the same as this month. I think, and then, I think we were going to go down on that projection as far as use of fuels. So, I, my thought was to reduce the contracts to zero, and then, then maybe increase whatever percentage of the fuel tax we need to increase to make up for it. But I think we have to have a realistic number of, you know, what we're projecting to be used. Does that make sense?

MS. YOSHIMURA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King.

MS. YOSHIMURA: So, based on the \$16,500,000 that we had projected initially, we based it off of about 71,700,000 gallons of fuel.

VICE-CHAIR KING: Okay. And then...

MS. YOSHIMURA: So, with the reduced amount of taking it down by the \$4.9 million, we would be looking at about 50,430,000 gallons of gas, so, times 1 cent.

VICE-CHAIR KING: Okay. So, that's around something like 500,000 something instead of 700,000?

MS. YOSHIMURA: It'll be like 504,347. So, that would cover the, I guess, the reduction that Councilmember Sugimura's talking about to the road resurfacing.

VICE-CHAIR KING: Okay. So, anyway, that would be, my thought would be to do that increase, and then, also do the contracts. And I think together those could equal the shortfall. Is that what we're looking at possibly?

CHAIR RAWLINS-FERNANDEZ: Yeah.

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VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Any other comments or questions, Members? Okay. So, if we increase the . . . *(inaudible)*. . . I think we're going to need to add a public hearing. I'm just double checking with Staff when that would need to be held.

MS. ESPELETA: Madam Chair, that public hearing would occur on May 15.

CHAIR RAWLINS-FERNANDEZ: Okay. And that would...

MS. ESPELETA: So, if there's any changes in the fuel tax rate a public hearing must be held.

CHAIR RAWLINS-FERNANDEZ: Okay. And so, we already planned for that May 15 public hearing. So --

MS. ESPELETA: That is correct.

CHAIR RAWLINS-FERNANDEZ: --procedurally we're okay. Okay. Great. Perfect. Okay. So, your Chair will entertain a motion to propose an increase of 1 cent to the fuel tax, and Member Sugimura's proposal of reducing the contract from 2 percent to 0 percent.

VICE-CHAIR KING: So moved.

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Committee Vice-Chair King, seconded by Member Sugimura. Okay. Don't forget to mute yourselves, Members. Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Yeah, just for clarification, Chair, this would be, come under the gasoline and diesel for 23 cents?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SINENCI: We're adding a penny to that to 24 cents?

CHAIR RAWLINS-FERNANDEZ: That's the motion, yeah. Mahalo, Member Sinenci. Committee Vice-Chair King, and then Member Sugimura.

VICE-CHAIR KING: Okay. Thank you. I just wanted to speak to the motion and one of the things that's real apparent right now is that the price of fossil fuel is so cheap it's gotten it, that I think that's a place that nobody's going to feel it right now. It's really

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CHAIR RAWLINS-FERNANDEZ: Okay. And then, next we have the Solid Waste for 3.9 million, and it is getting really close to three o'clock, and our posting deadline is four o'clock for RPT. So, we have some ideas that came in from Member Hokama, and I also, I was able to get some information on the tipping fee. Oh, and I think Ms. Yoshimura was able to get a little bit more information. Ms. Yoshimura, did you want to share the information that you were able to gather from the Department for the Solid Waste? And then I'll provide Members my proposal and I'll ask Member Hokama to share his proposal. Ms. Yoshimura?

MS. YOSHIMURA: Thank you, Chair. So, on the residential drop-off, we currently charge \$4. We have about \$428,000 in revenue per year from that. The cost is about \$1,270,000 so to break even on that we need to, the fee is about \$12. Residential refuse collection that's at home, so, right now we charge \$33 per month. The true cost is \$41.60 per month. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Molina, that was a response to your question.

COUNCILMEMBER MOLINA: Yeah, thank you very much, Chair. Thank you, Director Yoshimura.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Okay. So, my proposal was going to be, oh sorry, and Ms. Yoshimura, one more question regarding the...oh no, that's okay. Okay. So, for the, my calculations, I was looking at reducing the 3.9 in half to cover half by General Fund supplemental transfer and half by increasing the tipping fee by \$10. So, from \$103 to \$113 which would generate 100, sorry, \$1,150,000. And then, Member Hokama identified a couple of projects and has a proposal on the fees. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair, and I appreciate listening to your proposal too. Thank you so much. Members, since I made the comment about the, decreasing the transfer pressure, my proposal, and I hope you have it, is to decrease or reduce two areas for deferral is the first one was a \$250,000 reduction on Page 5-78 under Professional Services to defer the Central Maui Landfill Reduction Study, Refuse Reduction Study. And then, I was going to ask that we also consider deferring the renewal of the Olowalu Transfer Service Contract which is \$400,000. That would be on Page 5-76. And so, those two reductions would be 650,000. I'm asking that a \$1 a month residential rate increase, which would come out to \$308,400 a year, and a \$1 tipping fee increase, which I understand with the current account load would be about \$115,000 annually. So, you add those four things up, we would decrease the General Fund transfer for Solid Waste by \$1,073,400 and that is what I would ask you as another way to consider the reduction to the General Fund transfer. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Did any of the other Members have ideas on how to cover the shortfall? Okay.

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COUNCILMEMBER HOKAMA: So, Chair, yeah, compared to yours, mine is only about a 25, 27 percent reduction, or lessening of the transfer amount. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Hokama. Okay. And, Members, sometimes your video is not on my screen. So, if I'm not calling on you, just unmute yourself and just say Chair, and then, that way your video pops up on my screen. Okay. So, I'll entertain a motion to cover the Solid Waste.

COUNCILMEMBER HOKAMA: I'll make the motion first, Chair, regarding my proposal and we'll see whether it goes. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. So, it's on...I believe Member Hokama e-mailed it. I don't know if it's on Granicus. Did it make it to Granicus yet? I didn't check. So, the proposed...the motion is a \$250,000 decrease for the Central Maui Waste Reduction Study; 400 for the Olowalu Transfer Contract; and adding \$1 to the residential rate from \$4 to \$5 and increasing the tipping fee from...by \$1 for a total of \$104 per ton, and that, that's the four amendments.

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Hokama, seconded by...oh mahalo, Member Hokama's office. The item is on Granicus number 128. Okay. And seconded by Member Sugimura. Member Paltin?

COUNCILMEMBER PALTIN: I move to amend.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: I move to amend by taking out the \$400,000 Olowalu contract.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin.

COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Seconded by Member Sinenci. Member Paltin.

COUNCILMEMBER PALTIN: Yeah, you know, I thank the Members for their hard work. I think it's a big mistake to take out the Olowalu contract, especially at this time when we're remarketing and rebranding our image, I mean, unless we want to get known as the rubbish destination. You know, there's a lot more people that make up Maui and West Maui than aloha aina. There's a lot of dirty people that will just throw their rubbish on the side of the road. There's people that do that already, I mean, if you drive to Ukumehame on the weekends all the way to Napili. And I think that we're wasting time by doing this because the public hasn't been let aware of this proposal that once they become aware of the proposal, then they'll take up all our time at first and second reading testifying to this. So, I think it's a bad idea, and, you know, the

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aloha aina people already pick up a lot after the dirty people and I think this will just break the spirit and we'll just be surrounded by rubbish.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Anyone else wishing to speak to the motion? Okay. Seeing none, I'll add my comments to the motion to amend. I support the motion to amend. When it comes to trash, it's such a tricky issue because somehow it always ends up coming back to the County to clean up anyway. And so, if we don't have somewhere for people to put their trash, just like Member Molina's proposal to add trash receptacles in Paia Town, then people are just going to throw it around. And, you know, and then we end up giving grants to people who will clean up after other people. So, I understand the need to, you know, reduce the amount of transfer from General Fund to Solid Waste. But I don't support the 400,000 Olowalu Transfer Station, and I don't support increasing residential rate refuse pickup by \$1. Okay. So, that's not part of the motion. I was just throwing it in because I'm speaking. So, the motion is to remove the \$400,000 for the Olowalu Transfer Station contract from the main motion. Okay. I'll call for the question. All those in favor of the motion to remove the Olowalu Transfer Station contract from the main motion please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay. All those opposed, please raise your hand, and say "no." Okay. Motion carries, seven-two, Member Hokama, Member Sugimura. Okay. Anyone wishing to speak to the motion as amended? Okay.

COUNCILMEMBER KAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Okay. That's what I was going to say, Pro Tem Kama, you weren't on my screen. So, just unmute yourself and let me know. Okay. Pro Tem Kama?

COUNCILMEMBER KAMA: Okay. I did. I wanted to, no, I just wanted to tell that I voted with Councilmembers Yukimura [sic] and Hokama. So, I wasn't sure if you saw that vote or not.

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CHAIR RAWLINS-FERNANDEZ: I didn't see that. So, I'll correct the record that the motion carried six-three, Member Hokama, Member Sugimura, and Pro Tem Kama.

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

NOES: Councilmembers Hokama, Kama, and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion.

COUNCILMEMBER KAMA: Yes, yes. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Was there anything else? Okay. Okay. Member Sinenci?

COUNCILMEMBER SINENCI: Yeah, I would move to remove the additional dollar to the, on the tipping fee. I agree with you, I think if we're adding it we might encourage more people to dump. I know it's just not...it's just another dollar, but again, people during this pandemic might be, you know, just little things like that...we're spending more time cleaning at home but which is...so we just wanna encourage people to, you know, to continue to take their opala to the dump. But I, you know, I do appreciate Member Hokama's, you know, I can support his...deferring the study, but for now...I mean I would amend to take out the additional dollar.

CHAIR RAWLINS-FERNANDEZ: Okay, motion by Member Sinenci to remove the residential rate of increasing by \$1, is there a second?

COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Seconded by Chair Lee. Anyone else wishing to speak to the motion? Member Paltin?

COUNCILMEMBER PALTIN: Point of information. Is this the one, the 4 to the \$5 one we're talking about?

CHAIR RAWLINS-FERNANDEZ: Yeah --

COUNCILMEMBER PALTIN: Okay.

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CHAIR RAWLINS-FERNANDEZ: --four to five.

COUNCILMEMBER PALTIN: Okay. Thank you, I just wanted to be clear.

CHAIR RAWLINS-FERNANDEZ: Yeah, I think we increased it last year from \$3 to \$4.

COUNCILMEMBER LEE: Chair, this is not the tipping fee, right? It's the residential fee?

CHAIR RAWLINS-FERNANDEZ: Right, the residential fee.

COUNCILMEMBER SINENCI: Yeah.

CHAIR RAWLINS-FERNANDEZ: The tipping fee is an increase of \$1 to \$103, which would be \$104 per ton.

COUNCILMEMBER SINENCI: I meant the residential fee.

COUNCILMEMBER LEE: Yeah.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER SINENCI: Thank you.

COUNCILMEMBER LEE: That's what he said, he said the tipping fee. But I know he meant the residential fee.

CHAIR RAWLINS-FERNANDEZ: Oh, okay, sorry. I understood him --

COUNCILMEMBER LEE: Okay.

CHAIR RAWLINS-FERNANDEZ: --to say the residential fee too. Okay. So, this...

COUNCILMEMBER PALTIN: That's what he meant, right?

CHAIR RAWLINS-FERNANDEZ: Yeah. Okay. So...

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

CHAIR RAWLINS-FERNANDEZ: Chair Lee, do you remain the seconder of this motion since it's residential and not tipping?

COUNCILMEMBER LEE: Yes, I do.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER LEE: I thought I pointed that out. Thanks.

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CHAIR RAWLINS-FERNANDEZ: But I wanted, I just wanted to clarify. Committee Vice-Chair King?

VICE-CHAIR KING: Okay. So, this is to put it back to four from five? And this is the month...the fee that you pay every time that you go to the dump and unload. So, just to make it clear, it's not the residential collection fee, it's the fee that you would pay every time you go down there and unload. So, it was increasing it \$1 per time you go down there.

CHAIR RAWLINS-FERNANDEZ: Yes. That is correct. So, it's not the \$33 per month that you get twice-a-week pickup. It's if you go to Central Maui Landfill to dump your trash you pay \$4 every time

VICE-CHAIR KING: So, do we know what this is, maybe Mr. Hokama can repeat what this would increase the take on that particular . . . or maybe Ms. Yoshimura knows.

CHAIR RAWLINS-FERNANDEZ: Three hundred and eight dollars...\$308,400, and it's on Granicus.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Hokama posted it. It's item 128 if you want to see the breakdown.

VICE-CHAIR KING: Okay. So, that would be an additional 300,000 to the budget?

CHAIR RAWLINS-FERNANDEZ: By adding \$1, it would add \$308,400 to Solid Waste. Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you. Yes, I appreciate you trying to help bring clarification. I'm proposing to increase residential collections, not the residential landfill.

VICE-CHAIR KING: Oh, okay. So, the 30, the monthly fee is what you're proposing to increase?

COUNCILMEMBER HOKAMA: Yes, yes, until we can take care of that subsidy.

VICE-CHAIR KING: Okay. So, that's by \$1 per month?

COUNCILMEMBER HOKAMA: Yeah, yeah, \$1 a month more, yeah.

VICE-CHAIR KING: Okay. Okay. Now I think I'm clear on that. 'Cause I couldn't, I didn't, yeah, I couldn't see how we . . . 300,000 with the \$1 per, you know. Anyway, I understand now. Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. So, it's from \$33 to \$34 per month?

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COUNCILMEMBER SINENCI: Chair, I'll withdraw my amendment. I thought it was the dollar additional.

CHAIR RAWLINS-FERNANDEZ: So did I. Okay. Mahalo, Member Sinenci.

COUNCILMEMBER LEE: Okay, so, where are we now? You don't need a second.

CHAIR RAWLINS-FERNANDEZ: We are at the main motion which is to remove the Central Maui Waste Reduction Study by 250,000 and to increase the monthly refuse pickup, residential refuse pickup by \$1 for a total of \$34 a month, and increase the tipping fee for landfills by \$1 from \$103 per ton to \$104 per ton, that's the main motion.

COUNCILMEMBER LEE: And what was your recommendation?

CHAIR RAWLINS-FERNANDEZ: I could be supportive of this motion. I don't know if Member Hokama would want to increase the tipping fee to make up for the Olowalu Transfer Station Contract being removed which was 400,000. But I would be open to either to the motion as it was amended or if Member Hokama wanted to increase the tipping fee.

COUNCILMEMBER HOKAMA: Chair, I was curious to see 'cause I...I'm very open to some of your recommendations as well that you shared with the Committee. So, again, I'm in the spirit of working it out and compromising. And I appreciate the Members just taking my proposal into consideration. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. So, the motion right now is just the, to reduce by 250,000 and to add revenue by 308,400 and 115,000.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Do you have one of your additions that you would like to entertain a motion to amend the motion on the floor?

CHAIR RAWLINS-FERNANDEZ: I guess I would entertain a motion to increase tipping fee for landfill by \$3. So, it would be a total of \$106 per ton.

VICE-CHAIR KING: I personally have a hard time with that 'cause I just think that affects all the restaurants directly and they're all hurting right now. A lot of them are going to go out of business anyway. So, I wish we could find another fee in here to raise instead of...and the whole industry is just, it's not in very good shape.

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

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number by 673,400. So, to cover the shortfall of Solid Waste we would need to do a supplemental transfer of \$3,276,579.

COUNCILMEMBER SINENCI: So move.

VICE-CHAIR KING: Motion.

CHAIR RAWLINS-FERNANDEZ: Okay, moved by Member Sinenci.

VICE-CHAIR KING: Second.

CHAIR RAWLINS-FERNANDEZ: Second by Committee Vice-Chair King. Anyone wishing to speak to the motion? If not, I'll call for the question.

COUNCILMEMBER HOKAMA: Chair, real quickly.

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: I just wanna say thank you...thank you, Chair. I just wanna say thank you. I think the Committee made a responsible attempt at trying to reduce the subsidy so I appreciate the effort, and I think down the future if we continue to make this slight adjustments we'll be able to bring the fund back into fiscal balance, so thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: And mahalo, Member Hokama, for your proposal in getting us there, okay. I'll call for the question. All those in favor of the motion please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Motion passes unanimously.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE.

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CHAIR RAWLINS-FERNANDEZ: Okay, Members, we're kind of tight on time for our RPT rates discussion. I have so many printouts in front of me right now I don't even know which one is the current one. Okay.

COUNCILMEMBER LEE: Move to approve.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughing)*. . .

VICE-CHAIR KING: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Chair Lee, seconded by Committee Vice-Chair King. Chair Lee, discussion? Oh, Chair Lee as the movant.

COUNCILMEMBER LEE: Yes. I think we've had all day to look at these numbers. Of course we wish we could drop them wherever...in certain places but we're at a point where we need to make a decision and...we've tried every which way to balance this budget, and I think you did an outstanding job, really, with coming up with this proposal. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Committee Vice-Chair King, then Member Sinenci, and Member Paltin.

VICE-CHAIR KING: Thank you, Chair. I just wanted to say I echo what Chair Lee said. I think this...you know we've been looking at this for several days now. It's no easy task to balance out the budget but...and do it creatively but I support...and I think I have the...it was the proposal that came out today from yourself is the latest one, okay. So, from what I'm looking at I can support that and...my input.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Member Sinenci and then Member Paltin.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, I too are very appreciative of you crunching the numbers. I liked that we've addressed, in this latest edition you've addressed some of the long-term rentals to help with our long-term rentees. I agree that some of the condos too that needs to be, especially in the higher tax bracket for short-term rentals, you know, it's something that, you know, the last ten years was a very...was good for rentals. And it's something that you take a risk short-term. You could always move to long-term. Again, thinking of our most vulnerable residents and helping them out fiscally during this pandemic. So, thank you for all your hard work, Chair.

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

COUNCILMEMBER PALTIN: Thank you, Chair. I would just echo my colleague's statement. I did wanna say that I heard pretty loud and clear from the testimony about the

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Short-Term Rental Rate not being tiered, and originally I was for the tiering, but after listening to the testimony and doing the research on the people that are testimony...testifying and their property value rates, I would personally keep the Short-Term Rental rates all at one rate for each tier at about \$11.08. Because I wonder why it is we're giving the cheaper short-term rentals a break when many of those are the ones are on the Minatoya list, 300 to \$800,000. Our local residents could be affording those condos to live in. They could be affording those condos to purchase or rent long term. And if the owners don't wanna do it, that's fine, but they should pay the value that's being assessed. It's not like we're in a hurricane or a tidal wave or a flood where there's no value to their property. The value is still there as soon as the tourism picks up. The other change I would say is just bringing the Non-Owner Occupied up maybe 20 cents and bringing the first tier...the highest tier and bringing the first tier down maybe 15 cents or something like that. Because, you know the 3, to 5, to 10 million Non-Owner Occupied's, they're not being rented out. They're just, you know, it's not, it's that the kind of things that we want to pursue and promote is the \$10 million tier of Non-Owner Occupied, non-short-term rentals? And so, in the way that policy directs, or taxing directs policy. So, if there's no objections I would move to amend the Short-Term Rental to be one tier at \$11.08 and the I guess I'll just take it one, one at a time if...see how that goes. So, the first part was my speaking to the main motion and then I amended it, I guess.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin . . . *(laughing)*. . . for being so mindful of procedure. Okay. So, the motion on the floor is...sorry. Is there a second? So, the motion would be to strike the tiers under Short-Term Rental and make it all one rate at \$11.08. Okay. Is there a second?

COUNCILMEMBER SINENCI: Second for discussion.

CHAIR RAWLINS-FERNANDEZ: Seconded by Member Sinenci. Okay. And then, Member Paltin, do you want to speak to...

COUNCILMEMBER PALTIN: Yeah, I think my reasoning, this shouldn't create that much of a difference than what is presently here. And, you know, a lot of the high-end short-term rentals, the 3 million, \$5 million ones, they actually went through the permit process, which is a rigorous process. They're the most heavily regulated, you know, they employ really skilled workers. And not that I'm encouraging more luxury short-term rentals in that range, but I think we're working, taking steps to address there being more. I just don't want to punish the guys that are already there at the expense of like, you know, the cheaper Minatoya properties, which the hotels will be battling at for tourists possibly if there's not a bum rush of Maui after it's been all clean and pristine for a couple months.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. So, it looks like even though \$11.08 is lower than the proposed Tier 2 and Tier 3 rates, it would generate about \$300,000 more if it was all one rate at \$11.08.

COUNCILMEMBER PALTIN: Yeah.

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CHAIR RAWLINS-FERNANDEZ: Mahalo . . .*(inaudible)*. . . Okay. Anyone else wishing to speak to the motion? Okay. And then, if I'm not calling on you, just remember to just unmute yourself and say Chair, and I'll call on you. Okay. Seeing no one else wishing to speak to the motion, I'll speak to the motion. I guess I hadn't really considered that rationale. And I could support that, keeping it flat and maybe those that are in Tier 1 under 800,000, if those were like long-term rentals, those are more long-term rentals, or more units or houses that...more of our residents would be able to afford if they were long-term rentals. Okay. Mahalo, Member Paltin, for your proposal. I'll vote in favor of your motion. Okay. Anyone else wishing to speak to the motion? If not, I'll call for the question. All those in favor of the motion to have short-term rentals all one rate at \$11.08 please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay. I see Member Sinenci, Member Paltin, Chair Lee, and myself. Okay. And all those oppose please raise your hand and say "no." Okay. I see Committee Vice-Chair King, Pro Tem Kama, Member Sugimura, and Member Hokama. Member Molina, I'm sorry your video isn't on my screen.

COUNCILMEMBER MOLINA: Yeah, Chair, I voted in the affirmative.

CHAIR RAWLINS-FERNANDEZ: Oh, you voted for the motion? Oh, okay.

COUNCILMEMBER MOLINA: Yes.

CHAIR RAWLINS-FERNANDEZ: I think the motion passes then.

**VOTE: AYES: Chair Rawlins-Fernandez, and Councilmembers
Lee, Molina, Paltin, and Sinenci.**

**NOES: Vice-Chair King, and Councilmembers Hokama,
Kama, and Sugimura.**

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion

CHAIR RAWLINS-FERNANDEZ: Chair Lee?

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COUNCILMEMBER LEE: So, does that mean that extra 300,000 goes toward what we just discussed and...some of that subsidy from the, in the General Fund is reduced now by 300,000 plus, right?

CHAIR RAWLINS-FERNANDEZ: Yeah. So, that would generate additional General Fund money.

COUNCILMEMBER LEE: Okay, thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. Member Paltin, and then Committee Vice-Chair King.

COUNCILMEMBER PALTIN: I have a proposal for a second amendment...that would be on the Non-Owner Occupied tiers, you know, the \$800,000 and below, the 1.5 mil and below are usually the ones that are--oh, sorry, motion first. Sorry, my bad. Okay, I propose Tier 1 to be 5.45 rate and Tier 3 to be 6.90 rate, and if I get a second, I'll explain my rationale.

CHAIR RAWLINS-FERNANDEZ: So, what was Tier 1?

COUNCILMEMBER PALTIN: Five forty-five.

CHAIR RAWLINS-FERNANDEZ: Five forty-five.

COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin, seconded by Chair Lee. Member Paltin?

COUNCILMEMBER PALTIN: Okay. So, I think that a lot of the houses in my area, Kapalua, Kaanapali, are these Tier 3 homes, you know, that are in excess of 1.5, more so in excess of 2, \$3 million and, you know, they're non-owner occupied, they're not really going to be rented out. If you have a house that nice . . . *(inaudible)*. . . and, you know, rent a room each. It's either, you know, somebody that's making a big amount of money to pay the rent for that. Whereas, the cheaper owner-occupied homes, those are the ones that usually, I mean, I don't know if slum lord is a good word, but those are the ones with like, you know _____ in each room. So, give a break to the locals and, you know, if you want to build a luxury home and keep it empty, you just gotta pay a little bit more.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Anyone wishing to speak to the motion? Okay. Seeing none, I'll call for the question. All those in favor of the motion to reduce Tier 1 in Non-Owner Occupied from 5.45, I'm sorry, to reduce it to \$5.45, and to increase Tier 3 to \$6.90 raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

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VICE-CHAIR KING: Thank you, Chair. Actually, I was just going to point out that we did raise the Short-Term Rental above, for the first to tiers, above the rate from last year. So, you might get some concern from those short-term rentals on that when we flattened the rates to 11.08 because last year in 2020 it was 10.75. Also, and I wanted to just verify that what I'm looking at, and I'm glad that basically what we did for Commercial in your latest proposal...oh wait, maybe I'm looking at the wrong one.

CHAIR RAWLINS-FERNANDEZ: Are you...do you mean I kept it all flat? I did that for Member Sugimura.

VICE-CHAIR KING: No, I just wanted to, no I just wanted, no I wanted to support that because I did hear from a lot of the folks that had Commercial that, you know, that the rents were going to go up for local businesses. So, I support that.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. I thought it was a smarter move too. So, it's all...I guess I didn't get to explain what I had proposed, everyone beat me to it. But yeah, so, it keeps the Commercial tiers at one rate at \$6.29, which is the same as what we received from the proposal of the Mayor. We also kept the Agricultural rate and the Conservation rate the same, and Time Share rate. And then, we adjusted to decrease the Non-Owner Occupied in the first two tiers to help out long-term renters. We also, I also proposed to reduce the Commercial [sic] Residential who are also our residents but have B&B permits, and we adjusted the Apartment a little higher, 5 cents above what the Mayor had proposed, and I think if, with the two motions that just passed, if we wanted to bring it down to what the Mayor proposed back down 5 cents we could. Well, maybe, I'm waiting on some of the numbers to find out for sure and then, Industrial is...oh, Member Paltin?

COUNCILMEMBER PALTIN: To answer Chair Lee's question, I believe that second vote puts us \$268,189 ahead.

CHAIR RAWLINS-FERNANDEZ: Above?

COUNCILMEMBER PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. So, that just about breaks even but brings us a little bit above. And then, with the Owner-Occupied, my proposal was to bring down the first two tiers to provide our residents relief and to keep Tier 3 at the rate that was proposed by the Mayor. Okay. All right, so, we have...okay. So, the main motion is as amended--oh, Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you, I'd like to make an amendment for the Hotel rate. Chair, I see where you came up with a compromise, but I would like it from the Mayor's rate of 9.37 to be at that 9.37 rate is my amendment just because of everything that's happening in the community.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Sugimura. Just as a heads-up, Member Sugimura, I tried to keep it as low as I could, but if you're going to propose a

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\$1.40 less you have to let us know where you're gonna increase because the increase is the hard part.

COUNCILMEMBER SUGIMURA: Oh, that was your balance.

CHAIR RAWLINS-FERNANDEZ: So...yeah.

COUNCILMEMBER SUGIMURA: Okay. Based upon that...can I ask a question then? Based upon all the discussions that we have so far, in your calculation, could we reduce the Hotel rate any more than what...I guess you're recommending 10.70. Is that what you're basing it on? Okay. So, can we reduce...what more can we reduce that rate by with the amendments made and your calculations?

CHAIR RAWLINS-FERNANDEZ: We would need take a recess in order for me to get all those numbers for you. Yeah.

COUNCILMEMBER SUGIMURA: Please.

CHAIR RAWLINS-FERNANDEZ: So, it's 3:30, and our posting deadline is four o'clock.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. So, we'll take a quick recess so that I can get the numbers for everyone--

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: --on the three adjustments that we just made. Okay. So, it's 3:30 and we're gonna take a recess at the call of the Chair. I don't wanna...to get too long. So it's 3:31 on April 30th, and we're gonna take a quick recess at the call of the Chair. The EDB Committee is now in recess. . . .(gavel). . .

RECESS: 3:31 p.m.

RECONVENE: 3:53 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order? It is 3:53 on April 30th and we are taking it down to the wire. Okay. Member Sugimura, I have some numbers for you to remain...or on...to hold the same rate that was proposed by the Mayor of 9.37, that would be a 400...sorry, \$4,112,012 difference which we would need to increase the other classes in order to maintain and balance our budget. At \$10.50 that's about as low as we could get the number and hold enough of a positive balance for any anticipated curve balls that we've been experiencing. So, at \$10.50 per thousand that would generate \$32,463,251 and we wouldn't really be able to adjust anywhere else if we wanted to, you know, bring down any of the other rates in the other classes and putting money into Emergency Fund which is what I was hoping we would be able to do.

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COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: And we have no money for OPEB . . . no additional money than what the Mayor had proposed for OPEB. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, I make that motion to take the Hotel rate down to, or to \$10.50. Chair, thank you for pausing to do this calculation.

COUNCILMEMBER MOLINA: Second for discussion.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura, seconded by Member Molina. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. I think that we all see what's happening in the community and with the cars disappearing as an indication of what the visitor industry is probably looking at for the industry in general. I think that the visitor industry has held us and taken us forward as a community. In this time when I think that they're probably going to be in dire needs to start up again and start up with social distancing, it's going to be a whole new industry. It's not like what we saw pre-COVID. This is going to be the new transition. So, I appreciate having this discussion. I look forward to hearing what my other Members may say about this being \$10.50 rate versus...thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Members, anyone else wishing to just speak to the motion? Committee Vice-Chair King?

VICE-CHAIR KING: Chair, I speak against the motion. And I, you know, by just being in touch with my colleagues on HSAC. And my, our President who said the same request came on O`ahu and they said they're not going to reduce their hotel tax rate. There's no guarantee that reducing the Hotel tax rate will get people their jobs back. The jobs are lost because of COVID-19, not because of property tax. And for those of us who have, bare property, we don't get reductions because we're not bringing in any income into our, you know, on to our land. It's not, we're not a body that taxes business. We tax property, and the property rate is already fairly low. We saw that with the Grand Wailea being taxed at a rate of 400 million and being sold for a couple billion I think it was. But, you know, my colleague points out that the CEO's of these hotels are not taking tax or pay cuts. The Hilton CEO makes \$12 million a year. So, there's still a lot of money that is in that industry that, you know, what are they doing to reduce their, the hurt to their employees? What are they giving back? I've been in a position before where we were close to the edge and the first thing that happened was the management took pay cuts. So, I don't think this, I don't think the pay, the jobs has a direct relation to the property tax. And I think we're going to be in a world of hurt if we reduce the property tax too low and then it takes us a couple years to get back up to where we need. We have first responders to pay, we have our own, you know, we're

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trying to help people out at the grass roots level and the residential level. So, anyway, I think it was generous to go down to \$10.70 and I think we should hold it there.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Anyone else wishing to speak to the motion? It's 3:59, Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. You know, last night at some of the testimony that came in, some of the short-term rentals thought that they shouldn't be higher than hotels. They thought that, you know, they didn't have all that additional help when running their business. So, they thought that maybe the hotels should be, they shouldn't be higher than the hotels. But I personally like the, your proposal. I think it's still well below the other four counties. Kaua'i is at 10.85, Honolulu is upwards of 13.9. So, we're hoping, you know, that the hotel industry can apply for the PPE [sic] assistance. They were already planning to pay the 11.

COUNCILMEMBER LEE: Four o'clock.

COUNCILMEMBER SINENCI: So, I think the 10.70 is a good compromise. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci, and mahalo Chair Lee. Okay. It's four o'clock. Okay. I will also be voting against the motion to amend to 10.50. Okay. I'm gonna, I'm gonna call for the vote. All those in favor of reducing the rate from the proposed 10.70 to 10.50 please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: All those...I see Member Sugimura, Pro Tem Kama, Member Hokama, and Member Molina. Okay. All those oppose please raise your hand and say "no."

COUNCILMEMBERS: No.

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CHAIR RAWLINS-FERNANDEZ: No. Chair Lee, Committee Vice-Chair King, Member Sinenci, Member Paltin and myself. Motion fails.

VOTE: AYES: Councilmembers Hokama, Kama, Molina, and Sugimura.

NOES: Chair Rawlins-Fernandez, Vice-Chair King, and Councilmembers Lee, Paltin, and Sinenci.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION FAILED.

CHAIR RAWLINS-FERNANDEZ: Okay. It's four o'clock.

VICE-CHAIR KING: Call for the question.

CHAIR RAWLINS-FERNANDEZ: Okay. I will call for the question which is amendment to Time Share at 14.40; Non-Owner Occupied Tier 1 at 5.45, Tier 2 at 6.05, Tier 3 at 6.90; Commercial [sic] Residential at 4.40; STR all at 11.08; Apartment at 5.55; Commercial all at 6.29; Industrial at 7.20; Agricultural at 5.94; Conservation at 6.43; Hotel/Resort at 10.70; Owner-Occupied Tier 1 at 2.51, Tier 2 at 2.56, and Tier 3 at 2.61. Okay. So, Member Paltin?

COUNCILMEMBER PALTIN: Chair, but my sheet for Apartment said 5.60. Is that what you meant?

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Sorry, I was trying to see how much it would be if we went back to what the Mayor proposed at 5.50 and it's 18,668 less. So, sorry...whichever.

COUNCILMEMBER PALTIN: Yeah, I'm okay with what you said. So moved.

CHAIR RAWLINS-FERNANDEZ: Five fifty-five. Okay.

COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Okay, so all those in favor of the motion please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

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CHAIR RAWLINS-FERNANDEZ: Okay...Chair Lee, Committee Vice-Chair King, Member Sugimura, Member Sinenci, Member Paltin, Member Molina, myself. Pro Tem Kama, you're not on my screen so I'm not sure if you're voting. Okay. And then, all those oppose please raise your hand and say "no." Okay. Motion carries eight-one, Member Hokama. Oh, no? Member Hokama, what was your vote? Oh, okay.

COUNCILMEMBER HOKAMA: Yeah, "no" vote, Chair. Thank you.

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

NOES: Councilmember Hokama.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE amendment to main motion.

CHAIR RAWLINS-FERNANDEZ: Okay. So, I will get Staff to get the posting deadlines going. We have a few other things. Let me just . . .*(silence)*. . . okay, okay. I'm gonna take a quick recess at the call of the Chair to just make sure Staff is all good with posting documents. Okay, it's 4:04 and we'll take a quick recess at the call of the Chair. Okay.

VICE-CHAIR KING: Chair, is there anything that we should have ready for when we come back?

CHAIR RAWLINS-FERNANDEZ: Yes. We're gonna, we're gonna discuss, we're gonna, we're just, minimum tax, circuit breaker bill, Emergency Fund, OPEB, and then we're gonna vote on all the budget bills. Okay. Okay. So, it's 4:05 on April 30th and Economic Development...Economic Development and Budget Committee is in recess at the call of the Chair. . . .*(gavel)*. . .

RECESS: 4:05 p.m.

RECONVENE: 4:22 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Will the Economic Development and Budget Committee please return to order. It's 4:22 on April 30th. Okay. And I would like to extend our biggest mahalo to the Clerk's Office for their willingness to work with us on allowing us to get the resolution to you a couple minutes after 4:00. We really

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appreciate their help with that. . . *(laughing)*. . . So, mahalo to the Clerk's Office and mahalo to the EDB Staff for working so quickly to get that posted. Okay. So, the next thing on our list is minimum tax and then, before we move to minimum tax I just, I wanted to assure Members that the calculations that we did covers the TAT. So the difference between what the Mayor proposed and what we passed with the rates that we just approved, would generate \$5,571,233 more and that's because we had to account for TAT being...we received the proposal with the \$23.4 million for TAT and we made decision to zero it out, and so, we had to adjust for that \$23.4 million less in revenue. The rental cars potentially taking about half their stock out of the County so that's another shortfall to Highway Fund, General Fund, the Vehicle Disposal Revolving Fund, and the Highway Beautification Revolving Fund. We had to account for water shortfall in the Water Department for Sewer shortfall and Solid Waste shortfall, as well as fuel tax shortfall. So, I think that Members, you know, with all reductions that we made throughout the budget in operating and CIPs, moving CIPs from cash funded to bond funded, everyone worked so hard to get us to where we need to be, and I really applaud everyone's efforts, thank you for working so hard. So, we're almost there. The minimum tax with these rates are \$2,689,102. And we do have Director Teruya available. He's with us if anyone needs to ask questions on that, but if there aren't any questions, I will ask for Members I guess consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. So it's \$400 per year and we adjusted it from the Mayor's \$2,676,761 to \$2,689,102. Okay. Next is the circuit breaker bill and...if there aren't any objections...so this is the bill for an ordinance amending Section 3.48.010, Maui County Code, relating to the circuit breaker tax credit, and if there aren't any objections, I'll defer this bill so that we can get more information for the Members' consideration.

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. All right, next is the Emergency Fund. The Mayor has proposed \$42,729,485 for the Emergency Fund and that is...the Mayor's proposed to add \$3,780,313 to the 38 million for a total of 42 million. Okay. We have from the rates that we passed and the adjustments that we made after adjusting for circuit breaker exemptions, the minimum tax adjustment, Open Space Fund, and Affordable Housing Fund, we have \$1,078,552 that we can consider putting into the Emergency Fund which the Mayor took \$4 million out of to address the COVID pandemic. Initially, I, I mean I would have preferred to put 4 million back into the Emergency Fund since that's how much was taken out and there's a good chance that more will be taken out before the end of this fiscal year. But I think, Members, I think it was important to also provide tax relief to the different classes that needed tax relief as well, and that perhaps \$42,729,485 in the Emergency Fund, is sufficient for Fiscal Year '21. So if, if Members would prefer we can also consider putting the \$1,078,552 into our self-insurance which \$2 million was taken out and I can ask Ms. Yoshimura or Director Teruya for their advice or guidance on that, or I

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can...anyone would like to speak to it I'll call on anyone wishing to speak to that. Committee Vice-Chair King followed by Member Hokama.

VICE-CHAIR KING: Thank you, Chair. I was under the impression that some of the money that we've been providing in emergency funding for the COVID response would be returnable by either FEMA or the CARES Act. So, I'm hoping that what we gave out is going to come back in there as well as the 10 million that the Mayor asked for. So, you know, I'm depending on what the, Mr. Teruya says. I'm good with where we're at as far as emergency funds because I think some of that we'll get back, hoping a lot, hoping even, maybe even more than what we took out. So, anyway, that's my position at this point. Thank you.

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

COUNCILMEMBER HOKAMA: I'd be happy to hear from the Finance Director. But I have no problems with the self-insurance as well as, that is one of the areas that we can look at for potential basis for next year's budget calculations and reviews. So, I'm fine with placing the, whatever residuals we have in that, those type of accounts, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Okay. I'll call on Director Teruya, or Ms. Yoshimura.

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director Teruya --

MR. TERUYA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: --let me try to see if your video is working. Your video is gone. Okay. I can't figure it out.

MR. TERUYA: I think I; I can see myself. But if you can't see me, I'm, it says my video is on.

COUNCILMEMBER KAMA: I can see and hear you.

MR. TERUYA: Okay.

COUNCILMEMBER MOLINA: I see him.

MR. TERUYA: Anyway, Chair --

CHAIR RAWLINS-FERNANDEZ: Okay. I see you.

MR. TERUYA: --whether or not you can see me --

CHAIR RAWLINS-FERNANDEZ: Yes.

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MR. TERUYA: --it doesn't matter really. I would have no preference. I mean, it's up to you, Chair, whether it's in self-insurance or the Emergency Fund, both places would be adequate for me. Emergency Fund does take a long time for us to get our reimbursements. I just received a check I believe that was for the flood of Iao. And I believe that was like four years ago. So, it does take a long time for reimbursements to come back to the County. That's all I'll say. And I'll defer to the Budget Director. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. Budget Director Yoshimura?

MS. YOSHIMURA: Chair, when appropriating the \$6 million for the Self-Insurance Fund, I consulted with the Corporation Counsel, and it would have been sufficient for Fiscal Year 2020. If we put the monies into the Emergency Fund, I think being that this year we are going out for a bond float and I think that would help our bond rating if it's there rather than in the Self-Insurance Fund. And if we ever need more monies, we can always rely on that, on the Emergency Fund if we need to. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Okay. Any other Members wishing to comment? If not, your Chair's recommendation would be to put any residual funding into the Emergency Fund based off of the...

COUNCILMEMBER HOKAMA: So move.

VICE-CHAIR KING: So move.

COUNCILMEMBER KAMA: Second.

COUNCILMEMBER SUGIMURA: Second.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, moved by Committee Vice-Chair King. So, yeah, so the preference would be to help our bond rating, and if putting that funding back into our Emergency Funds does that, then that's the recommendation. So, anyone wishing to speak to the motion? If not, I'll call for the question. Okay. All those in favor of putting whatever residual excess funds from the revenue into the Emergency Fund please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

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Excess of the Amounts Required for the Purposes for Which Such Bond Were Initially Issued, or May or Should Not be Applied to those Purposes, and Directing, such Proceeds to Other Public Improvements or Authorized Purposes of the County of Maui; A Bill for an Ordinance Authorizing the Mayor of the County of Maui to Enter into an Intergovernmental Agreement for a Loan from the State of Hawai'i's Water Pollution Control Revolving Fund for Various Wastewater Projects, Fiscal Year 2021 Budget Ordinance; and filing of County Communications 20-56, 20-114, and 20-229.

VICE-CHAIR KING: So moved.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Committee Vice-Chair King, seconded by Pro Tem Kama. Okay. Anyone wishing to speak to the motion?

COUNCILMEMBER KAMA: Good job.

VICE-CHAIR KING: Good work, everybody.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: I just wanted to congratulate you, Chair Rawlins-Fernandez, for making this process seem seamless. I especially liked when you started out with, we're, to navigate uncharted waters. I thought you, the call to arms and everybody, all hands on deck, so I appreciated that. Thank you to the EDB Committee for the additional calls, emails, texts to help this remote process go through. Thank you to Budget Director Yoshimura for providing clarity throughout the process. Thanks to the Members. It felt good whenever we were on the same side for the betterment of Maui, our people, the environment, our economy, and our future success. And also, thank you to everyone who participated online and jumped on BlueJeans. Their participation, their input was most appreciated. Mahalo and good job. Thank you.

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

COUNCILMEMBER MOLINA: Yeah, thank you very much, Chair. I echo the sentiments of Mr. Sinenci and the Members. I'm gonna use one last, make one last proposal for a proviso for what it's worth, and, Chair, I thank you for your work and I do support the budget. I propose a proviso to come under OCS Council Services Program, Audit Services, and to use some of the funds for an audit of the Department of Planning, and if I get a second, even for discussion, I can elaborate a little bit more.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Molina, seconded by Pro Tem Kama.

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair and Member Kama, for giving me this one last opportunity to share this. This was an idea that I proposed

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earlier in the session and it didn't go. It was for 250,000. This is a non-cost proposal. Again, we've been getting more testimony, this time from organizations supporting an audit of this Department which included the REALTORS® Association of Maui, Maui Vacation Rental Association, and the one that really raised the red flag for me, the American Institute for Architects. And in that letter, the president mentions things of concerns related to the length of review, long response times, unfriendly, unhelpful, unprofessional staff, complicated and redundant forms, arbitrary changes, and unwritten rules. So, I put this out there for consideration now. And it is consistent with the 2006 assessment of the Department, and the cost for that audit at the time was 120,000. So, this is why I'm just leaving the appropriation open, whether it be for this Council or a future Council to consider. And even if this does not fly, my intent is to make sure that this stays on our minds because we've got constituents concerned about what's happening with the Department. And I applaud the previous Council for doing an audit on the Liquor Department and it was, yeah, I believe it was due to concerns from the community about what was going on with that Department and that audit I believe was very helpful. So, anyway, thank you very much, Members. And irregardless of the, what happens here, I thank you very much for giving me this opportunity to share my thoughts. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. My hope is that it doesn't create precedent for opening up any of the other budget items that we already got, achieved consensus on. All right, seeing no one else wishing to speak to the motion, I'll call for the vote. All those in favor of Member Molina's motion, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR RAWLINS-FERNANDEZ: All those oppose please raise your hand and say "no."

COUNCILMEMBERS: No.

CHAIR RAWLINS-FERNANDEZ: And then, Member Paltin? Sorry, you're not on my screen.

COUNCILMEMBER PALTIN: I voted "no."

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COUNCILMEMBER HOKAMA: Yeah, thank, thank you very much, Chair. Yeah, thank you, Ms. Espeleta, and if, when and possible if you could print that out for the Members' information that will be helpful. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. So...

MS. ESPELETA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Espeleta. And we've been tracking all the changes on Exhibit "1" in real-time and making corrections as we go and, you know, I'm really thankful to Budget Director Yoshimura for also catching a lot of adjustments and corrections. It's been really helpful, super, super helpful. So, thank you. Okay. Anyone else wishing to speak to the motion? Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, thank you very much for everybody, for working hard at this and through my, through the years working on the Budget this is the first time we've had this kind of pandemic scare, I guess, that's affecting our whole economy as well as the nation. So, I appreciate how the departments worked with us to try to get what to cut. That was really amazing, and the amount of trust that each of us had for their decisions. So, I appreciate that, and I look forward to seeing this Budget passed and be implemented. And, Chair, I look forward to your, whatever the 2.5 million, the write-up that you were going to submit. I think you were going to put it in Exhibit "1." I haven't seen that yet. So, maybe in Granicus or something. I look forward to it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Oh, Chair Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. I just wanted to say that I'm going to save my remarks for first reading, my three sentences for first reading. But meanwhile, hats off to you and our entire Staff. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Okay. All right, sorry, okay, all right, so, I'll just, that wasn't for Chair Lee. Okay. I just, I'll just, I'll say my mahalos without crying. Okay. So, and I'll also save my more grand mahalos for first and second reading. But we made it to today. So, I want to thank my staff, Sarah, Trinette, Jen, Zhan. Thank you for getting my back and staying up 'till wee hours of the night, EDB team Shelly, Lesley, Kasie, Ana, David, Remy, and Chester who's no longer monitoring the meetings. You know, they really were instrumental in making sure that our remote meetings went smoothly, as smoothly as they did. I think we've really set the bar for remote meetings. I know a lot of people are looking to Maui County Council for, you know, how to have their meetings online. So, good job, Members. And, you know, Staff really worked hard and as a very demanding Chair in wanting to, you know, really provide the EDB Committee all the information you could possibly need or want in making decisions moving forward on this important budget. And the Budget Director Michele and Scott for, and all the department directors for working truly collaboratively with the Council in making all the appropriate and necessary reductions that were, you know, just in this unprecedented time, and the

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public for, you know, their patience in working with us on this new platform and for continuing to participate and, you know, providing words of encouragement in, you know, cheering us on in this new platform in allowing oral testimony. So, mahalo, and to all the Members for your hard work, your long nights, and your support in this. So, if there aren't any other comments, Committee Vice-Chair King?

VICE-CHAIR KING: Okay. Chair, I'll save my, most of my comments for first and second reading too. But I just wanted to say that this process has been extraordinary. And I sat in on a coffee and conversation meeting with Civil Beat yesterday where this became an issue, and they, people were complaining why the State can't do this, why other bodies can't do this. So, I suggested that they talk to you, do an article on what Maui County Council has done throughout this Budget Session. And so, I just wanted to give you a heads-up that they may be calling you. But I think we've set an example for the entire state. So, thank you for that. Thank you to everybody who was involved.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. So, I saved one of the best for last. I didn't forget you, Yvette, but I want to also extend my huge mahalo to Yvette and Tammy for working really hard in compiling all of the testimony, the written testimony, for, wait, I want to put this on gallery view so everyone can see all the hearts and the applause for the EDB team for Yvette and Tammy for working really hard in organizing Granicus and getting all the written testimony for me every day that I was able to read everyone's names and what they were providing testimony. I think that was like really important and it made a difference, and just working so hard in the County Building processing all of our paperwork and getting it all loaded up for everyone's fingertips to access. And yeah, so, I think, hopefully that was everyone. Okay. So, if there aren't any further comments, I'll call for the question. All those in favor of the motion please raise your hand and say "aye."

COUNCILMEMBERS: Aye.

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CHAIR RAWLINS-FERNANDEZ: All those oppose? Oh, no. Motion passes unanimously.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: FIRST READING of Budget bill, CIP Program bill, Bond Authorization bill, Fuel tax bill, as revised; and Lapsed Bond bill and Intergovernmental Agreement bill (various wastewater projects); and FILING of communications by C.R.

COUNCILMEMBERS: . . .*(laughter)*. . .

VICE-CHAIR KING: Congratulations everybody.

CHAIR RAWLINS-FERNANDEZ: Yay . . .*(clapping)*. . . good job, Members.

COUNCILMEMBER MOLINA: Pizza tonight.

COUNCILMEMBER HOKAMA: Thank you, Alice.

VICE-CHAIR KING: . . . *(inaudible)* . . . Did they relax, did they relax the birthday party ordinance? . . .*(laughing)*. . .

COUNCILMEMBER HOKAMA: Only ten of us.

COUNCILMEMBER MOLINA: Get enough room.

COUNCILMEMBER KAMA: We qualify ten or less, right, can gather?

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: I just wanted to welcome you all to next Tuesday's PSLU. We got Paia Courtyard, and ag ziplines for Member Molina and Member Sugimura. I had hoped to have it be an evening meeting in their district, but my permit got revoked so we'll be on BlueJeans at 9:00 a.m. So, tell your friends it's an old posting for the Paia

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Courtyard because we didn't have the updated bills. But we'll go through the presentation before testimony, so people know what they're testifying on. Just a little preview of the fun to come. I'll be practicing --

COUNCILMEMBER MOLINA: Thank you.

COUNCILMEMBER PALTIN: --my . . . *(inaudible)* . . .

COUNCILMEMBER LEE: Thank you.

COUNCILMEMBER PALTIN: So, hopefully not.

COUNCILMEMBER LEE: It sounds exciting.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Okay. So first reading of FY '21 Budget will be on Friday, May 22nd; second reading on June 5th. By Charter, the Budget needs to be approved no later than June 10th. The recessed public hearing of April 29, 2020 on RPT rates is scheduled to reconvene on May 15th at 9:00 a.m. And if there aren't any final comments, I will thank the Members again for their hard work and you get to have Member Molina's birthday off. You're welcome.

COUNCILMEMBER MOLINA: Thank you.

CHAIR RAWLINS-FERNANDEZ: . . . *(laughing)* . . .

VICE-CHAIR KING: We all get a present.

COUNCILMEMBER KAMA: We should sing happy birthday.

CHAIR RAWLINS-FERNANDEZ: Okay. You can start it, Pro Tem Kama.

COUNCILMEMBER KAMA: Happy birthday to you.

COUNCILMEMBERS: Happy birthday to you. Happy birthday dear, Mike. Happy birthday to you.

COUNCILMEMBER MOLINA: Mahalo. You all sound like angels, such angelic voices, terrific. You're the best. You're the best. Mahalo.

COUNCILMEMBER HOKAMA: Thirty-nine is your age or is that your waist?

COUNCILMEMBER MOLINA: Uh. . . a little of both. . . *(laughing)* . . . I wish I was 39. Thank you again, everybody, appreciate the thoughts.

COUNCILMEMBER KAMA: Well, Alice too, she wish she was 37.

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CHAIR RAWLINS-FERNANDEZ: Okay. It's 4:54 on April 30th. And the Economic Development and Budget Committee is now adjourned. . . .(gavel). . .

ADJOURN: 4:54 p.m.

APPROVED:



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

edb:min:200430:mt

Transcribed by: Marie Tesoro

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CERTIFICATE

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

DATED the 25th day of May 2020, in Wailuku, -Hawai'i



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