

**BUDGET AND FINANCE COMMITTEE**  
Council of the County of Maui

**MINUTES**

**April 23, 2007**

**Council Chamber, 8<sup>th</sup> Floor**

**CONVENE:** 9:37 a.m.

**PRESENT:** Councilmember Joseph Pontanilla, Chair  
Councilmember G. Riki Hokama, Vice-Chair  
Councilmember Michelle Anderson, Member  
Councilmember Gladys C. Baisa, Member  
Councilmember Jo Anne Johnson, Member  
Councilmember Danny A. Mateo, Member  
Councilmember Bill Kauakea Medeiros, Member  
Councilmember Michael J. Molina, Member  
Councilmember Michael P. Victorino, Member

**STAFF:** Lance Taguchi, Legislative Analyst  
Gayle Revels, Legislative Analyst  
Yvette Bouthillier, Committee Secretary

Leinaala Kihm, Executive Assistant to Councilmember Medeiros

**ADMIN.:** Frederick Pablo, Budget Director, Office of the Mayor Traci Fujita Villarosa,  
First Deputy Corporation Counsel, Department of the Corporation Counsel

**OTHERS:** **Item 1:** Ian Chan Hodges, American Ingenuity Alliance  
Others (10)

**PRESS:** Ilima Loomis, *The Maui News*

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CHAIR PONTANILLA: . . .(*gavel*). . . Good morning, Members.

COUNCILMEMBER MEDEIROS: Good morning.

COUNCILMEMBER BAISA: Good morning.

COUNCILMEMBER VICTORINO: Good morning.

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CHAIR PONTANILLA: Today is Monday, April 23, 2007. The Budget and Finance Committee meeting is now convened. At this time, the Chair would like to recognize the Members that are here this morning. We do have Member Mateo, Member Anderson, Member Baisa, Member Johnson, Member Medeiros.

COUNCILMEMBER MEDEIROS: Good morning.

CHAIR PONTANILLA: ‘Morning. Member Molina, Member Hokama, and Member Victorino.

COUNCILMEMBER VICTORINO: Good morning, Chair.

CHAIR PONTANILLA: Good morning. Also with us this morning are our First Deputy Corporation Counsel, Traci Fujita Villarosa as well as our Budget Director, Frederick Pablo. Supporting the Committee this morning are Legislative Analysts Lance Taguchi and Gayle Revels, and our Committee Secretary, Yvette Bouthillier.

Members, we do have one person signed up for public testimony, and at this time, the Chair would like to request that all of you in these Chambers turn off your cell phones or put it on the silent mode. Thank you. The Chair will receive public testimony this morning, and the testifiers will have three minutes to testify with one minute to conclude. When you come up to the podium, please provide us with your name and the organization that you represent. Again, Members, we do have one testifier this morning and at this time, the Chair would like to call on Ian Chan Hodges.

CHAIR PONTANILLA: Morning. ...*(adjusting microphone)*....

**...BEGIN PUBLIC TESTIMONY...**

MR. HODGES: Good morning. I want to be real quick ‘cause I know you guys have a busy day and week ahead of you. I believe...I, I just came to submit the Budget that was requested last week when we spoke before you, and I believe you should all have a copy of it. And just a ver..., very brief comment, someone, one of the Council Members, I think at least one asked if we could actually do some of the programs with less money and the answer is, yes. And also, I want to say that I received a letter which I, just this morning from the President of the International Federation of

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Professional Technical Engineers, National President, that I've given a copy to Chair Pontanilla's office -- I don't have any more copies unfortunately 'cause I just got it -- in support of this effort. And if there's any questions?

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier at this time?

MR. HODGES: Thank you very much.

CHAIR PONTANILLA: Thank you. Members, the Chair will also make copies for your review, the information that Mr. Hodges had presented to the office. Members, without any objections the Chair would like to close public testimony at this time.

COUNCILMEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

**...END OF PUBLIC TESTIMONY...**

**ITEM NO. 1: FY 2008 BUDGET** (C.C. No. 07-29, 07-87 and 07-109)

CHAIR PONTANILLA: It was a late night this...last night, in fact, was an early morning for me. But again, the...as Chair of the Budget and Finance Committee, I would like to thank the Members for their efforts during the preliminary review of the Mayor's Proposed Fiscal Year 2008 Budget. All the hours you have invested will assist the Committee in making the difficult decisions that begin today.

After reviewing the Mayor's \$525 million proposed budget and listening to the directors of the various departments and the public, it is apparent that we need to address our infrastructure needs immediately. Every major department has presented a plan that requires significant funding for major infrastructure improvements over the course of many years. We must accelerate the replacement of our water and sewer lines, improve and maintain our landfills, and increase our efforts to repave our roads. Without the substantial investment to maintain and repair our current infrastructure of highways, water systems, sewer systems, landfills, and parks, the quality of life for our residents may be jeopardized.

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Your Chair's proposed budget helps to fulfill the County's commitment to past and present employees health fund benefits by transferring \$9 million to the proposed Post-Employment Obligations Fund. Your Chair's proposal provides increased appropriations to correct the State Department of Health environmental issues by adding \$1.9 million to complete the Lanai Landfill Storm Water System Reconstruction project. Your Chair's proposal expedites the resurfacing schedule, and adds \$4.3 million to the \$700,000 requested for the construction of the South Maui Community Park Phase I.

The Budget and Finance Committee has reached out to the community through our district meetings. We have a clear understanding of our community's wants and needs through the hundreds of oral and written testimonies received. Now comes the difficult task of balancing the ever-increasing needs of our rapidly growing community with the financial burdens that will be placed on the working families.

In order to provide a starting point for the Committee's decision-making, your Chair's proposal is attached and will be presented to you after concluding my statements. In developing this proposal, your Chair considered requests made by each Committee Member. Other highlights of your Chair's proposals are as follows:

1. **Commitment to ensure quality water and sewer services**

The Mayor has proposed an increase in both water and sewer rates to provide the funding need...needed for infrastructure improvements that are long overdue. The proposal represents the first attempt to separate out water rates by consumer type, by establishing a single-family residential water rate. It also segregates charges for consumption and for power within the overall rate. Although concerns have been expressed regarding the department's ability to effectively accomplish these improvements, your Chair's proposal includes the increases. Without providing the resources that department need, there is no hope of seeing our sewer and water lines replaced. Delaying these improvements is not an option. The Council must be vigilant in its oversight responsibility to ensure that these departments improve their operations and make efficient use of taxpayers' dollars.

2. **Commitment to our environment**

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The recent Charter amendment to establish a Department of Environmental Management confirms the priority the public has placed on taking care of our environment. Prior Councils have struggled to provide funding sufficient to ensure the proper disposal of our waste, with the County insufficiently underwriting the cost of waste disposal. As a result, the track record for improving and maintaining our landfills has been dismal. This year, that struggle still continues. We have been told that the fees for residential trash pickup would need to increase over \$24 a month to cover the cost of service. Considering the proposed increase in water and sewer fees, such an increase would be more than many households could bear. Through this Budget, your Chair proposes establishing a General Fund transfer of nearly \$15 million to address much-needed changes in the Solid Waste Division. These funds will help to address deficiencies in our landfills and improve our recycling efforts.

3. **Commitment to repave our roads**

The Committee has been informed that there is no competition for repaving contracts in the County, and that the current funding of \$300,000 per community plan area will only repave a two-lane road for one mile. At the current rate, the County will be unable to properly maintain and repave its roads. To increase our repaving efforts and to encourage competition, our Chair's...your Chair's proposal increases the Mayor's proposed road resurfacing appropriation by \$2.75 million.

4. **Other Highlights**

For public safety, your Chair's proposal supports \$3 million for the acquisition of land for a new Kihei Fire...Police Station, \$4 million for a County morgue, and \$500,000 for the design of the Haiku Fire Station.

For environmental protection, your Chair's proposal supports \$2 million for the Lahaina Recycling and Drop Box Redemption Center.

For parks and recreation, your Chair's proposal supports \$1 million for the Molokai Parks Baseyard, \$600,000 for the Upcountry swimming pool improvements, and over \$2 million for

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constructing or improving tennis courts located Upcountry, West Maui, and Central Maui.

Your Chair's proposal adds grants of \$500,000 to the Maui Family Y.M.C.A. and \$400,000 to the Maui Arts & Cultural Center.

This proposal provides a starting point for our week of decision-making. Your Chair recognizes that the final budget for Fiscal Year 2008 is a collab..., collaborative process and welcomes your comments and revisions as the Committee proceeds, proceeds with its deliberations. Your Chair would ask, however, that you continue to keep the big picture and long-term needs of the County in mind, rather than focusing on this year's Budget requirements alone, and that you review the Budget as a building block to accomplishing our objectives.

So, Members, we do have our work cut out for us this whole week. At this time, the Chair would like to present the proposed...the Chair's proposed budget to each of the Members...Committee. Thank you, Staff. Members, the Chair is open to having you review the Chair's proposal and the Chair is willing to provide Members some time to review the Chair's proposal at this time. Members, any suggestion when you want to return?

COUNCILMEMBER BAISA: One.

COUNCILMEMBER VICTORINO: One o'clock?

COUNCILMEMBER BAISA: One.

COUNCILMEMBER ANDERSON: One o'clock

COUNCILMEMBER VICTORINO: Mr. Chair, one o'clock.

CHAIR PONTANILLA: One o'clock? Okay. At this time, the Chair is going to recommend a recess up to one o'clock to give you some time to review the Chair's proposal. So this meeting is in recess.

COUNCILMEMBER ANDERSON: Wait, wait, Chair.

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: Meeting is in recess. Meeting is in recess.

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**RECESS: 9:50 a.m.**  
**RECONVENE: 1:05 p.m.**

CHAIR PONTANILLA: . . . (*gavel*). . . Good afternoon, Members. The Budget and Finance Committee meeting is now reconvened.

COUNCILMEMBER BAISA: Bring it on.

CHAIR PONTANILLA: Bring it on, she says.

COUNCIL MEMBERS: ...(*laughter*)...

COUNCILMEMBER VICTORINO: Come on down!

COUNCIL MEMBERS: ...(*laughter*)...

CHAIR PONTANILLA: Members, I hope you had a...you know, enough time to review the proposals in regards to the Exhibit "1" that was presented to you this morning. Members, this is how the Chair is going to proceed: We're going to go page by page; row by row; and the Chair is going to be looking for consensus. Okay. And then the ones that we, we don't have consensus or have issues with, we'll mark it off and then we'll just move along. That's the intentions of the Chair at this time. Any questions?

COUNCILMEMBER MATEO: Chairman...

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. Will, we will have an additional pass after we initially go through it?

CHAIR PONTANILLA: Oh yeah, yeah, yeah. Because as we go through, we need to keep in mind that we need to keep this thing balanced as we go. If you gonna add anything, then the Chair would ask your recommendation, what needs to be taken out, so that we keep this thing balanced as we move forward.

The first area that we're gonna be discussing is the real property tax area. But before we go into that, the Chair on April 13<sup>th</sup> have sent to the Members a proposed bill. And this is a bill that...a Bill for An Ordinance Amending Chapter 3.48, Maui County Code, Pertaining to the Real

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Property Tax Exemptions for Deployed Active Duty Military Personnel. So, Members, you do have copies of the Chair's intent to provide some exemptions for our people from our County serving actively in the military. Thank you.

Members, as...the first item on the proposal is the real property tax. Members, do you have any changes or recommendation at this time in regards to the Chair's proposal?

Member Victorino, questions? No?

COUNCILMEMBER VICTORINO: Mine would be basically on the increasing of the homeowners' rates. Is that...do we have to take line by line or how do we do this, Mr. Chairman, educate me.

CHAIR PONTANILLA: Yeah, we can take it line by line if you want to, or we can come to consensus. If you come consensus with the Chair's recommendation, you know, we'll show it's a consensus, but if you do have an issue in regards to a particular item, and there's no consensus then we can come back to that later.

COUNCILMEMBER VICTORINO: My, my particular one would be homeowners' rate.

CHAIR PONTANILLA: Okay, fine.

COUNCILMEMBER VICTORINO: Okay. That's it for my, myself, Mr. Chair.

CHAIR PONTANILLA: Okay. Anything else, Members?

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Your proposal for the hotel rate is to take it back to the '07 rate of \$8.20, is that correct?

CHAIR PONTANILLA: Correct.

COUNCILMEMBER ANDERSON: My proposal, Members, was to increase the hotel rate by 30 cents, making the rate \$8.50 per \$1,000 evaluation, increasing our revenue by \$2,937,702. At \$8.50, we are still well below

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the rates on other islands. Hawaii island -- and this is as of last year, so I don't know if it's changed -- but as of '06, their rate was \$9.85 against our \$8.20; in Oahu their rate is \$11.37.

My reasoning...reason behind this Mr. Chair is, first of all, those who have benefited from this economic boom that we've been experiencing which has resulted in increased valuations across the board for everyone, I think the ones who benefit...who make profit off the increased valuations, and mind you, what is an increased valuation? An increased valuation, really, just represents the increased profits somebody made off of selling a piece of proper..., property. So, specifically for the hotel rate, I feel that they, they're due an increase, a 30-cent increase. And that the, the \$2.9 million that this 30-cent increase will realize in our revenues will hel..., help offset the money that we are allocating from the General Fund that all taxpayers are paying into for the Maui Visitors Bureau.

So, I believe in the mission that the Maui's...Maui Visitors Bureau has. However, I think the industry is grown-up, the hotel industry is grown-up as well as the visitor industry, and they shouldn't need a handout or a hand-up from the general populace. I'd like eventually to see the funding for the Maui Visitors Bureau be taken up in increases in the hotel rate which wouldn't take a lot, Members. We're giving them 3.85 in this year's Budget, Maui Visitors Bureau. A 30-cent increase in the hotel rate would offset that by 2.9. So, another 10 or 20 cents next year could offset what we're giving to the Maui Visitors Bureau. And it would put the burden on the industry who's benefiting from the marketing.

So, I wouldn't, I wouldn't mind seeing some of the money in time share going towards this, too. Because, while, while we don't subsidize the marketing for the real estate industry, they certainly benefit off the marketing from the Maui Visitors Bureau. Because it's the people that they bring in who end up buying the time shares.

So I'm just trying find a more equitable way for us to move forward without knocking anybody off the...*(laughing)*...I was gonna say knocking them off the dole...that's not fair ...*(laughing)*...sorry, Members and those listening. We're all very sleep-deprived, so I don't think our choice of words are gonna be very eloquent during this week of deliberation and final decision-making. But I just think that increasing the hotel, they certainly can afford it. They have the highest occupancy rates in the State, they have the highest room rates in the State, and you know, when, when, everybody's gaining off of this economic boom, the

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taxpayers should get their share of the game, Mr. Chair. That's why I don't believe we should reduce it. I think we should increase it by 30 cents.

CHAIR PONTANILLA: Thank you. Members, you heard the recommendation as made by Member Anderson. Is there any consensus?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: No, not at this time.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: No.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I support this because what I had done was I decreased by \$1 million your budget. And I think that because of the fact that the visitor industry really needs to look at the impacts, we need to look at the impacts that are really created by the visitor industry. I put in some money of...later on, you know, for study and what-not but, rather than if you don't want to cut the budget, then I say if this is another way to ra..., raise the revenues so that the visitor industry would still be able to continue budgeting for one fiscal year longer, I think it's appropriate. There's so many things that are impacted in our Budget that if we continue expending this amount of money just for marketing, what's going to end up happening is we will reach the point where it's a law of diminishing return. So I just think it's logical, it certainly is fair and I don't think it's fair for the rest of the taxpayers to have to bear the increase all on our

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shoulders because the people that oftentimes get hit are those individuals who can least afford it. So I, I support it.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Thank you, Chair. Essentially, I had already raised it by requesting that we not give them any break and hold them to the current rate.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, at, at this pass I, I will say no. But I think I would like to take a look and re...and consider the rates, perhaps for the next pass because the end, the eventual outcome is, we're gonna have to really take a deeper look at increases.

CHAIR PONTANILLA: Thank you. So consensus at this time to leave it alone and on the second pass, revisit. Mr. Victorino, your homeowners?

COUNCILMEMBER VICTORINO: Yes. Mr. Chair, my, my proposal is a decrease in homeowners from the proposed \$1.85 to an actual \$1.50 for which would reduce our income by \$3,442,400..., no, excuse me, \$3,442,258 for which I had put in, uh, we're keeping all the other rates such as commercial and industrial, time share, other areas at the same lev..., levels as 2007. My feeling was either a rate reduction further was necessitated for the people of Maui County because of the tremendous as..., um, assessments, I should say, that have been forthcoming.

I know some members have proposed additional exemptions which I think is also another methodology. But my feeling is rates are something that we can move up and down with, uh, uh, with, with this Council's control. I think the homeowners and also, I did put down for renters and I, I, sh...in the area of renters for improved residential and apartments. Those three particular areas because they are our effective our resident, long-term resident, our working families, our elderly, all those that are encompasses in those areas. Those are the areas that I felt reductions were necessitated, even further than the Mayor had proposed.

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As I see, I was in the minority. Nobody else felt the same way. And that's okay, I, I'm not knocking, I mean I think some of my Members here, my fellow colleagues decided to use exemptions like yourself with another 50,000...25,000. A..., and I think that's another means of, of, of protecting the escalating assessments. But I really feel if this does not fly with the rest of the group, I, I understand that. I just hope that we will take this matter up after this budget session is over because the people of Maui County really deserve to look at their tax, their, their real property taxes, uh, system has to be re-addressed. We have to look at it. Whether it's through COMET proposals or others, we really must take a good look at this, Mr. Chair.

But that was my, my, my proposal reduc..., reducing it from \$1.85 per thousand to \$1.50 per thousand. But, as I saw in my chart here I was the only one that decided that, so I don't know if anybody else will follow my lead, but if they not, I truly understand it. And I hope the people of Maui County understand that. I think everyone in this room is very sensitive to that fact, and I think will do their best to, to help the people of Maui County, especially our working, elderly, those who are long-term residents here. So thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you, Mr. Victorino. Member Hokama?

VICE-CHAIR HOKAMA: No comments.

CHAIR PONTANILLA: Molina?

COUNCILMEMBER MOLINA: No comments at this time, Chair.

CHAIR PONTANILLA: Medeiros?

COUNCILMEMBER MEDEIROS: Chair...

CHAIR PONTANILLA: Yes.

COUNCILMEMBER MEDEIROS: Maybe, you know, being new to this, can you tell me what the process will be? I mean, I, I hear, you know, passes, how many passes we're doing, and...

CHAIR PONTANILLA: Right now, we're in the real property tax area.

COUNCILMEMBER MEDEIROS: Okay.

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CHAIR PONTANILLA: And if you have any questions to the Chair's proposal as shown on Exhibit "1"--

COUNCILMEMBER MEDEIROS: Uh-huh.

CHAIR PONTANILLA: --and if you do have a change that you want to do, then, you know, identify that--

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: --and provide us your recommendation and the Chair will ask for consensus. If there's consensus then we do the change. If not, there's no consensus, then we continue moving on. But again, let me reiterate that this is only the first pass that we're taking, yeah. We're gonna do maybe one, one more or two more--

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: --and then finalize the proposed budget for Fiscal Year 2008.

COUNCILMEMBER MEDEIROS: So, so when you say, you know, we may do a second or third pass on items we don't have consensus on, now is, is that we're going go through the whole thing as one pass, the whole...

CHAIR PONTANILLA: Yeah, whatever you see on this--

COUNCILMEMBER MEDEIROS: Right. On the Exhibit "1", right.

CHAIR PONTANILLA: --on this 30-something pages, yeah.

COUNCILMEMBER MEDEIROS: We going through that one full time and then we may come back to it again?

CHAIR PONTANILLA: Yeah. And again, you know, if you're gonna add something, make sure that you delete something so that we keep our budget balanced throughout.

COUNCILMEMBER MEDEIROS: Right. Okay. Thank you for the... answering those questions, Chair. I have nothing right now. Thank you.

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CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: My amendment was a little bit different than yours, Mr. Chair, on the homeowner rate. And it was not as low as the Mayor's proposal. I went to 1.95 and that basically produced...let's see, it's just under, it was \$983,502 of additional revenue. So that was at 1.95. I noticed you had gone to \$2 which produced the 1.475 so I...mean to be at, at this point I guess I was the only one, I'm like, you know, Member Victorino, sort of hanging out there. So, I just throw it out for consideration. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Chair, I had...somewhere in the transmission of my request, I suggested at least a \$25,000 additional reduction in homeowner's exemption. But that was kinda lost in the process and I forget it was preliminary, so no problem.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Are you asking us just to speak on...

COUNCILMEMBER JOHNSON: Homeowners.

CHAIR PONTANILLA: Homeowners at this time because we have ...

COUNCILMEMBER ANDERSON: Mr. Victorino's proposal?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER JOHNSON: Well...

CHAIR PONTANILLA: Yeah --

COUNCILMEMBER JOHNSON: ...*(inaudible)*...

CHAIR PONTANILLA: --and Member Johnson had also another proposal at 1.95 so...

COUNCILMEMBER JOHNSON: Or your own.

COUNCILMEMBER ANDERSON: Or my own?

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COUNCILMEMBER\_\_\_\_\_ : Yeah

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER ANDERSON: That's a lot of choices. Well, all I did Mr. Chair is, is I left the homeowner rate at 1.85 which is the Mayor's proposal. Basically, what I did is all tax classifications that had anything to do with... *(end of tape 1A - 1:23 p.m.)* ...duced. Improved residential, improved residential is property that's used for renters. So, I kept that at the decreased rate of 4.70. Apartment, I don't know how we can single out in the apartment class, those that are long-term residents and those that are short-term. So for that purpose, I'm leaving it at the reduced rate of 4.55. And then of course, the homeowner and everything else that the Mayor reduced: commercial; industrial; agriculture; conservation; hotel/resort; unimproved residential; I put back at last year's rates. Because again, I think when people benefit from an economic boom, they need to share that benefit with the community as a whole.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. I, I, too, did the same thing that Ms. Anderson did. I, I kept homeowners, apartments, and improved to the Mayor's recommendation, and everything else was returned to the '07 level. I look at your proposal, your recommendation, Chairman. I, I can, I can support your recommendation just based on the reality that this is just a year that perhaps considerations in reductions will occur. It becomes harder next year when the reality sinks in and we're gonna have to raise rates.

CHAIR PONTANILLA: Thank you for noticing that.

COUNCILMEMBER MATEO: This is less intense. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Okay, Members, moving on. Charges for current services. Any questions? Consensus? Member Johnson?

COUNCILMEMBER JOHNSON: Mr. Chair, on the reduced golf course...oh, you're just on...okay, you haven't gotten to the items within that, because reduced golf course revenue for decrease in resident rate...what does that mean? Are you proposing that we not adopt the recommendations of the Parks Department?

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CHAIR PONTANILLA: At this time, the Chair felt that the residential rates will remain the same except for the non-res, Hawaii State resident as well as increasing the rates for non-res, out-of-state.

COUNCILMEMBER JOHNSON: Yeah, and...

CHAIR PONTANILLA: Everything that's local remains the same.

COUNCILMEMBER JOHNSON: Yeah, and, and for me, that's only gonna produce, I mean, you're taking \$100,000 out of the General Fund but basically, from what I heard and from the Parks Director, the users of the golf course were more than willing as long as the golf course was in better shape and because there was additional revenues coming in from the non-resident rates. So, you know, right now I'm just in favor of not making any changes, at least in the golf course rate. I'm not sure about the other proposals that you have either, but you know, I, I definitely think that this is not gonna produce a lot of revenue, but with the twilight fee coming in, you know, there's some breaks there. So I, I just think it's...in the scheme of things it's not really that big a deal, so I would say I would support the Mayor's, the Mayor's proposal and the Parks Department proposal.

CHAIR PONTANILLA: Okay. Member Hokama followed by Member Molina.

VICE-CHAIR HOKAMA: Chairman, since we're talking about the golf course component at this time, I would like to have the Committee reconsider the Mayor's proposal. While I think it's worthy of the Mayor's proposal to try and increase its revenue ability to generate sufficient funds to cover its operational and debt service.

What I do have a problem -- and I can tell you since we adjourned Friday - - comments I've had over the weekend regarding its negative impact on the Junior Golf Program which is our young people. And their now inability to use their own County public golf course, because revenue generation is more important than providing our youth, our junior program to utilize the course is something that concerns me. See.

The golf program is one where we charge users a certain fee to utilize the facility. Okay. We plow in millions in tennis courts. We charge them? No. We've got a lot of softball, baseball, field soccer. Are we charging them to practice? No. But we can charge the golfers, our junior golfers,

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and now we're telling them, we don't have room for you on the course 'cause you don't generate enough revenue. You know. We fund tutoring, transportation; we fund this for all our other youth. Why aren't we helping our junior golfers? It's a youth program; they're in an organized sport; they have adults supporting them; chaperones; we have public facilities. And we're gonna put them in a separate category?

I don't have a problem giving them some General Fund assistance if it's gonna be directed to assist our young people, the junior golfers, the continued opportunity to participate in their program. Eventually, they'll be the adults paying the full green fees prices that we are assessing the program. They will be the ones to help pay for the program. If we don't do this for all the other components of recreation, then I don't have a bitch. But I don't think it's right that we just earmark and then tell a hundred-plus kids in 12 years and under they cannot participate or utilize the County's facility. I have a big issue with that, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chairman. I just wanted to add in my thoughts with the, with regards to the Mayor's proposed increase. I can support it but I'd like to see the, again, as I stated last week, I would like to see the increase shifted towards the non-Maui residents. And I think that's where the increase should take place and, and if there is an increase on, on our local residents here, it should be very minimal instead of, I believe, the proposed \$2 increase. I think the percentage seemed to be higher on our local residents than our non-Maui residents. So, for me, I would be in favor of the Mayor's proposal only if some adjustments could be made where the burden of the increase is shifted towards the non-Maui folk. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros, comments?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. You know, I, I wanna agree with Member Molina. I, I think if we're gonna increase fees, then certainly, the increase should be on non-residents as far as any increases. 'Cause I think, you know, golfers even though I don't golf, pay a substantial amount for the use of a public facility whereas, as Chairman Hokama said, other sports for their facilities do not have to pay. So, I think if we're gonna increase in the green fees that it should certainly be on non-residents, as far as the fees. But I do want to ask through you if

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Member...Chair Hokama could explain, you know, why do we charge junior golfers any fees? Are they charged fees right now, Chair?

CHAIR PONTANILLA: At this time I, I think they are provided with tee times that they go out for free, but those are times that are, you know, in the afternoon, late afternoons.

COUNCILMEMBER MEDEIROS: Uh huh. So it's like space available for them?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER MEDEIROS: Okay, and now that we're gonna have a pilot program of this twilight time fees, would that decrease the chances of junior golfers finding that space or that open times?

CHAIR PONTANILLA: It may.

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER MEDEIROS: Okay, so yeah, my, my feeling as far as the green fees would be to put the increases on the non-residents, as I'm sure we're going see an increase of non-resident golfers here on Maui when Super Ferry comes around. And they should be paying, you know, their share. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa, questions to that?

COUNCILMEMBER BAISA: No, I support Member Molina's idea --

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: -- as well as yours.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Could someone remind me what Member Molina's idea was? ...*(laughter)*...

COUNCILMEMBER MEDEIROS: ...*(inaudible)*...the same thing I said...

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COUNCILMEMBER ANDERSON: Oh, shift it? Okay. Yeah, because the resident...the resident with ID is proposed at 10...\$10, up from \$8 and the non-residents from \$40 to \$45. So that's only \$2. Of course, I guess we probably don't have as many non-residents playing as we has...have residents.

CHAIR PONTANILLA: Members, we had requested the numbers from the Department in regards to the type of play by local residents, resident...within the State and non-resident outside of the State. We haven't gotten --

COUNCILMEMBER ANDERSON: We haven't gotten...

CHAIR PONTANILLA: --those numbers yet. These are just estimates that you're looking at.

COUNCILMEMBER ANDERSON: Okay. For this first round, Mr. Chair, I would support Mr. Hokama's re..., reduction back to eight for residents with ID and I'd like to see, see us add that additional \$1 to both the Hawaii State resident who is not a Maui resident and to non-residents.

CHAIR PONTANILLA: Thank you. Member Mateo, questions, concerns?

COUNCILMEMBER MATEO: Chairman, thank you. I would, I, I would support the Mayor's recommendation with the increase, because I, I believe all the players including our residents expect to have a quality play. And the only way we can as..., take care of providing that quality play is by having the monies to invest in the course, and I think that will help us.

CHAIR PONTANILLA: Thank you. The Chair would just like to add his comments in regards to the fees. You know, we worked at this last year and you know, we got...and we worked with the golfers themselves in trying to come out with a fair rate for not only the Maui residents but also the non-res. And what was presented to us, although it showed us some increases -- some of them were hefty increases -- we need to be conscious that we do have other golf courses that once you add...wha..., what you don't see in the green fees is the additional cost if you would hop on those golf carts which will cost another probably \$10 and it would be more comparable then, or just a little less than some of our golf courses here on

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Maui. So...we can come back to this again and revisit. Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I just ask if your Staff can assist by maybe getting a phone communication. My understanding is that we charge our students through senior a flat monthly rate, \$8 and I believe a \$1 seed fee every time they go out. So, I just want...I just would like to ask if some of your Staff can assist by making a call and confirming whether or not we're still assessing the student...a student monthly rate.

CHAIR PONTANILLA: Yeah, we can find out.

VICE-CHAIR HOKAMA: And whether or not...and again I've asked the Junior Golf Program to assist us with uh, current accurate numbers of the age brackets and the amount of participants we have in the program. But I would just also support your comment that when you add the ten to —huh, -- I and I think they made some adjustment for their fuel, too, and the concession of the carts, Chairman. The private courses may be cheaper to play than our public course.

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: And so, it could definitely impact, again, its revenue generation. And while increasing the rates would bring in more money if we had the same amount of play, should we decrease play, we'd get definitely a lot less revenue than under the current structure. Thank you.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Mr. Taguchi.

MR. TAGUCHI: During the course of developing the Chair's proposal, we contacted the Director of Parks and Recreation requesting the breakdown of rounds by different classification. The Director responded that they would be coming to this Council to suggest a consolidation of weekday and holiday rates into one rate. Perhaps what we could do is contact the Director and request that she make herself available with the Superintendent of Golf to receive any questions and provide the information necessary, so Council can make a decision regarding how they want the individual rate classifications adjusted.

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CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. Just a clarification...this reduction on your proposal, does that take into consideration weekends and holidays as well as weekdays?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Okay, thank you.

CHAIR PONTANILLA: Okay...so we'll bring this thing up again.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: The thing I would also ask is, because of the concern raised by Council Chair Hokama with regard to junior golf, perhaps we might consider some type of a proviso within the golf fund just stipulating that so much time should be allocated for junior golf. If that is a concern, then you know what, we're the policymaking body so just put a proviso in.

CHAIR PONTANILLA: Thank you. Okay, moving on, reduce solid waste revenues for decreases...decrease in residential refuse fees (23,000 accounts at \$48 per account) with a reduction of \$1.1 million. Member Mateo?

COUNCILMEMBER MATEO: Chairman, I can support.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: I can support.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Support.

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CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Question. Because what, what was the proposed fee from the Mayor, then?

CHAIR PONTANILLA: The Mayor's proposal was an additional \$4 per month.

COUNCILMEMBER JOHNSON: So, so, it would be keeping it the same as it is currently?

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER JOHNSON: And the same thing for the next...the tipping fees?

CHAIR PONTANILLA: We'll come to that again.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: On the next li..., um...

COUNCILMEMBER JOHNSON: Okay, as, as long as it's you know, and again keep in mind that this is now coming...it will come out of General Fund then because you're not cutting Solid Waste budget.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: So, it's coming out of the General Fund. And, do we know what percentage of people have trash pickup? And, and all trash pickup is not the same in Maui County.

CHAIR PONTANILLA: We do have 23,000 customers that are on that One-Arm Bandit. ...*(chuckled)*... And, of course, we do have the condominiums as well as apartments being picked up by private haulers that goes to the tipping fees.

COUNCILMEMBER JOHNSON: Yeah, and, and that's where I just want to make sure that there's equity --

CHAIR PONTANILLA: Yes.

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COUNCILMEMBER JOHNSON: --you know, between the two. And if there is, then I don't have a problem with it.

CHAIR PONTANILLA: Okay, fine. Mr. Medeiros?

COUNCILMEMBER MEDEIROS: Chair, I, I think because it'd be a good idea to wait for the Integrated Study. I would support your proposal of keeping the fee at the same, '07.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you Chairman. I'll, I'll support your recommendation. Initially, I put in at \$1 million but I think the \$1.1 million sounds better than what I had and being that rubbish is one of our major basic core services -- everybody's got rubbish -- and we all feel it whenever there's any type of proposed increases. So, I most certainly support your recommendation, Chairman.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Thank you.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Chairman I, I appreciate the difficult decisions and choices you are...you provided, yet -- I take that back -- that you needed to go through this weekend to come up with your recommendation. I will just ask the Members, as you look at this component, if you would also take it into part of your consideration when you look at Page 2 at the top under Interfund Transfers, you are looking at a \$42 million General Fund supplement that needs to make this special funds whole for their operational and improvement requirements. And, so while we are in one sense helping the person that is paying a specific fee -- let's take this one, the Solid Waste, the Refuse Collection -- you will notice then, the whole tax base is going to come up with an additional one...almost \$2 million of General Fund property tax to make the fund whole. Well, I take that back...the one...the \$2 million you see here is in addition to the already General Fund subsidy to this program. So, if this is the way we are going to go, then eventually, maybe the universal trash pickup consideration might be worthy for us to consider, Chairman. But I just would like to make it clear that this is just deferring a major policy decision that we are going to need to make in the, in the near future on how we're going to pay

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for solid waste. It appears nobody wants to pay it in a specific bill, but they're paying it through property taxes in a mixed bag of funds. So, I just want to be clear that we're not kidding anybody, we're still paying. We're paying from a different part of our wallet, but we're still paying for the same thing, Chairman. And I know what is more appropriate this time to, to make people truly aware of what it costs to fund solid waste or allow them to be deceived that they're getting a bargain, because they don't consider the real property component part of what it costs to take care of the operations. But at this time I support the...your recommendation, Chairman.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: I think Chair Hokama has put it most eloquently. I have a real challenge...I support the, the overall reduction for the residential refuse fees, although I wish we had gone like, instead of going up \$4, just go down \$2 just to give us time and to keep the General Funds from being diminished that much. The one I do have a real challenge is the tipping fees itself.

CHAIR PONTANILLA: We'll come to that Mr. Victorino.

COUNCILMEMBER VICTORINO: Okay, so we're not going that yet?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER VICTORINO: Okay. So I will support it but with, with reservations.

CHAIR PONTANILLA: Thank you. And the Chair would like to make a comment in regards to the Chair's recommendation in the increase in the real property tax for homeowners. Part of that was to support the trash pickup for our residents here in Maui County.

Okay, moving on, we'll go to reduce solid waste revenues for decrease in tipping fees from \$.03 to \$.0265 per pound. At 152,259 tons, the estimated reduction is \$1,065,750. Mr. Victorino, questions?

COUNCILMEMBER VICTORINO: You're at now on the tipping fees?

CHAIR PONTANILLA: That's the tipping fees.

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COUNCILMEMBER VICTORINO: ...(*chuckled*)... Okay. In this one I, I, I, I really cannot support your, uh, your proposal and my rationale is very simple, Mr. Chair. I feel that a lot of this refuse is being created by our visitor industry, and Ms. Anderson has mentioned in a number of occasions along with Ms. Johnson and others in this body that we've had a real challenge facing the fact that our refuse and our landfill, a good chunk of that, is coming from our visitor industry and from our commercial entities which is part of our visitor industry. And, I think there, I would li..., not like to see a reduction. I would like to see what the Mayor has proposed, stay in line with that. I don't think we should take real property tax and offset that particular part, because that is what our commercial vehicles that are picking up refuse from our condos, our shopping centers, our hotels, and all of those falls into this category. And I prefer seeing that kept the same as the Mayor had proposed. And that's what I have on that one. So, I will not agree with you on that one with you, Mr. Chair. I apologize for that but, I feel very differently on that one.

CHAIR PONTANILLA: Thank you very much. Just a simple comment that we do have homeowners also living in condos as well as apartments. So, thank you. Mr. Hokama .

VICE-CHAIR HOKAMA: Chairman, I'll support your proposal at this time.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Chairman, we're talking about the tipping fees  
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CHAIR PONTANILLA: Tipping fees.

COUNCILMEMBER MOLINA: --and reduction? Yeah. Support.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: I'll be supporting your proposal.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Support. And as someone who lives in a condo, we are subsidizing the previous line through real property tax and then we're subsidizing a second time, 'cause we get no trash collection. So then we would be paying additional, and that's where I said we need

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equity. So, you know, I don't like paying twice. I don't think anyone does.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Support your proposal.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: I support.

CHAIR PONTANILLA: Thank you. Transient accommodations tax, the revenue is...

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER MATEO: We support.

COUNCIL MEMBERS: ... *(laughter)* ...

CHAIR PONTANILLA: I'm sorry, Mr. Mateo. Back to the last one.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Thank you. Moving on, transient accommodations tax, there's no change between the Chair and the Mayor's proposal.

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: Questions?

COUNCILMEMBER JOHNSON: No.

COUNCILMEMBER BAISA: No.

COUNCILMEMBER MOLINA: No.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. Public Service Company Tax?

COUNCILMEMBER ANDERSON: Can we change that?

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CHAIR PONTANILLA: No change.

COUNCILMEMBER BAISA: ...(*inaudible*)...

CHAIR PONTANILLA: License...

COUNCILMEMBER MEDEIROS: Question...Chair, please.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah, can you explain to me more what  
Public Service Company Tax is?

CHAIR PONTANILLA: Mr. Taguchi? Telephone companies, Maui Electric...

COUNCILMEMBER MEDEIROS: Oh.

VICE-CHAIR HOKAMA: The utilities.

MR. TAGUCHI: Yeah, the Public Service Company Tax are, I believe, taxes that  
are paid by some utility companies. I, I believe they're related to the --

VICE-CHAIR HOKAMA: Franchise.

MR. TAGUCHI: --tele...

COUNCILMEMBER JOHNSON: Franchise.

CHAIR PONTANILLA: Franchise.

MR. TAGUCHI: Well, the franchise is below, so I think it's related to the  
telephone poles and easements on County right-of-ways. But I'll check on  
it to make sure. I might be getting that mixed up with the one of the other  
taxes, but I'll check on it and get back to you.

COUNCILMEMBER MEDEIROS: So, Chair, is that a percentage tax on the  
companies?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Yes, it is. Mr. Hokama?

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VICE-CHAIR HOKAMA: Maybe if I can assist some of the...our newer Members. Years ago, Mayor Yamashiro of the Big Island believed and was proven in Court to be true, that the State was collecting on behalf of the Counties, fees from the utilities in lieu of property taxes. And the State never did transfer what they were collecting from the utilities to the various Counties. At that time, Mayor Stephen Yamashiro of the Big Island, being an attorney himself, felt that it was unfair to the Counties to not receive its due payments in lieu of the property taxes that the State was already collecting. So, the County of Hawaii sued the State. In an out-of-court settlement, we came up with a agreement that all of the Counties, by a certain formula, would receive a portion of what the utilities are paying to the State and then the State, quarterly, I believe quarterly, then gives the Counties their...this called Public Service Company Tax. And that is why this is one way that we used to make the appropriate adjustments to the other categories of our real property cat..., uh, PITT codes, Mr. Medeiros. Thank you, Chairman.

COUNCILMEMBER MEDEIROS: Okay, Chair, thank you --

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: --and thank you to Chairman Hokama for that historical exp..., explanation. Thank you.

CHAIR PONTANILLA: Thank you, and . . .

VICE-CHAIR HOKAMA: Oh, and one more thing, Chairman. It's based on income, Members. So if they make more money, we get more money.

CHAIR PONTANILLA: True. Mr. Medeiros and Members, it's in Appendix B, Public Service Company Tax, if you wanna take a look at it, on Page Number 2. And what Mr. Hokama had just explained is in here. Thank you.

License/Permits/Others. Questions? No questions? Fuel and franchise taxes.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Special assessments. Other intergovernment, --

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COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: --governmental? No? Okay. Page Number 2.

VICE-CHAIR HOKAMA: Oh, Chairman, Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: I know you were on a very good pace. I just wanted to ask if Finance Department was able to give us a, maybe a status or re..., reconfirmation regarding the, the fuel taxes, regarding consumption and adjustment of prices at the pumps. Are they still comfortable with their projections of revenues, or do they anticipate some, some type of movement which for me I'm more concerned if it goes down? Because a lot of this is how we take care our Highway Fund and resurfacing program is from the fuel taxes. So, I would ask if they have any current information they could share with the Committee.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, in discussion with the Finance Director previously, he's, I believe he's comfortable with his projection. The interesting thing about fuel taxes that he noted was, there's some...there's two components to the fuel tax: one is rate; one is volume; because it's a tax based upon gallons. And apparently, when there's increases or decreases in the rates, the volume changes. Therefore, when he did his analysis, he looked at the trends over years, rather than trying to relate it to a specific rate times a certain volume, because it appears that the volume changes with rate changes.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Okay, Chairman if you're comfortable with the number, I'm happy to support it.

CHAIR PONTANILLA: Okay, fine. Thank you. Page 2, Interfund Transfers. The proposal has...by the Mayor and the proposal by the Chair, there's a difference of --

VICE-CHAIR HOKAMA: Four million dollars...(chuckled)...

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CHAIR PONTANILLA: --almost \$4 million. ...*(end of tape 1B – 1:53 p.m.)*... Interfund Transfers from General Fund to Highway Fund. We increased it fr..., uh, well, we minus from the General Fund to the Highway Fund by \$1.9 million. And this is in regards to the repaving and...of County roads within the County of Maui: Maui, Molokai, and Lanai. Questions, Members?

COUNCILMEMBER ANDERSON: No.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Chair.

CHAIR PONTANILLA: Member Hokama.

COUNCILMEMBER MOLINA: Oh.

VICE-CHAIR HOKAMA: Oh, I'm sorry, I'll defer to Mr. Molina first, Chairman.

CHAIR PONTANILLA: Okay. Mr. Molina.

COUNCILMEMBER MOLINA: Yeah, thank you Chairman. In my proposal, I, I, I think I can...asked for a consideration of 4 million again, just on the basis that we've been hearing from the departments with the increase in prices for asphalt and the need...and the demands from the community about getting more roads resurfaced. So, I put in a proposal for 4 million and I know you're putting in one at 1.9, so I just wanted to just let it be known on the record. But however way the body votes, so be it. But the whole intent of my proposal was to increase the fund because I think what's currently in there is definitely not enough to resurface all the roads in Maui County that need these improvements. So, I just wanted to state that for the record, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Earlier, the Chair made a comment in regards to adding \$2.75 million to, uh, do repaving work for all of the districts in Maui County along with what's there now that are identified for individual roads. So...you have a question to that, Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, I would just ask you to...uh, let me just be blunt. I understand the need for the transfers and I, I, and I appreciate understanding your thought process in coming up with the numbers for the

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interfund transfers. But then, Members, you look two components down on the carryover savings. The Mayor is telling us in the Highway Fund there's almost \$6.5 million left over. Okay. Then Solid Waste, of course, while it's a small amount, we finally, after funding this year after year for about four years, we definitely know they're not going to do the temporary SMRF *[sic]*. Okay. So we have \$.5 million savings. But it disturbs me when we continue to take care from General Fund the needs of the Department, and then in Budget we see the carryover savings. This is not a good picture. And I am troubled by the continued growth of General Fund interfund transfers because somebody is not telling us a true picture, Chairman. In my mind, of how I do my math, something is not right to show that kind of special fund surplus and then come with a request for General Fund subsidies. These numbers should be zero, and that's why they need the General Fund transfers. So, I would, you know, really hope that we can work with the new Administration and have this re-reviewed so that we can reduce the impact from General Fund. That should be the last source of revenue for this type of programs, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Just a comment from the Chair regards to some of these carryover savings. You know, being here for five years going over for five different Budgets, we always see carryover savings. And what that means to me is that we're not completing projects as promised.

COUNCILMEMBER ANDERSON: Or starting it.

CHAIR PONTANILLA: Or starting it. And my, my recommendation as you go back to your different Committee Chairmanships is to review the departments in regards to their CIP spending for all projects. Maybe quarterly would be good, but semi-annually is okay. Then we would know where we are as far as spending, where we are as far as completing projects. So, just a comment from the Chair. Member Anderson, uh, Johnson.

COUNCILMEMBER JOHNSON: You know, I, I understand what you're saying. I think some of the problem may be the bidding, because we don't know how many projects are composed in the carryover savings. It could be one project that...it could be two, three...but when we get a doubling, and the bids come in sometimes double or more, because we only have an allocation, we're so close to the end of the year, some of these, of course, you know it's CIP, so we got an extended period of time with the way our bids come in. You know, this is just a snapshot right now, we may eat up

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the rest of that very easily just in one project. But because the Mayor has come back to us then with a budget amendment, I think sometimes it's just a simple function of, you can't get there from here. Because what we projected the project to cost and what the bid is actually coming in makes it impossible for the Department to go forward unless they either re-design the project or come back to us for a budget amendment. So, that I think, is part of it.

But what I would like to see so that we have a snapshot that is more reliable, and Mr. Pablo knows 'cause I've discussed this with him, instead of looking at the current fiscal year, go back and look at '06 which is a completed year. Look at what was proposed by that Department, look at what was actually allocated by the Council, and then find out where the differential came in. Because I think, then at least we can tell which way the Department is going by looking at the actual completed years. And that's very difficult to do with the current budget that we're in 'cause we don't know where that, that's coming in, but I...you know, right now, I don't have a problem with your proposal.

CHAIR PONTANILLA: Thank you. Any more questions, Members? Thank you. Going on to the increase interfund transfer from the General Fund to the Solid Waste Fund - 1.993297. Questions, Members? Increase interfund transfer from the General Fund to the Golf Fund - \$100,000.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Thank you. That increase to the Solid Waste Fund from the General Fund --

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: --is that strictly because of the decrease in the Solid Waste tipping fees and the...no, it can't be that. Is that, is that, strictly to the decrease in the rates?

CHAIR PONTANILLA: No, Member Anderson. We need to take care of a Department of Health issue on the island of Lanai that's gonna cost an additional \$1.9-plus million to complete.

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COUNCILMEMBER ANDERSON: And that's included in the General Fund transfer?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: And so, if the, if the, if the transfer for the Lanai issue is 1.9, then the reduction in the Solid Waste rates, the two that you're recommending reducing --

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: --the two of those...um, somehow that doesn't add up. Because we've got...we've got 2,265,000 in reduction of revenues due to the reduced rates. Am I missing something, Mr. Chair?

CHAIR PONTANILLA: Oh, wait, I, I...Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, um, the interfund transfer...the increase in the interfund transfer to the Solid Waste Fund is composed of the rate reductions, but there are also other appropriations within the Solid Waste Fund that affect that amount. Some were amounting to cost savings, some were amounting to additional appropriations. One such appropriation would be, um, I believe there's an additional 650,000 to take care of the landfill needs in the Hana Landfill. The 1.9 million mentioned by the Chair to take care of some Health Department concerns, um, we utilized the increase in the lapsed bond, which is the next category that we'd be getting into for 1.9 million. But the interfund transfer once again is a combination of the decrease in rate plus the additions and the subtractions within the Depart...withi..., within the Solid Waste Fund.

COUNCILMEMBER ANDERSON: Thank you very much, Chair. I'll take your, your word for it...(chuckled)...

CHAIR PONTANILLA: Thank you. Yeah, I was moving ahead of myself, here. ...(chuckled)...Okay, moving along. Bond/lapsed bond. Increase lapsed bond for Lanai Storm Water System Reconstruction, we added \$1.9 million. And that's what Mr. Taguchi had said to comply with the Department of Health issue on that island. Any questions? Increase for Baldwin Avenue Bike Path - \$500,000. Questions, Members? Member Anderson.

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COUNCILMEMBER ANDERSON: Who's, who's request was this? I mean, what...where did this come from? I, I never even heard an increase.

CHAIR PONTANILLA: We moved it from cash to bond. Just a move...

COUNCILMEMBER ANDERSON: Oh, it's just a movement from cash to bond?

CHAIR PONTANILLA: Yeah, from cash to bond.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Thank you. Increase for South Maui Community Phase...Park Phase I.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: \$4.3 million. Oh, I'm sorry. Ms. Baisa?

COUNCILMEMBER BAISA: Yes, if you don't mind, going back to that Baldwin Avenue Bike Path. That means we'll still be spending that money, though?

CHAIR PONTANILLA: Um...

COUNCILMEMBER BAISA: It's just where it comes from?

CHAIR PONTANILLA: It's bond, yeah, right.

COUNCILMEMBER BAISA: There were a number of Members who deleted that in their proposals. I was one of them.

CHAIR PONTANILLA: You wanna revisit?

COUNCILMEMBER BAISA: I'd like to, please.

CHAIR PONTANILLA: Okay, fine. We'll --

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: --come back to that one later. Increase for South Maui Community Park Phase I. We added \$4.3 million. Questions, Members?

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Seeing none, decrease for Kihei Police Station funded by General Fund cash, removing \$2.3 million. Questions?

COUNCILMEMBER ANDERSON: Yes, Chair.

CHAIR PONTANILLA: Uh, Mr. Ta..., oh, I'm sorry. Member Anderson.

COUNCILMEMBER ANDERSON: Yeah, could you explain why you did that? And what was the reason?

CHAIR PONTANILLA: Mr. Taguchi?

MS. REVELS: The change was made basically to balance the General Fund and the Bond Fund. Once we'd made all the additions and deletions that the Chair wanted in his proposal, we had a little bit of extra cash and we want, since we had increased the bond for the South Maui Park and the project on Lanai, we decided to move a portion of the Kihei Police Station from bond to cash to reduce the bond debt.

COUNCILMEMBER ANDERSON: I understand. So you're taking this much out of bond and putting it in cash. Thank you.

CHAIR PONTANILLA: Thank you. Any more questions, Members? Okay, moving along. Carryover savings. General Fund - \$35,604,000. Members, questions? Member Johnson.

COUNCILMEMBER JOHNSON: Do we have any from Mr. Pablo, any updates on this? Because I know that we're...(chuckle)...you know, every, every I guess, day that we get a little closer we know better. So, is there any update on that?

CHAIR PONTANILLA: Budget Director?

MR. PABLO: Uh, no, we don't. The last carryover savings estimates we got were, were from Director Kalbert Young last week. And that's, that's what I'm referencing right now.

COUNCILMEMBER JOHNSON: Okay, thank you, Mr. Chair.

MR. PABLO: ...(inaudible)...

CHAIR PONTANILLA: Thank you. Member Hokama, questions?

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VICE-CHAIR HOKAMA: Chairman, no. I would just ask that the Members, when they look at this, they would also...I consider it as part of their thought process the requirements of the property tax rates of the various components that provide our real property tax revenues. If we budgeting correctly, Chairman, and the departments are upfront and honest and they really expend what we expect them to expend with our financial resources we pro..., we are providing, then I would have the Members keep in mind when they look at the rates and whether we want to go up, down or maintain that this 51...\$52 million carryover savings is not what we're gonna have next year. If we do it right, there'll be at least half of it gone. So, looking at the growth of this Budget, you're gonna have to find potentially \$25 million in new real property tax revenues. And once you complete CIP, you're gonna have to find the additional operational money for your completed improvements. So, I just ask that the Members look at this whole revenue in a, in a broad picture, Chairman, so that we can make the best judgments and decisions possible. But I expect this fund to be cut in half by next year and if we're banking on 50 million from this pot, we're gonna have to find where we're gonna make up the difference. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions? Okay, moving on. Wastewater Fund \$3,044,471. Questions? Highway Fund, questions for Highway Fund? Okay. We're gonna add Solid Waste Fund savings for lapsing of the Fiscal Year 2007 appropriation for the temporary MRF - \$450,000; Golf Fund - zero; Liquor Fund - \$1.1 million; Bikeway Fund - \$250,000; Water Supply Fund - \$4.8 million. The net estimated revenue for carryover savings is \$51.7 million. Questions, Members? Member Anderson.

COUNCILMEMBER ANDERSON: I'm assuming, it doesn't break it down, but I'm assuming that this figure for the Water Supply Fund is reflective of the original proposal from the Mayor. Is that correct?

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER ANDERSON: No changes whatsoever?

CHAIR PONTANILLA: No, none.

COUNCILMEMBER ANDERSON: I'd like to put a question mark on that for discussion later, Mr. Chair.

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CHAIR PONTANILLA: On the Water Supply Fund?

COUNCILMEMBER ANDERSON: Yes, please.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: Was there any other Members who requested any variables to the water rates?

COUNCILMEMBER JOHNSON: I did.

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER ANDERSON: I see Member Molina also asked for reduction in meter rates.

COUNCILMEMBER MOLINA: Uh-huh.

COUNCILMEMBER ANDERSON: I asked for an increase for um, for those using over 100,000 gallons per day in the general rates specific to hotels and time shares. So, I won't slow you down, Chair, but I think with at least three of us wanting some discussion on the rates.

CHAIR PONTANILLA: Yeah, we'll come back to --

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: --to the Water Supply Fund. Members, the total estimated revenues as proposed by the Mayor - \$524,988,384. As far as the proposal as presented by the Chair, we've increased that total by \$21,324,424 and the total, \$546,312,808. Questions, Members? Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Chairman. Just want to quickly go back to the Bikeway Fund and clarification of its use, maybe through your Staff. Am I correct that the monies, funds generated for that fund is, is used towards improvements for, I guess, any type of bike paths or can, can I get some clarification on that? And the reason I bring this up, because I'm currently proposing a bicycle tour decal charge at \$25 per

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bike. This is more towards the commercial bike tour operators, so whenever it is most appropriate to bring that discussion up.

CHAIR PONTANILLA: As far as the fees?

COUNCILMEMBER MOLINA: Yeah. So, um, but as far as the Bikeway Fund and its intent, maybe Mr. Taguchi could...

CHAIR PONTANILLA: Mr. Taguchi.

MR. TAGUCHI: Chair Pontanilla, the Bikeway Fund, um, exists for, I believe bicycle licenses is deposited into that fund. However, the construction or improvements for bikeways is also a qualified use under the Highway or fuel tax revenues.

COUNCILMEMBER MOLINA: Okay.

MR. TAGUCHI: So, normally what you see is that in this case, I believe, there must have been some lapsing of some bikeway funds in a prior fiscal year. In the Mayor's proposed Budget, I believe they transfer, um, or they utilize about \$50,000 or so to bring that fund up to 300,000 and they appropriated, I believe the 300,000 in Countywide bikeways. So, once again, the monies in the Bikeway Fund should only be used for bikeway projects. But oftentimes, that is enough...that is not enough money to con..., to, um, develop all the bikeways that is necessary for the community. So, it is supplemented from the Highway Fund or in other words, it's supplemented from fuel tax revenues.

COUNCILMEMBER MOLINA: Okay. Thank you, Chair for that clarification and I, um, I, I'd sup...submitted an ordinance as well, for the creation. It's more towards where if we do support the creation of this bike path over on Baldwin Avenue, it's gonna need to be maintained over time.

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER MOLINA: And my feeling was that most of the time, I believe, the commercial operators will be using that bike path, so it's just in my opinion that they should kick in towards doing some of these improvements along with the County. So, that's what my proposal is based on, but my understanding is you need to have an ordinance created, and maybe at a later point in time, if not during this budget session, at a

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later point this...and in time, we can discuss the ordinance and possible enactment of a fee or a decal charge for a commercial bike.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER MOLINA: So, I don't know if it's your intent to have a discussion at a later point, Mr. Chairman.

CHAIR PONTANILLA: I, I think we'll take it up on rates and fees.

MR. TAGUCHI: Chair Pontanilla, we received the, I guess the draft bill, from your office. However, we have already posted the agenda for the decision-making meetings, as well as we have already posted the last decision day agenda. Therefore, I do not believe that in this budget session, we'd be able to pass a proposed bill. Therefore, I, I would possibly suggest that it should be taken up, perhaps either in the Budget and Finance Committee or perhaps in the, um, Public Works and Facilities. But perhaps a transmittal could be sent to the Chair for referral to the proper Committee.

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Taguchi.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Thank you, Chair

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Yes, in...we're only in carryover savings, though. Is that correct with regard to the remainder of funds in these particular specific funds?

CHAIR PONTANILLA: Um...

COUNCILMEMBER JOHNSON: This is only carryover savings, right?

CHAIR PONTANILLA: But what we just completed was the total estimated revenues side, yeah, which is part of carryover savings.

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COUNCILMEMBER JOHNSON: Yeah, but under, under REV 2-4, it says carryover savings as the heading, and then all of these are sub-headings underneath it.

CHAIR PONTANILLA: Underneath...those are, yeah.

COUNCILMEMBER JOHNSON: Yeah, and the way that my sense is going the, the discussion is with regard to the larger issue of not carryover but what's going to be coming in the 2008 Budget which would occur later on. Am I not correct?

CHAIR PONTANILLA: Um, yes.

COUNCILMEMBER JOHNSON: I am correct, okay. Thank you.

CHAIR PONTANILLA: Okay, fine. Members, any more questions in regards to total estimated revenues? If not, the Chair would like to continue on to Operating Budget. The Mayor's and the Chair's proposal for Council Services is the same. Office of the County Clerk...

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: I proposed a change in the Council Service Budget to increase the individual Members' accounts by 10 percent. And the reason I did that was that there is some talk about a cost of living adjustment. But I didn't think that that was equitable because we all have staff, and I think they're entitled to equal consideration in terms of pay increases and for the additional expenses for our offices that increase each year. And, you know, I may be alone but that's how I feel.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yes, I also, this...because of the lateness of the hour or early morning when I turned in my budget request, I think this is also important because I think each one of us, maybe not everyone, but we have lost staff members. Part of the same reason that we're losing staff members is because they cannot, cannot compete with private sector. So, for me, I would rather be able to pay a living wage and not have our staff have to have outside jobs, or be tempted to take for a few thousand dollars more, another private sector job. Because the cost of re-training,

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everything that, you know, the institutional knowledge that many of our staff members have, I think they need to be compensated and whether or not the Council members get an increase, you know, frankly, I don't at this point in time, that's not an issue for me. But I think it's really important that our staff be compensated properly.

CHAIR PONTANILLA: Thank you. Member Medeiros, any questions?

COUNCILMEMBER MEDEIROS: Just a comment about the...I'd like to support Member Baisa's proposal. And it wasn't part of my proposal but it was part of my thinking, and additionally, what Member Johnson just added to it further, you know, gives me that justification to support it. Thank you.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Yeah, I think for our staff, any type of consideration, you know, when competing with the private sector if we wanna retain personnel that assist us in doing our jobs better I think is worthy of consideration, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Okay. Member Hokama, comments, if any?

VICE-CHAIR HOKAMA: Well, Chairman, if we're gonna standardize job descriptions of each Member's office and have them follow the job description, then I might be in agreement. But every office operates very differently. And each employee in each office has different job requirements. So at this time, I'm not convinced, plus we already annually do make small additional increases. That's why you see the Council's budget also increases. We look at all the employees, Mr. Fukuoka is directed to look at the whole program and make appropriate adjustments.

If the body believes that we want to make some standardizations so that we can, um, grade the performance of employees, we also have the flexibility in our Council Services' budget to shift monies to take care of those requirements that the members feel is appropriate for individual Member offices. But right now, they have the full discretion of how to utilize their funds. We do not set limits on what they can pay their employee. They can use their whole allocation should they choose so, Chairman, on one employee or three employees. It is the Members' discretionary decision on how to utilize their funds and that they're under

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full control and are responsible for. So, I would say, you know, we might need to discuss this more. But I, I believe that central takes care a lot of Members' requirements, and we might need to really iron this out on what we expect the central account and professional staff to provide the members, and what we, as Members, should expect from our own offices. Thank you.

CHAIR PONTANILLA: Thank you. Member Victorino, comments?

COUNCILMEMBER VICTORINO: I always would agree that our staff, just like the working people, with the cost of living continuously rising, some kind of adjustment would be greatly appreciated. But I tend to agree with Councilmem..., Council Chair Hokama that unless we have, you know, some guidelines to work within and some means for us to evaluate this area, uh, and I agree with him that Council Services and Counc..., uh, Council staff does provide a lot of help for our, our different Committees. I would tend to say that we really need to address it, to take a real good look at it, not a spare of the moment just put money in there, but really take a good look at it and make sure that if we do it, we earmark it for those personnel that do our...are very valuable to us in our everyday job here.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Member Mateo, comments?

COUNCILMEMBER MATEO: Chairman, thank you. I expect a lot of my staff and I can, I can, support Member Baisa's considerations. I would, however, prefer continued discussion on the item.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Chair, do we have a figure for last year?

CHAIR PONTANILLA: As far as?

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COUNCILMEMBER ANDERSON: Of what was in...in other words, in this year's budget for Council Services, is the figure for individual Members' offices the same as it was last year?

CHAIR PONTANILLA: Mr. Taguchi will be checking.

COUNCILMEMBER ANDERSON: Yes, I see that it is. ...*(laughing)*...

CHAIR PONTANILLA: It is. Okay.

COUNCILMEMBER ANDERSON: So in that case, I will be supporting the 10 percent increase and I, too, would like to have a time in the future where we can further discuss this, because I, I think that we need to allow members to have the flexibility to operate their office in a manner that meet...meets their needs. All of us come in to this job with different skills and different needs for assistance. So, ...*(end of tape 2A – 2:25 p.m.)*...some of us even have wives that assist us. So, that means that the needs for each office varies, depending on the Members' skills and their needs. And I think we need the flexibility to allow Members to hire staff that will meet the needs of each particular Member. And, you know, if, if you want to hire two clerical people, that's your prerogative. If you want to hire one clerical and one analyst, that again is your prerogative. And I think that all reflects on what we bring to the table here in the Chambers. So, I certainly think a 10 percent increase is due.

CHAIR PONTANILLA: Okay, the Chair will just put a mark and then we'll re-visit.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: Office of the County Clerk, there's no change between the Chair's recommendation and the Mayor.

COUNCILMEMBER JOHNSON: No change.

CHAIR PONTANILLA: No change. Civil Defense, the only change is we're deleting expansion positions for Grant Coordinator Education Training Officer - \$57,877. Comments? Member Johnson followed by Member Mateo.

COUNCILMEMBER JOHNSON: Yeah and my change in this area, um, I didn't make the deletion that you did, but I increased and it would probably be in

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their operations or equipment section. I put in \$5,000 for the Ham radio equipment purchase. So, I don't know if that would go, you know, in a different section of the budget or under their Civil Defense Operations with a proviso. So, I'm not sure.

CHAIR PONTANILLA: Thank you. Member Taguchi.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Mr. Taguchi.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER JOHNSON: You just got, you just got promoted Lance.  
*(laughing)*

COUNCILMEMBER VICTORINO: You never hear that, eh?

MR. TAGUCHI: Thank you, Chair Pontanilla.

COUNCIL MEMBERS: ...*(laughter)*...

MR. TAGUCHI: This would be the appropriate place to put in a request for equipment. The only thing that I'm unclear about is whether this equipment would be operated by the Civil Defense Agency or an agency outside. I'm not quite sure how that portion would work. If it's going to be, um, if it's gonna be used by non-County personnel, then perhaps you'd have to go through a grant process.

COUNCILMEMBER JOHNSON: Yeah, um, Mr., Member Taguchi...*(laughs)*...you only, you understand that comes with a pay decrease? ...*(laughs)*... So, I...Mr. Chair, I think that at this point, I would put aside the \$5,000 and it may be up to Civil Defense to give it as a grant, because it's my understanding that it would be used to purchase equipment that would more than likely be used perhaps by Fire or Police. So, because it's associated with Civil Defense response, though, I housed it in this particular area. And I believe it was Mr. Weber, I did ask you know, where this should be housed, but right now I would like to include just the \$5,000 in there to purchase Ham radio equipment. And I have no opinion one way or the other, on the Grants Coordinator Education and Training Officer.

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CHAIR PONTANILLA: Thank you. Members, any more questions?

COUNCILMEMBER MATEO: Chairman.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. On this particular item, I was just...I, I just wanted to question whether or not the um, this includes the two requested positions as well, for the Department. That would be one, the Civil Defense Specialist I, as well as an Administrative Assistant II. Because this particular Department, if in fact it does include those positions, my query would be, I don't understand how a department with six individuals requires an assistant administrator. So my, my um, my preference would be to delete those uh, that position for an administrator.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, the adjustment made for the \$57,877 was recommended by the Administration. Our understanding is that their budget request um, the Mayor's proposed budget had two expansion positions, not four. So, those two expansion positions are included into the budget, I believe the two that you just stated. These two positions for the Grants Coordinator and the Training...Education and Training Officer, or the Training Officer was the Administration's request to delete. So, once again, the two positions you're speaking about is currently in the Civil Defense Program. So, if you want to delete those positions, then that would be the Council's prerogative.

COUNCILMEMBER MATEO: Okay, thank you. Chairman, could we um, hold this off for continued discussion?

CHAIR PONTANILLA: Sure. We'll come back to Civil Defense.

COUNCILMEMBER MATEO: Thank you, Chair.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Does Member Mateo have a reference to that in his...in the, uh...

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COUNCILMEMBER MATEO: It's uh, the positions?

COUNCILMEMBER ANDERSON: Yes.

COUNCILMEMBER MATEO: No, because it's ...*(inaudible)*...

COUNCILMEMBER ANDERSON: Yeah, in the, in the Members' combined proposals.

COUNCILMEMBER MATEO: Yeah, ...*(inaudible)*...

COUNCILMEMBER JOHNSON: Uh-hum, second page.

COUNCILMEMBER ANDERSON: I'm just trying to get a figure.

COUNCILMEMBER MATEO: In the um, Members' proposals, Page 2 of 7 under Civil Defense.

COUNCILMEMBER JOHNSON: 98,068.

COUNCILMEMBER MATEO: \$98,068 to delete the expansion positions and equipment.

COUNCILMEMBER ANDERSON: Thank you, Member Mateo. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Okay, turning to Page Number 3. Members, it's 2:30. We're gonna take a mid-afternoon break and we'll return at 2:45. This meeting is in recess. ...*(gavel)*...

**RECESS:       2:30 p.m.**  
**RECONVENE:   2:53 p.m.**

CHAIR PONTANILLA: ...*(gavel)*... Thank you Members, for that recess. The Budget and Finance Committee meeting is now back into session. Okay, we were on Page Number 3. Members, I'm just gonna go flying through these pages.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER JOHNSON: Yes, we have to.

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VICE-CHAIR HOKAMA: Wait, wait let me put my wings on, Chairman.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER VICTORINO: My propulsion jets are ready to go. Hang on.

CHAIR PONTANILLA: The only areas that we're gonna be stopping on is the column where it says, Revisions.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Before you --

COUNCILMEMBER VICTORINO: Fly.

COUNCILMEMBER ANDERSON: --go full speed ahead, it would be helpful to me and I think maybe other Members, if you could explain, um, we all made our proposals to you, --

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: --we all have this breakdown of the various proposals that were made by different Members, and we're working off of your proposal.

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: So, if you could tell us what considerations you made for the proposals that we presented in coming up with your proposal.

CHAIR PONTANILLA: Well, Staff...

COUNCILMEMBER ANDERSON: And the reason I'm asking Mr. Chair, is it just makes it easier for us to know how much effort we have to pitch...*(laughs)*...on trying to get some of these things that were not included, if we know what your thought process is in, in your proposal.

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CHAIR PONTANILLA: As far as the Chair himself, one of the areas that I really took a hard look is in regards to our infrastructure. And, as you know, there's a lot of monies in infrastructure improvement. Not so much of the nice stuff. Along with the Members' proposal, we tried to comply with every Member's requirements. And it's...it's tough, it's a hard decision to make. You know, some of them I know had indicated that they wanted certain organization to be included, or even the numbers to be a little higher or sometimes lower. But the Chair and the Staff made our best efforts in regards to trying to accommodate all of the Members here. But if you feel that you need to add or delete any of the things that are located in here, then by all means, we'll come back to those areas. But again, let me caution, though, what we had...we had set a revenue amount and we need to live within that amount. Unless you wanna propose you know, cuts, you know, to, to provide for your additions. Then the Chair is acceptable to that.

COUNCILMEMBER ANDERSON: The reason I ask, Mr. Chair, is because um, last year and I know, you know...you have the prerogative to, to run this Committee as you see fit and I have no disagreement with that. I'm just trying to get an understanding. Last year when we made our proposals, we were told that if there were three or more proposals of the same, then that would be included in the, in the Chair's proposal. And it doesn't seem that that was taken into consideration. And so, I'm just trying to understand how you weighted our proposals in your decision. If there were three or more people who wanted a certain rate change or certain expenditure, um, did that have any weight in, in your decision for the...for your proposal?

CHAIR PONTANILLA: We tried to take a look at all of the Members' proposal and Members that are, um, had a certain item included, we tried to accommodate that. But again, you know, as far as the Chair is concerned, the decision that you see on this particular sheet here, it's the Chair's proposal along...you know, looking at the proposals of the different Members that was taken into consideration in formulating this Budget. But if you feel differently, you know, by all means, we go change.

COUNCILMEMBER ANDERSON: But it wasn't that there were three proposals, or that there were two, or that there were five?

CHAIR PONTANILLA: No. No consensus.

COUNCILMEMBER ANDERSON: Okay. Thank you.

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CHAIR PONTANILLA: And that's the reason why the Chair is asking for consensus as we go along.

COUNCILMEMBER ANDERSON: Thank you, Chair.

CHAIR PONTANILLA: Thank you. Okay, we're on Page Number 3. The only change that we have on that particular sheet is in the Legal Service Program and the reduction that you see of \$58,015 is, uh, this is to reduce salaries and wages to reflect actual wages requested in the proposed pay raise bill. This is being requested by Corporation Counsel, Brian Moto. Members, any comments to that?

VICE-CHAIR HOKAMA: No, not to that.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Just a quick question on the second proviso. My current understanding is that is already part of the existing year's budget, Mr. Chair?

CHAIR PONTANILLA: That's my understanding.

VICE-CHAIR HOKAMA: And so, do you have, have you received information stating that this is something that the Department is unable to accomplish?

CHAIR PONTANILLA: To my understanding, we haven't, yeah?

MR. TAGUCHI: Chair Pontanilla, I believe it was our understanding that the Corporation Counsel did not begin the process due to, I believe there's some designation issues or something that was mentioned. I'm not quite sure. Perhaps the First Deputy can provide some clarity.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson.

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COUNCILMEMBER ANDERSON: Yeah...*(adjusting microphone)*...I'm just gonna leave it off, it doesn't seem to wanna stick. Um, the reason this money has not yet been utilized is because -- and this was related to me by Jane Lovell, who is working on the water issues for the Department in regards to the Commission on Water Resource Management -- and it's their feeling that um, it's the Corporation Counsel's feeling that once the designations are done, and by the way, Thursday night, they're meeting here to discuss designation of Na Wai Eha, 7:00 – 9:00 p.m. at Cameron Center. So if we can get done with our real property tax public hearing...*(laughter)*...by that time we could go and make an appearance...just a small plug. But until the designation is done and until they begin the instream flow standards, that they felt it was not prudent to go forward with the appraisal until that was done.

CHAIR PONTANILLA: Thank you. Corporation Counsel, any more comments on that?

MS. VILLAROSA: Not at this time, Mr. Chair.

CHAIR PONTANILLA: Thank you. Turning to Page 4.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: On Page 3 under...well, Environmental Management, just wanna mention that I had an idea and it probably is not gonna go anywhere, but I wanna mention it anyway, 'cause I promised I would, about a pilot rewards program which would kind of reward people who bring in white goods and abandoned vehicles instead of throwing 'em on the side of the road. Because I think it might prevent some of the problem if we could give people a small reward for bringing in these things, rather than having them left all over the road because they have to pay a small fee. And I was told, well it's only \$169, but to a poor person who has a vehicle, \$169 is a lot of money. So, they're very happy to let it sit somewhere and let us pay to pick it up.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: So, Mr. Chair.

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CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: With that in mind, and I do agree with my Member...uh, Councilwoman Baisa, because I ought to...also wanted to do that but I was told I had to ba..., I had to balance so I couldn't figure out where I could find the money at that time.

COUNCILMEMBER BAISA: ...(laughter)...

COUNCILMEMBER VICTORINO: Especially at 12:30 on Friday night trying to get this done for you, sir.

CHAIR PONTANILLA: ...(laughter)...

COUNCILMEMBER VICTORINO: So, if we wanted something that...like that to be considered, should we just ask you for consideration and bring it up at a later date?

CHAIR PONTANILLA: We can reconsider.

COUNCILMEMBER VICTORINO: Okay.

CHAIR PONTANILLA: Yes, we can.

COUNCILMEMBER VICTORINO: Could we...I'd like to reconsider, please, Mr. Chair.

CHAIR PONTANILLA: Okay. Thank you.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: I have one under Department of Environmental Management. The second component, the General Fund for the Abandoned Vehicle, Scrap Metal, White Goods. Had mentioned that should we terminate our participation with the State's beverage container program which the Council took action on, I told them that I'll be happy to consider how we could utilize those two employees from that program. So, I would recommend, Chairman, that the Committee consider a couple of things, because I'm concerned that by transferring this State-funded positions into our program, automatically the Division gives them a pay

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raise or an increase funding level from the SR-20, 40,000 to a 43,800 salary. I would hope we would consider placing one of those two people in this program as a Clerk III, SR-10 which would assist in the program operations. And that would assist to fill the request for an expansion Clerk III position, Mr. Chairman. And then, when we get to the Landfill Diversion Program, that's where I would recommend add an SR-20 for the current 40,524 that we consider placing that second position from the State's beverage operation. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Okay, going on to Page 4. The Chair's recommendation is to delete E/P for Civil Engineer III; delete E/P for Operations Superintendent; delete Professional Services for Integrated Plan, it's already being funded and it's currently being done; delete the two SUV vehicles at \$25,000 each; delete furniture and computer work station for deleted positions. Questions?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Chair, I had included adding an SR-10 for the Upcountry baseyard for salary and equipment for eight months. We had a request from Mr. Correa who was quite concerned that nobody was there to answer the phone.

CHAIR PONTANILLA: Excuse me, I'm gonna get to that when we go down to Makawao.

COUNCILMEMBER BAISA: Oh, I'm sorry. Sorry, missed it.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: Wrong place.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: Yes, and, and I'm assuming that these are being deleted because we can't fill?

CHAIR PONTANILLA: Um, well not can't fill, but there's um, these are expansion positions that are being looked at. Once we get the Integrated Plan...in hand --

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COUNCILMEMBER JOHNSON: Completed.

CHAIR PONTANILLA: --it would tell us as far as the manpower requirements --

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: --should we go to universal trash pickup.

VICE-CHAIR HOKAMA: Transfer station.

CHAIR PONTANILLA: So, this is part of the uh --

COUNCILMEMBER JOHNSON: The study.

CHAIR PONTANILLA: --the study that we probably going have to take a real good look at.

COUNCILMEMBER JOHNSON: Okay, thank you.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. Yeah, I just wanted to know, you know, we've been talking about the Integrated Plan, but then it shows this deletion. Can I get some information on that?

CHAIR PONTANILLA: Yes, in Fiscal Year 2007, we had budgeted \$400,000 to do the study. Basically, it's the same amount that is being requested for '08, so the study is being done with Fiscal Year '07 monies.

COUNCILMEMBER MEDEIROS: Okay, thank you, Chair.

CHAIR PONTANILLA: Okay, going down to...Member Anderson?

COUNCILMEMBER ANDERSON: Yes, thank you, Chair. The deletion of the Operations Superintendent...can you give me some specifics on that? I mean...we were told that...(clears throat)...excuse me, they needed that position because the um, the equipment operator is currently doing the

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storm water monitoring and the groundwater monitoring. So I'm just wondering...it seems like it's a needed position.

CHAIR PONTANILLA: We can come back to that. The Chair feels that the Division Chief can do part of that responsibility.

COUNCILMEMBER ANDERSON: Okay, thank you, Chair.

CHAIR PONTANILLA: But if you want us guys to revisit then it's...

COUNCILMEMBER ANDERSON: Well, can we just put a question mark next to that one position?

CHAIR PONTANILLA: Sure. Okay, going to EM 7-24, decrease for line item for Hana Landfill clean-up; and Number Two, Hana Landfill clean-up. The Department requested an additional \$650,000 for the contract. And the reason for the line item is to make sure that the monies are used for clean-up. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: I notice you have a little section where it says, discuss whether to continue Ka Lima O Maui and delete positions for clean-up of landfill. That's in regard to the item up above?

CHAIR PONTANILLA: No, this is in regards to the Central Maui Landfill. If you note, the Division Chief at that time said that he wanted to hire three E/P's to do this work here but we have some issues with that. Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, the, the note there is primarily because we're trying to inquire from the Solid Waste Division whether or not the funding for Ka Lima O Maui is still remains within the "B" Account. If so, then there's a duplication between asking for the positions to do the clean-up and funding of the personnel from Ka Lima O Maui. So we're...we need some clarification as to um, what is currently within the Mayor's proposed budget for Council to make a determination as to whether or not they will cut positions or continue to contract with Ka Lima O Maui.

COUNCILMEMBER JOHNSON: Okay, thank you.

MR. TAGUCHI: Thank you.

COUNCILMEMBER JOHNSON: And I can understand that if it's redundant.

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CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Yeah, thank you to the Staff for catching that and at least, wanting to check it out. The amounts, Members, for the three Laborers if you just want to note it here, 'cause I just happen to have it, 61,752. Thank you, Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you. So, uh, the way this works is a...this is a decrease of line item for Hana Landfill clean-up, but that's compensated with the \$2,200,000?

CHAIR PONTANILLA: Uh, yeah, and the reason to that is that we wanna make sure that once it goes into a line item, you know, that monies will only be used to do the clean-up and nothing else.

COUNCILMEMBER MEDEIROS: But um, in that regard, Chair, will it be used only for Hana Landfill, or...

CHAIR PONTANILLA: Only for Hana Landfill.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Moving down to EM 7-26. This is where I think Member Baisa had some questions. We added E/P for Clerk III position in Makawao, and we deleted the Collections Wailuku Refuse Repair and Maintenance Building which now will be funded through CIP. Members, questions to that?

COUNCILMEMBER BAISA: No.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros.

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COUNCILMEMBER MEDEIROS: Yeah, with regard to delete Collections Wailuku Refuse Repairs and Maintenance Building be funded CIP so, the total amount of money will be in CIP, now?

CHAIR PONTANILLA: Yeah, we are looking at putting in additional dollars, in fact --

COUNCILMEMBER MEDEIROS: Right, right.

CHAIR PONTANILLA: --to CIP so that they can build a building.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: Just for clarification, I just...I wanna make sure that this specific position, as stated here, will be for the Upcountry Makawao area and not be taken and sent down to Central or other areas, if needed.

CHAIR PONTANILLA: No, this is for Makawao.

COUNCILMEMBER VICTORINO: For Makawao. Thank you.

CHAIR PONTANILLA: Thank you. Moving down.

COUNCILMEMBER BAISA: Thank you, Chair.

CHAIR PONTANILLA: You're welcome. ...*(chuckle)*...

CHAIR PONTANILLA: Temporary MRF, we deleted \$450,000. Department will not proceed with the temporary facility. Questions?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. Moving on to Page 5, Finance 8-15, Fringe Benefits. We're transferring to the Post-Employment Obligation Fund - \$3 million.

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COUNCILMEMBER VICTORINO: Oh, okay.

CHAIR PONTANILLA: Questions? If not, moving on.

COUNCILMEMBER ANDERSON: Wait a minute, Chair.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: Do we have to do something to um, create this fund?

CHAIR PONTANILLA: Yes, we'll get to another section where this \$3 million will be put into the Post-Employment Fund.

COUNCILMEMBER ANDERSON: And we're gonna create that fund?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Okay, thank you.

CHAIR PONTANILLA: Moving down, increase requested of Budget Director, this is Bond Issuance and Debt Service - \$115,500. Questions?

VICE-CHAIR HOKAMA: Question.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Is this 36-plus million taking into account the Finance Department's plans to shortly go for a \$20 million bond float?

CHAIR PONTANILLA: Director?

MR. PABLO: I'm not certain whether that does include that but I could find out that information.

VICE-CHAIR HOKAMA: Okay, 'cause again, Chairman, rough calculations for us. If it's not included, then our debt service is gonna go up approximately 1.7 million to cover the debt service of this \$20 million bond per year till we pay it off. So, I would say that I would ask if Mr. Pablo can re-verify the numbers so that we can have sufficient funds in that account.

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CHAIR PONTANILLA: Fine, thank you.

MR. PABLO: Certainly.

CHAIR PONTANILLA: Okay, Members moving on. Increase to offset the reduction in golf rate - \$100,000 which is being added. Member Mateo?

COUNCILMEMBER MATEO: Chairman, this is reflective on Page 1 and I believe that's an item that we will be returning to so --

CHAIR PONTANILLA: Yes.

COUNCILMEMBER MATEO: --should we just pass this one up?

CHAIR PONTANILLA: Yes, yes we are. Item 5, Supplemental Transfer to the Solid Waste Fund, increase to offset the reduction in residential pick-up and tipping fees. Questions? Thank you. Moving on to Page 6.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: On the bottom of the page, I think under insurance programs and self-insurance, if I could ask Staff, I made a request I guess, to increase claims and settlements. Is that this fund, or is it in a separate fund?

CHAIR PONTANILLA: Lance?

MR. TAGUCHI: That request should be included in this fund.

COUNCILMEMBER JOHNSON: Okay. And just to alert the Members what I had done...because I wasn't sure if we were gonna be able to create the Post-Employment Obligation Fund or whether or not a portion of the money, because in the past reviews claims and settlements to place money in a temporary holding position so that it could be re-allocated at a later time when it became available. And because we always have these claims and settlements issues, that was where I had made a recommendation to consider placing some of the money. Thank you.

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CHAIR PONTANILLA: Thank you. Moving onto Page 5, item...sorry, Page 6, Item 7, adjustment to 1 percent of Net Real Property Tax Revenue, we're adding \$147,107. Questions?

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: I notice myself, as well as other Members had proposed adding additional funds. I had proposed adding \$1 million to this particular fund based on a lot of the concerns being raised not only by my community, but other sections of the community because they're not really happy, I guess, with the amount of land...*(end of tape 2B - 3:20 p.m.)*... and so, I ask for the consideration of this.

CHAIR PONTANILLA: Thank you. Any Members have any more questions? Member Baisa.

COUNCILMEMBER BAISA: Could we come back to that one and I, I thought we might deal with it after we get the whole picture.

CHAIR PONTANILLA: Thank you. Member Anderson.

COUNCILMEMBER ANDERSON: Thank you, Chair. I had proposed increasing open space fund by another percentage which would have been based on the revenue...real property revenue from your adjustments would be 4 million.

CHAIR PONTANILLA: Similar to affordable housing fund?

COUNCILMEMBER ANDERSON: Pardon me?

CHAIR PONTANILLA: Similar to the 2 percent that we just added to --

COUNCILMEMBER JOHNSON: Housing.

CHAIR PONTANILLA: --uh --

COUNCILMEMBER ANDERSON: Right.

CHAIR PONTANILLA: --Charter amendment?

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COUNCILMEMBER ANDERSON: So it would increase it from 1 percent to 2 percent. And then of that increase, I had asked for \$1 million earmark towards the purchase of Lipoa Point.

CHAIR PONTANILLA: Thank you, we'll be coming back to that. Okay, item 8 we added \$294,213 um, this is the 2 percent of Net Real Property Tax revenue for the Affordable Housing Fund. Questions? Member Molina.

COUNCILMEMBER MOLINA: Yeah, Chairman, I'd like to come back at a later point for discussion on that. I'd put in a request to add an additional million dollars to that fund.

CHAIR PONTANILLA: Thank you. Number 11 transfer to Emergency Fund, increase of \$1,217,724. Questions?

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: Would you, um, could I have the Staff explain specifically what this emergency funds would be used for?

CHAIR PONTANILLA: Thank you. Staff.

MR. TAGUCHI: The Emergency Fund was established by ordinance, I believe, it's allowed for in the Charter. The concept of the Emergency Fund, when it was established several years ago, was that it would be available for catastrophic events. The mechanism for appropriating money out of the Emergency Fund is to weigh super majority of Council for an emergency. I think there's language in the Code regarding what qual..., um, not what qualifies in specific, but in general, what would the qualifications be for an appropriation from this fund.

COUNCILMEMBER VICTORINO: So, has, has, now we're gonna put 3 million in this...this, for this year?

MR. TAGUCHI: Uh-huh.

COUNCILMEMBER VICTORINO: Have we, or do we have other funds encumbered in this area?

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MR. TAGUCHI: Uh, yes, the fund has been um, the fund has additional monies currently in it. This would represent monies that would be in addition to the current monies existing in the fund. I'm trying to look up right now what the fund is at. The current balance in the Emergency Fund is...the beginning balance would be 8.6 million, so we'd be adding another 3, so you're looking at about 12.6 million.

COUNCILMEMBER VICTORINO: Thank you. Not to hold up anything, later on, I'll ask staff for more clarification. But thank you, Mr. Chair, I appreciate that.

CHAIR PONTANILLA: Thank you. Trans..., uh, 13, Transfer to the Post-Employment Obligations Fund - \$9 million. Questions? Thank you.

COUNCILMEMBER MOLINA: Chair...one question.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: I don't know if this is the time to, or this would be the appropriate place but I, I requested provisos be put in for speed tables for Kealaloa Avenue in Makawao as well as speed tables in Maui Meadows --

CHAIR PONTANILLA: That's coming up later on.

COUNCILMEMBER MOLINA: Okay, all right, thank you.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I would just share with the other Members of the Committee that the increase to the Emergency Fund as well as the creation and funding of the Post-Employment Obligations Fund for the County of Maui are positive steps, particularly in our annual reviews with bond raters who look at the County's over-all fiscal picture. And from a credit standpoint, it will continue to show that Maui is...has shown a legislative will to place funds into accounts that we will either reduce liabilities, which is the post-obligation, as well as to create a non-lapsing fund for unforeseen major requirements such as, the 9/11 incident where only Maui

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County had cash to provide our community to deal with the aftermath effects of that situation, Chairman. So, I would say, Members, from the credit standpoint, these are tremendous pluses for us to maintain excellent bond rating, as well as the ability to get the best interest rates on our future borrowing. And so, I would highly recommend that we support the Chair's efforts in this manner. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. This, again, is a new, a new fund that we'll be creating, correct?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: And so, is there a...it's gonna be some time before we use this money, so is there a way that we can draw interest on this fund? Is there a way we can...

VICE-CHAIR HOKAMA: Uh, yea, Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Currently, you know, our, our General Fund cash, the Finance Department places it in our short-term investment program which is headed by a investment committee where we have our Treasurer, our Finance Director, of course, the Mayor is involved, and I have been allowed to participate in a minor role, that we are currently getting you know, I would say, very reasonable returns for a short-term interest. So, no matter what happens, the County is generating interest revenue on whatever cash is through our various accounts.

COUNCILMEMBER ANDERSON: Okay, thank you.

CHAIR PONTANILLA: Thank you.

MS. VILLAROSA: Mr. Chair.

CHAIR PONTANILLA: Corporation Counsel?

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MS. VILLAROSA: I also wanted to point out to the Members' attention that in the draft bill, it does state that any interest earned or accrued from funds in the Post-Employment Obligations Fund shall be depo..., deposited in and constitute part of the balance of the fund. So, there's a specific provision in the draft bill that would, I guess, earmark interest that's normally we earn as, as, Council Chair Hokama mentioned, but it would be deposited into that specific fund.

COUNCILMEMBER ANDERSON: Great.

VICE-CHAIR HOKAMA: It would ...(inaudible)...for itself.

CHAIR PONTANILLA: Thank you, Corporation Counsel. Item 14, Supplemental Transfer to Highway Fund increasing to \$1,936,000. This is for additional road repaving. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Chairman. Sorry for getting a little ahead of myself on that one. Again, if uh, I guess, if it's not the time right now, but I would like at least to put in the minds of the Members, if we could put a proviso there...two provisos, speed table for Kealaloe Avenue for \$15,000 -- well it would cost 15,000 -- and a proviso for speed tables in Maui Meadows which would total 60,000. So, it wouldn't be any additional monies, but if we would just put provisos in there that these speed tables could be addressed in these areas.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Thank you.

CHAIR PONTANILLA: Mr. Taguchi.

MR. TAGUCHI: Thank you, Chair Pontanilla. We will probably be able to accommodate that in the CIP section under County-wide Rur..., uh, Safety Improvements, possibly. The portions we're in now is, um, it's just an accounting entry, for the lack of an easier explanation. It's an accounting entry which is required because we increased the revenue side. But the appropriate place, and I believe there is some provisos already made by the Chair. I'm not quite sure if it incorporates both of those, but I...oh, okay, I'm understanding now...they are both in there.

COUNCILMEMBER MOLINA: They are both in there?

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MR. TAGUCHI: Yeah, so when you...when we go down to the CIP under County-wide General Fund, it will be in there.

COUNCILMEMBER MOLINA: Okay, thank you for the clarification. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Molina. Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. So, by increasing uh, this provision...I mean, for additional road repaving, now how do you...how...is it uh, some way there's a formula on how we divide this, this up in the nine districts?

CHAIR PONTANILLA: In regards to the road repaving, the Chair had doubled the requirements for each district. So in Hana, I think you had 200,000?

COUNCILMEMBER MEDEIROS: 300,000 to start.

CHAIR PONTANILLA: 300,000. And I think now it's what, 600,000?

MR. TAGUCHI: Chair Pontanilla, I believe so, but we will be able to see that when we get into the ... the Highway Fund in the CIP section.

COUNCILMEMBER MEDEIROS: Okay. So this is additional to what we already . . .

CHAIR PONTANILLA: Yeah, this is monies that are going to the Highway Fund.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Mr. Chair, and later on when we get into CIP, I'll ask for consideration for my district which may alter this amount. So, I think what happens is, because this is just a monetary transfer, people, you know, are getting a little confused 'cause this isn't the place where we actually put the provisos. That will come later on when you look at the actual projects.

CHAIR PONTANILLA: Exactly, yeah.

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COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: We're getting anxious, here.

COUNCIL MEMBERS: ...*(chuckled)*...

CHAIR PONTANILLA: Okay, Department of Fire and Public Safety. We added one EP for Fire...Fire Equipment Mechanic, an increase of \$29,888; we added an EP for Fiscal Officer for eight months at...and the salary adjustment is 44,636; we reduced appropriation for Administras...Administration Fire Control vehicle from 70,000 to 40,000, a decrease of 30,000; and transfer from Training Program per Budget Director of \$15,000. And I'd just like to make a comment on the EP for Fiscal Officer. I think the Department needs one at this time. Members, any questions?

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Yeah, on this reduction on their appropriation for Administrative Fire Control vehicle from 70,000 to 40,000, did they not ask for two vehicles? Or was it just one? They just asked for one?

CHAIR PONTANILLA: Just one --

COUNCILMEMBER VICTORINO: Just one.

CHAIR PONTANILLA: --in this area, in this area.

COUNCILMEMBER VICTORINO: In this area?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER VICTORINO: There was another one? Okay. That I thought there was another one somewhere else. Okay, if this is just in this area, then fine. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions? Member Medeiros?

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COUNCILMEMBER MEDEIROS: Chair, thank you. Yeah, I, I just wanna say that I'm glad to see this uh, that we're adding the Fire Equipment Mechanic. 'Cause talking to the members of the Fire Department that in the different stations, that was one of their major concerns as maintenance and being able to get the equipment fixed in time. And this will certainly increase and improve their maintenance and repair program. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions to that? Member Mateo?

COUNCILMEMBER MATEO: Chairman, just, just a question, Chairman, if you can just clarify for me the redu..., the reduced appropriation for Administration Fire Control vehicle from 70,000 to 40,000. I know the Department was real specific with their need for the 70,000. I don't know what uh, if, if the 40,000 is gonna meet their expectations.

CHAIR PONTANILLA: Well, the Chair is recommending 40,000 for this particular area of the Department, the Administration area, for their vehicle. I know they wanted all the bells and whistles, and um, the Chair recommended \$40,000 rather than the 70,000.

COUNCILMEMBER MATEO: Okay, main thing got four wheels, Chairman, that's fine.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER MATEO: Thank you, Chairman.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: And get radio.

CHAIR PONTANILLA: Any questions, Members? And, again, you know, the Fiscal Officer I think is very important that the Department have one so that uh, that particular div..., uh, fiscal office can track down their financial situation as well as try to control and maintain their budget. Thank you.

Fire 9-6 Training Program. We deleted Clerk Typist III - \$19,623; we deleted the related equipment for the particular expansion position of

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\$1,500; and we transferred, per the Budget Director, the \$15,000 to the Administration Maintenance area. Questions?

COUNCILMEMBER ANDERSON: You mean training?

CHAIR PONTANILLA: What's that?

COUNCILMEMBER ANDERSON: You mean training? Transferred it to the training?

CHAIR PONTANILLA: Yeah. Training, from Training to Administration.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Okay. Moving on, Page 7. The Chair deleted all expansion positions and salary adjustments. The Chair deleted Operations Administration equipment, 370,652 for the nine positions which includes three Battalion Chiefs, six Fire Fighter IIs, and for the equipment that went along with that, \$92,500. Members, any questions?

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: So this, by reducing...or what you're saying is, all the expansion positions that they had requested, due to the fact that they're unable to fill, fill the other vacant positions, was part of the consideration?

CHAIR PONTANILLA: The Chair deleted the position after the discussion with the Fire Department in regards to the needs of the Battalion Chief and how they were gonna use the Fire Fighter IIs to assist the Battalion Chiefs.

COUNCILMEMBER VICTORINO: Okay, so your, your, your...well, I kinda would like to take a look at that 'cause I do agree with the, the doing away with the Battalion Chiefs, I don't think they're necessitated, not in the role that they were looking at. I don't know about the other Firefighters, uh, uh, I...I understand what you're trying to do, Chair, but you know, if you're talking strictly to help them, is that what you're saying? ...*(inaudible)*...for Firefighters for the assisting of the Battalion Chiefs, the drivers?

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CHAIR PONTANILLA: Yes.

COUNCILMEMBER VICTORINO: Okay, okay, then I, I, then that's fine. I understand now.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, thank you very much.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, just a thank you, I think...I'll, I gladly support your recommendation. I think it's the right move at this point, so thank you and I will be supporting this.

CHAIR PONTANILLA: Thank you. Any more questions? Member Johnson?

COUNCILMEMBER JOHNSON: Is this part of the implementation of their Strategic Plan?

CHAIR PONTANILLA: I, I don't think so.

COUNCILMEMBER JOHNSON: Okay, so this was a departure from the recommendations that they had actually received with regard to, I guess, implementing all of the things that they had included within their Strategic Plan?

CHAIR PONTANILLA: These positions are added positions that were requested. We asked them about the strat plans and um, they couldn't answer the questions that were posed to them in regards to the expansion positions, other than they needed the Battalion Chiefs as well as the Firefighters to support the Battalion Chiefs.

COUNCILMEMBER JOHNSON: Yeah, I would be interested, you know, and this again, is an area I would ask to revisit to just see what the Department has to state, because I know that they did undergo their review and analysis and they've updated their Strategic Plan. So, I think that in all fairness we just need to get a response from them. Thank you.

CHAIR PONTANILLA: Okay, fine, thank you.

COUNCILMEMBER MATEO: Chairman.

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CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, in regards to the Strategic Plan, I believe they told us that it was currently being updated. What they gave us was a preview and it was apparently mid-year, if not longer, that they plan to complete the new, or the upgraded Strategic Plan. So, it is still work-in-progress at this point. Thank you.

CHAIR PONTANILLA: Thank you. Okay, any more questions? Moving on. HHC 10-1 add .5 EP for half-time Clerk Typist for Molokai. This will support the existing typist that sometimes that come to Maui. So, when she's on Maui, this half-time clerk will support the operations on Molokai for Housing and Human Services.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: I think this is very necessitated and I'll support this. Thank you, Mr. Chair for bringing this up.

CHAIR PONTANILLA: Thank you. Okay. Page 8...

COUNCILMEMBER MEDEIROS: Chair, excuse me.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: I, I, I thought you were going down. I didn't know you were covering the whole page, one time.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: I'm just looking at the, the Revision column, the changes.

COUNCILMEMBER MEDEIROS: Okay, so can, can I say something on Page 7?

CHAIR PONTANILLA: Sure.

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COUNCILMEMBER MEDEIROS: Okay, thank you, Chair. I did put in a proposal for \$50,000 for a feasibility study for combined Senior Affordable Housing and Center in Hana. And I was just wanting to be sure that I continue to pursue that because as you look at my proposals, most of my columns are empty. And the reason why, is I wanted to be very reasonable and logical about what I was asking for. And this was something that was very much needed. Our senior center now wasn't built to be a senior center. It was a leftover building from originally, Police and the school, and now they're bursting at the seams. So, Chair, I would consider, uh, I would ask for your consideration in somehow placing within this area, 50,000 for a feasibility study. Thank you, Chair.

CHAIR PONTANILLA: We'll make a note of that and then when we come to our second review, then we'll be...the numbers that you folks wanna include or exclude along with um, if you include a number then, you know, what number you're gonna be deleting.

COUNCILMEMBER VICTORINO: Mr. Chair, just for clarification, where would we put that in this, this, I mean where Mr. Medeiros has requested under Grants and...

COUNCILMEMBER JOHNSON: Operations.

COUNCILMEMBER VICTORINO: Where would that go? Housing Program or Grants Affordable Rentals Housing Programs?

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: I will look into it further, but I would believe that it would be under your Human Concerns Program.

COUNCILMEMBER VICTORINO: Yeah, that's what we're looking at, but...

MR. TAGUCHI: Yeah, um, well, above where you're looking is the Housing Program. If you go further down there's another program called Human Concerns Program.

COUNCILMEMBER VICTORINO: Oh, oh, okay.

MR. TAGUCHI: And, I would believe that you could put in a proviso that the funds be utilized for this study.

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COUNCILMEMBER VICTORINO: That would be HHC 10-11?

MR. TAGUCHI: Yes, yes.

COUNCILMEMBER VICTORINO: Okay, thank you. Thank you, Mr. Taguchi.  
Thank you, Chair.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman, you might --

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: --you might wanna recommend to Mr. Medeiros that you look at the Human Concerns Professional Service accounts, and that might be one of the areas he might wish to consider providing the Committee with a recommendation of use of those funds.

CHAIR PONTANILLA: Thank you. Okay, moving on. Page 8.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: I was hoping that we might give Community Work Program, you know when Jan Dapitan came to see us, she asked for an additional \$10,000. And it's such a small amount of money and the good these folks do, I just thought it would be nice to help her with that.

CHAIR PONTANILLA: Thank you, I think there's several items for Community Work Day in the proposed Budget. Page 8, Grant to Hui Malama Learning Center increase for Operations \$7,800. And this is for the Hana School Program.

COUNCILMEMBER VICTORINO: Good.

CHAIR PONTANILLA: Questions? Thank you. Item 15, Grant to Maui Adult Day Care Center. Increase for Day Care Program at Nisei Veterans Memorial Center - \$65,000. Questions? Thank you. Page 9, Item 20, Grant to Maui Economic Opportunity, Inc. for Head Start Summer Program. This is to extend...or increase for year-round schooling, 6-8 weeks, an increase of \$33,000. Questions?

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COUNCILMEMBER VICTORINO: No. Thank you, Chair.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Thank you. Item 21, this is Grant to MEO for Molokai Summer Program. Again, increase for year-round schooling, 4-8 weeks, addition of \$13,000.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR PONTANILLA: Page 10, Grant to Hale Mahaolu for West Maui Adult Day Care. This is a deletion. This was funded last year and not needed again, a reduction of \$150,000. Questions? Number 40, Grant to Boy Scouts of America. This is a reduction of \$140,000 which is half of the requested amount. We do have a proviso, provided that the grantee raises matching funds from non-County sources. Questions?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. Turning to Page 11...

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I believe that Mr. Victorino had, on that page, the grant to the Disabled Services for Frail and Elderly. He had a recommendation to add in additional monies and I just wanted to find out if he still wanted to do that.

COUNCILMEMBER VICTORINO: Oh, yes I did, you know, I didn't know if I could say anything or just...

COUNCILMEMBER JOHNSON: Yeah...no, as it comes up on the page, Mr. Chair, what we should do, I guess, is --

CHAIR PONTANILLA: Okay, we'll come back to this again.

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COUNCILMEMBER JOHNSON: --sing out.

COUNCILMEMBER VICTORINO: Okay, thank you for reminding me.  
Appreciate that.

CHAIR PONTANILLA: Thank you. Number 43 on Page 11, Grant to Mental  
Health Association - \$30,000. Questions?

COUNCILMEMBER VICTORINO: No. Thank you, Chair.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I believe they requested 38,000.

CHAIR PONTANILLA: 38?

COUNCILMEMBER VICTORINO: Hmm?

COUNCILMEMBER ANDERSON: Does anyone...?

CHAIR PONTANILLA: I, I think at our public hearing in Kihei was \$30,000.

COUNCILMEMBER VICTORINO: You may be right, but...*(inaudible)*...

COUNCILMEMBER ANDERSON: I know it shows 38, but anyway, I'll check  
on that, Mr. Chair 'cause --

CHAIR PONTANILLA: Okay, fine.

COUNCILMEMBER ANDERSON: --you know, we wanna help them with what  
they need, right?

COUNCILMEMBER VICTORINO: Uh-huh.

COUNCILMEMBER ANDERSON: Okay, thank you.

CHAIR PONTANILLA: Thank you. Number 44, Grant for Lihikai School After  
School Tutoring Program - \$6,000. Questions?

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COUNCILMEMBER JOHNSON: Yes, Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: On that one, I believe that um, and I did check with the grants manager for this, and both the Lihikai School and the Lahaina tutoring program have a substantial increase in the number of students that they're serving. So my rev..., my request would be, combine those two into one line item and then bump each one I guess, up to \$10,000 because that was the grant, or that was the request. Because now, the numbers of students being served alone, and I think it's similar for Lihikai as to Lahaina, there's over 200 children being served by these programs.

CHAIR PONTANILLA: Thank you, and we'll come back to that.

COUNCILMEMBER JOHNSON: Okay, thank you.

CHAIR PONTANILLA: Grant to Lanai Women's Center - \$50,000. Comments? Line 47, Grant to Maui Y.M.C.A. Capital Campaign, provided that the grantee raises matching funds for...from non-County sources - \$500,000. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, I put in a request for \$1 million and I believe that in the Y.M.C.A. they've already raised funds in excess of the \$500,000. But I don't know if all of it's been received, but my rationale for doing this, Mr. Chair, was because I believe that, number one, they took care of our skate parks for years and years, and continuously lost money. They were doing for 30,000 what we are now paying Boys and Girls Club \$112,000 to do. Every year this money came out of the Y.M.C.A. so, I'm just asking that we take that in consideration and plus, we don't have any similar kinds of programs here in the County that we offer at our County facilities. We have Boys and Girls Club, but that doesn't really serve adults. And they do offer programs to many of our under-privileged adults at very good rates for health and fitness. So, I would recommend \$1 million.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, the initial request was for 2 million for their capital program. And, uh, can the Chair share with us how he got

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to .5 million at this point, and whether .5 million was the only consideration?

CHAIR PONTANILLA: The other consideration was Member Johnson's, as well as myself. And the reason why the Chair put a \$.5 million was because of the number of requests that had come through to the Committee, as well as to probably the Members. That's my recommendation at this time.

COUNCILMEMBER MATEO: Okay, okay, thank you. Can we come back to this item, Chair?

CHAIR PONTANILLA: Oh, yeah. We'll come back to that item. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Is this that...is this proviso in relationship to the actual funding that's being...in other words, the \$500,000 has to be met with a new \$500,000 match?

CHAIR PONTANILLA: \$500,000, yeah.

COUNCILMEMBER ANDERSON: Not what they've already collected?

CHAIR PONTANILLA: No.

COUNCILMEMBER ANDERSON: Okay.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: I'd also like to come back and revisit this, sir, because I had the opportunity to see the programs that are going on there, and they affect such a wide part of our community. They cannot afford this kind of help anywhere else, so I'm very much in support.

CHAIR PONTANILLA: Thank you. So we'll come back and revisit this.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR PONTANILLA: Good. 10-25 Animal Management Program, we're adding \$140,000 provided that \$40,000 will be for Molokai Humane Society for the Spay and Neuter Program and office space. This is an increase of 100...(end of tape 3A)...questions?

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VICE-CHAIR HOKAMA: Question.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Chairman, are you looking for this additional money to be coming from the Animal Management Revolving Fund?

CHAIR PONTANILLA: The \$100,000 is to supplement the Animal Revolving Fund.

VICE-CHAIR HOKAMA: The 140...it's going to come from the Revolving Fund, Chairman?

CHAIR PONTANILLA: I'm sorry, the \$100,000 for the Maui Humane Society and the \$40,000 will be from this particular budget that is now being proposed.

VICE-CHAIR HOKAMA: Okay. Because, Chairman, you know, we are looking at an account that will have approximately \$260,000 plus. I would like us to utilize the Special Funds we create to offset the demand of the Gen..., our General Fund applications. So, I would ask if we can at least consider the use of those special funds...we earmark just for Animal Management. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Okay, Management 12-3, add two equivalent personnel to...for unfunded EA positions. And this is due to return rights of two employees. The funding is zero. Questions?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Right below that you have...add equivalent for LTA. This is two independent things, correct, Chairman?

CHAIR PONTANILLA: Let's see, uh, yes.

VICE-CHAIR HOKAMA: I'm in support of your methodology that you're having this Committee consider, Chairman. And I would say it has enough merit, that I would say we should consider this for all expanded positions, because we have been shown by the departments of their continuous vacancies that we deal with year in and year out, and not...and

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I'm not at this point in time, believing that we have enough excess general funds to give them more than sufficient discretionary spending authorities. Thank you.

CHAIR PONTANILLA: Thank you, thank you for that comment. Okay, Members, moving on to Page 12...

COUNCILMEMBER ANDERSON: Chair, excuse me, Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I liked what Chair Hokama said, but I guess I'm gonna have to show my ignorance here, 'cause I don't understand what you mean by adding two equivalent personnel for unfunded EA positions. Could you explain that, please?

CHAIR PONTANILLA: Thank you. Presently, there are two employees that are serving within the County Administration area. And they do have return rights because they are civil servant employees.

COUNCILMEMBER ANDERSON: I see.

CHAIR PONTANILLA: So, these are two positions that will bring back those employees should anything happen.

COUNCILMEMBER ANDERSON: So they don't need any funding because their positions are already funded?

CHAIR PONTANILLA: Uh, no, it's not funded. It's just...positions are there and if they need funding, then they'll have to come back to this body.

COUNCILMEMBER ANDERSON: I see, okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman, one quick question.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: If whatever reason they choose to do some very good internal savings and we give them the EP, even if we don't give 'em the money but they have the savings, they could fill the position, right?

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CHAIR PONTANILLA: Basically, yes.

VICE-CHAIR HOKAMA: So we might want to consider appropriate language to make it very clear that the intent is to take care those employees by collective bargaining agreements we are required to provide return right opportunities. And that again, Members, is limited on the term that they can stay out of that civil service position before they must make a final determination of whether to return to civil service or forfeit and continue in an appointed position whereby they forfeit the return rights. So, I would just maybe ask Staff that they might uh, want to assist the Committee with maybe appropriate language.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: We'll do that. Members, we're on Page 12. Management 12-7, delete one EP for Clerk II, reduction of \$16,299; delete equipment for all EP cuts - \$9,500. Questions?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Okay, thank you. Moving on to Page 13, the top of the page Item 9, Addition to develop Best Management Practices for Control of Madagascar Fireweed. I understand this is a new invasive species on this island. An addition of \$34,056. Member Hokama.

VICE-CHAIR HOKAMA: Chairman, I just have one question for clarification. I understand and support what you wanna do with invasive species, I have always voted for the funding. We've assisted the cattle industry in years past, Members, with the cattle industry to fight fireweed and I'm just wondering, is this a new species of fireweed that is uh, has a potential of being very damaging to our County, or is this part of the on-going efforts to deal with the fireweed? And again, it's, it's...I find it just interesting that in the past the cattle industry was driving us for support and we have not heard one comment from them this year, Members. So, I'm just wondering whether or not, even they are aware of the situation. So, I just bring up that point for consideration, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Page 14, Item 32, this is towards the bottom of the page. Grant to Maui Arts and Cultural Center

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for Yokouchi Pavilion, provided that the grantee raises matching funds from non-County sources, an addition of \$400,000. Questions, Members?

COUNCILMEMBER VICTORINO: Well, just, just more than a question, Mr. Chair. I can support this and I think this is well deserving, so thank you, Mr. Chair for putting this in, appreciate it.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. Before addressing that item, I'd like to request that uh, Number 28 be marked so we can come back to that particular item on the next round.

CHAIR PONTANILLA: Okay, good. Thank you.

COUNCILMEMBER MATEO: Thank you, Chairman. And, also Number 32. Number 32 is a request for \$400,000. Chairman, if we could come back to this particular item, once again, I'd like to recommend that the consideration be \$200,000 for this Fiscal Year.

CHAIR PONTANILLA: Okay, we'll come back to that. Item 33, Grant to Maui Economic Development Board, Inc. for American Ingenuity Alliance - \$100,000. Member Hokama.

VICE-CHAIR HOKAMA: I object to this one, Chairman.

CHAIR PONTANILLA: Okay, one objection. Members, any more consideration? Okay, we'll get back to this. Page 15 on top of the page, Grant for Maui Fest - \$30,000. Members, any questions?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: I think the components of what this grant request is uh, putting forth to the Committee has a lot of merit. But yet, Chairman, you know, we put a lot of money in some general grant categories: we have one for film industry; we have one for culture and arts programs. Again, I'm just wondering, do we need to give line items for everything when we have general pots of money that this, these groups can apply for? So, I just bring up I guess, a philosophical question to the Members, is that we have existing accounts for these people in this year's budget can go

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and request for these funds, whether it be for the Molokai Film Festival, the Hana Film Festival. We have funds in various existing accounts that can assist these requesters for. So I'm just wondering, do we need another line item with another bunch of money? So, either we do it this way and decrease the other accounts, or fold this into those existing accounts. But just, just to keep adding and adding, I don't think...again, at the end I'll have my statements regarding the unsustainability of this kind of funding projections, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, and part of the problem with grants in this area, because I've worked with Ken Burgmaier and Uncle Boy on these problems, they were not really able in the past, to become a grant recipient. And also, because it takes a certain amount of time to, I guess, become eligible for this, what happens is they pass the deadline. So they don't get considered in a lot of these grants. So the only way, and a lot of times, the first time is to become a line item and then later on they would be folded in to the other program. So, I fully support this. I believe that it is important because they do support a lot of our communities and actually, they bring in a lot more money. So I consider this part of economic development, and it's, it's really important so I, I just continue to advocate for this kind of thing. But it's oftentimes the only way that they can get their foot in the door. And then from that point forward, they'll have to compete with everyone else.

CHAIR PONTANILLA: Thank you. Okay, moving down to Department of Parks and Recreation, Item Number 2, the Lahaina Restoration Foundation, increase for Reimbursement of Courthouse Renovations. This is testimony provided to us by Keoki Freeland. This is an increase of \$125,000. Member Hokama?

VICE-CHAIR HOKAMA: Just one quick question, Chairman. Has the Department verified that this is an actual amount that they can support? Because if they gonna...if it's gonna be contentious and they gonna dispute the amount, wouldn't it be better that we get this resolved then put the funding? Because we've heard from the Foundation, but we have not...I cannot recall receiving information that the Department has verified that this is a actual amount and that they support us reimbursing this request.

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CHAIR PONTANILLA: Thank you and we'll follow up with that, Mr. Hokama. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, I believe that, from preliminary discussions, that this amount really is supportable and because the Parks Department simply did not have the funding in their budget and there was I guess, no long-term lease, they just go month-to-month, it was a little bit confusing. But I think the appropriate thing would be to do, if that is a concern, to put in a proviso here just stating that subject to verification of you know, the receipts and concurrence with Parks Department.

CHAIR PONTANILLA: Thank you. Again, we'll revisit this in round 2. Moving down to Item...Aquatics Program, Item Number 1, delete three Pool Managers - \$74,259. The request was for five, we're gonna remove three of 'em. Basically, right now all pools have a Senior Pool Guard...Life Guard who is basically the supervisor of that particular pool, and the Pool Managers really wasn't explained to us what their functions would be. If their function is to make sure that the pools are in a good physical condition or, physical condition, that um, you know, they could monitor the pools throughout Maui County which includes Molokai and Lanai. So, there's a reduction of three Pool Managers. Any questions? Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Mr. Chair. Is this the position that basically would be a fill-in because we have so many pool closures? Where there was some flexibility with regard to this particular designation because then, you know, I guess, the way that things are structured currently, if somebody doesn't show up, this person would then be able to be like a floater that would be able to staff...I don't know, I just recall that this was something new but it was to address the problem of pool closures. That was my recollection.

CHAIR PONTANILLA: Yeah, these are managers so...Staff?

MR. TAGUCHI: I don't really remember the exact, um, uses for the Pool Manager. I was not sure whether or not this was a career path or career ladder thing to encourage people to stay within the pool section, versus the ocean activities side. But, we can try and call the Department and try and find out.

CHAIR PONTANILLA: Thank you. Moving on. Page 16 --

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COUNCILMEMBER ANDERSON: So we're gonna revisit that, Chair?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: No changes in Page 16. Page 17, Item 6, Grant to Wailuku Main Street/Tri-Isle Resource Center, reduce to amount requested by the grantee, so we're removing \$190,000. The requested amount was \$235,000. Questions?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Item number 6, Grants to University of Hawaii-Maui Sea Grant Program, delete portion per Department of \$52,000. So the new appropriation is \$77,051.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Could I have an explanation? I'm sorry, I wasn't cognizant that day...*(laughs)*...

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Department or Staff?

COUNCILMEMBER VICTORINO: You weren't?

MR. TAGUCHI: Um, can Staff have a little time to try and find the document?

CHAIR PONTANILLA: Okay, we'll come back to that.

COUNCILMEMBER ANDERSON: We can revisit that. Thank you, Chair.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

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COUNCILMEMBER JOHNSON: Also, on some of our proposals too, we're gonna revisit the ones that we had specifically 'cause we're just going through yours, right now?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: Okay, thank you.

CHAIR PONTANILLA: Item 9, Digital Flooding Mapping. We're...I'm sorry, Number 10...(chuckle)...Aerial Photograph, delete per Department - \$75,000; Number 11, Special Growth Model, delete per Department; Pali to Puamana Parkway Project, delete per Department; Number 13, delete per Department the Development Mitigation Fee Study; Number 14, Geodatabases Strat Plan, delete per Department; Number 15, Integrated Socio-Economic Land Use, delete per Department; 16, Molokai Traditional Use Overlay District, delete per Department. Members, any questions to the items from 10 to 16?

MR. TAGUCHI: Chair, Chair Pontanilla.

CHAIR PONTANILLA: Oh, Member Taguchi.

COUNCIL MEMBERS: ...(laughter)...

CHAIR PONTANILLA: Eh, I consider him as part of...a member of the Staff.

COUNCIL MEMBERS: ...(laughter)...

COUNCILMEMBER VICTORINO: He is a member of the Staff, sure, you're right, you got 'em.

MR. TAGUCHI: Chair Pontanilla, I found the document I was looking for.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: The cuts within the um, Planning Department was based upon a document which was passed out to the Committee from the Planning Department when we reviewed their operation. The document wasn't titled, but the document was...had hand-written notations showing in a Ramseyered format, deletions. When I inquired about what the document was, I was told that the document represented the Department's revisions to their proposed budget because these items, although included in the

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Mayor's proposed budget, they did not intend to move forward with. And that's why that numerous deletions of these different programs or I guess, reports.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. So, Mr. Taguchi, so if they're not gonna move forward with these projects, then the funds are where?

MR. TAGUCHI: Member Mateo, I'm not quite sure whether or not they're not moving forward with the project, or whether or not the project was completed in a prior year. All I'm aware of is that they submitted to this body a document that shows that they were not...they did not need these funds in Fiscal '08. So um, I uh, I'm not quite sure...I believe I requested from the Budget Director whether or not this was a document that was confirmed by his office, and I don't know if he had a time to take a look and formally transmit the Administration's recommendation. But I um, I did remember having this document and that's why I've pulled it out.

COUNCILMEMBER MATEO: Okay, thank you.

CHAIR PONTANILLA: Thank you, Mr. Taguchi. I have a note here, these items were funded in Fiscal Year 2007 as a one-time appropriations.

COUNCILMEMBER MATEO: So then, we can assume that these, these monies have been spent and not sitting somewhere.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER MATEO: Okay, thank you, Chair.

CHAIR PONTANILLA: Or going to be spent in the next couple of months. Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Could we request verification from the Department on this? Because you know, if they spent the money we want to know that. Because these are all studies, most of them.

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CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: So we want to know that the money has been spent for a study and um, I'm particularly interested in the Integrated Socio-Economic Land Use study. I don't know if that's the same socio-economic study we've gotten three versions of, since 2001.

CHAIR PONTANILLA: Yeah, we'll send something to the Department to take a look at their Fiscal Year 2007 and ensure that these so-called studies is gonna be completed, or are completed.

COUNCILMEMBER ANDERSON: And um, on the UH sea grant --

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: That, that is not a study. That's a person. So, it may well be that the reduction is appropriate.

CHAIR PONTANILLA: Item Number 7, you say?

COUNCILMEMBER ANDERSON: Yeah, Number 7. Through the previous years...well, I don't know, because for the last previous two years, we've funded it at 52,200; and then this year they had it at 129,000; and then reduced it back down to 77,051. So, if we could get clarity on that one too, Chair.

CHAIR PONTANILLA: Yeah, we will. Thank you.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Page 18, again you see Number 17 and Number 18 are basically one-time costs. They were budgeted in Fiscal Year 2007. We'll also follow...or follow up with the Planning Department in regards to those two items. That's a deletion of \$10,000 as well as \$15,000. Questions?

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

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COUNCILMEMBER MEDEIROS: Thank you, Chair. Yeah, I just wanted to ask a question on 17. So, uh, because I know maybe Member Mateo is more knowledgeable about this, because I know...he didn't say anything about Number 16, the Molokai Overlay District. Is that like something done already, or they're not going to do it that's why they don't need the funds? I mean, Hana Overlay District, I'm not familiar with that.

CHAIR PONTANILLA: Thank you, Member Medeiros. This is, um...these items were budgeted back for Fiscal Year 2007.

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: And we're still in Fiscal Year 2007. But we'll follow up as far as how many of these were completed, and how many of these will be completed soon. But these are monies that were budgeted for this Fiscal Year 2007.

COUNCILMEMBER MEDEIROS: Okay, but because we're discussing Budget 2008, right?

CHAIR PONTANILLA: Yeah, becau...

COUNCILMEMBER MEDEIROS: And the Mayor has her proposal for 10,000 there. So, that was something she wanted to project for, or if there was money for it, why was it budgeted for again?

CHAIR PONTANILLA: We received a correspondence from the Administration saying that these studies, or these items were no longer required.

COUNCILMEMBER MEDEIROS: Okay, so they're not going to do that, then?

CHAIR PONTANILLA: Oh no, no, no.

COUNCILMEMBER MEDEIROS: Oh.

CHAIR PONTANILLA: It's not gonna be budgeted in 2008.

COUNCILMEMBER MEDEIROS: Oh, okay.

CHAIR PONTANILLA: But it is still in 2007.

COUNCILMEMBER MEDEIROS: Okay, that's, that's why for the revision?

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CHAIR PONTANILLA: Yes.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Department of Police, Page 18, Item Number 1 on Uniformed Patrol Service Program, increase one EP Police Sergeant on Lanai plus salary increases of \$43,148. And Members that went to the Lanai hearings, the residents on Lanai requested that we include a one EP increase to a Police Sergeant. Members, any questions? Thank you.

COUNCILMEMBER VICTORINO: Thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Hey, we're half-way there.

CHAIR PONTANILLA: Page 19, Public Works and Environmental Management, 19-11, delete premium pay per Department of \$12,000. Questions? On Page 20, Highway 19-27, increase one EP for Clerk II at the Makawao Garage at \$800 for salary adjustment - \$27,464. Questions? If not, thank you.

On the bottom, Item 19, Public Transit Program – Bus Stop Signage, Schedules, Maps, Marketing, and so forth, Highway Funds; um, corrections of the Mayor's proposal, a deletion of \$50,000. Questions? Page 21, Public Transit Program, this is: [j]. Bus Stop Signage, Schedules, Maps, Marketing and so forth, General Funds; corrections of the Mayor's proposal, addition of \$50,000. Member Baisa?

COUNCILMEMBER BAISA: You just moved it from one section to another?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Can we go back to Page 19 and put a question mark next to 19-22, Highway Fund Drainage Maintenance? Uh, Page 19...I'd like to discuss that on the second go-around.

CHAIR PONTANILLA: Okay.

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VICE-CHAIR HOKAMA: Chairman, can you...

CHAIR PONTANILLA: This is not a specific project that you want to discuss, right?

COUNCILMEMBER ANDERSON: No, it's a provi..., well, it is a proviso for a specific uh, professional services contract requested in the Mayor's Budget, having to do with a drainage maintenance project.

CHAIR PONTANILLA: Okay, um, we'll put a check mark there and we still need to complete the CIP and the bonding, so it may end up in there. Member Hokama?

VICE-CHAIR HOKAMA: I just wanted to re-verify what program area, Chairman, please, is this is 19-19 or 19-22?

CHAIR PONTANILLA: What Member Anderson had just requested was 19-22.

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Also, if we could revisit on 20-2 and it would be under Public Transit Programs and it would be in regard to a proviso and it has to do with 480,000 request for expansion to routes for West Maui. So, if we could revisit that.

CHAIR PONTANILLA: 20-...

COUNCILMEMBER JOHNSON: 20-2 and then it would be, [h](8) under Public Transit.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: I'll make my case later.

CHAIR PONTANILLA: Page 21, [k] Grant for Bus Stop Planning and Design, reduce for Planning and Design to be done, to be done by Department of Transportation staff, so we removed \$100,000.

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VICE-CHAIR HOKAMA: Uh-huh.

CHAIR PONTANILLA: Sorry about the typo.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Got through one o'clock this morning...*(end of tape 3B - 4:20 p.m.)*... Page 22. There's no corrections.

COUNCILMEMBER VICTORINO: Okay.

CHAIR PONTANILLA: Page 23, bottom of the page, the Old Courthouse Air Condition...Air Conditioning.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Since we are ready to embark on our journey of the first run on capital improvements, I would just ask, is it intentioned for us to finish this, this afternoon?

CHAIR PONTANILLA: ...*(laughter)*...

COUNCILMEMBER JOHNSON: Just go.

VICE-CHAIR HOKAMA: So we...and we just go...

COUNCILMEMBER JOHNSON: Just go with it...

CHAIR PONTANILLA: Wait, wait, we'll just go through this whole thing and then --

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: --um...

VICE-CHAIR HOKAMA: We're through for the day?

CHAIR PONTANILLA: Yeah.

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VICE-CHAIR HOKAMA: Good.

CHAIR PONTANILLA: Um, what do you mean? Through for the day? I haven't made up my mind, yet...(chuckle)...

COUNCILMEMBER VICTORINO: You tell 'em, Mr. Chair. We work all night. I'm ready.

CHAIR PONTANILLA: Okay, let's go.

COUNCILMEMBER JOHNSON: Just go for it.

CHAIR PONTANILLA: Page 23, 26-17, deleting of the Air Conditioning Requirements, this is per the Department of Public Works. Questions?

COUNCILMEMBER JOHNSON: Which one is that?

CHAIR PONTANILLA: Page ...(inaudible)...

COUNCILMEMBER JOHNSON: Yeah. Which one?

COUNCILMEMBER ANDERSON: Why did they want to delete it?

CHAIR PONTANILLA: It's being done now.

COUNCILMEMBER ANDERSON: Oh, it was an error?

VICE-CHAIR HOKAMA: Yeah.

COUNCILMEMBER VICTORINO: It was done.

COUNCILMEMBER ANDERSON: 26-17, Members.

COUNCILMEMBER VICTORINO: Yeah, was done.

CHAIR PONTANILLA: On Page 23.

COUNCILMEMBER HOKAMA: Yeah, yeah.

COUNCILMEMBER VICTORINO: It's finished.

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COUNCILMEMBER JOHNSON: Mr. Chair, could we also earmark just 'cause it's really important, is 25-6, Kula Tennis Courts --

CHAIR PONTANILLA: 25-6.

COUNCILMEMBER JOHNSON: --and just put a revisit.

CHAIR PONTANILLA: Sure.

COUNCILMEMBER VICTORINO: 25-what?

COUNCILMEMBER JOHNSON: Because um, I'm concerned about information that I've gotten that we don't own that property and --

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: --so anyway, thank you.

COUNCILMEMBER VICTORINO: Which one?

CHAIR PONTANILLA: Members, you guys wanna keep on going, or you --

COUNCILMEMBER JOHNSON: Just...

CHAIR PONTANILLA: --wanna take a break?

COUNCILMEMBER JOHNSON: No. Keep on.

CHAIR PONTANILLA: Oh, okay.

COUNCILMEMBER MOLINA: We'll let, we'll let you know ...*(inaudible)*...

COUNCILMEMBER JOHNSON: Go, go already.

COUNCILMEMBER \_\_\_\_\_: Go for it.

CHAIR PONTANILLA: Um, on Page 24, CIP 26-35, Item Number 7, Central Maui Tennis Court Resurfacing and Improvements, we added in \$600,000. Item Number 8, Kahului Community Center Renovations, we added \$240,000. Questions?

COUNCILMEMBER VICTORINO: No. Thank you, Mr. Chair.

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COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. Central Maui Tennis Court Resurfacing Improvements, is there specific sites for those, or just a...

CHAIR PONTANILLA: Kahului Community Center, as well as Wells Park.

COUNCILMEMBER MEDEIROS: Kahului...

CHAIR PONTANILLA: And this will include also the lighting condition, I think uh, some of the Members that play tennis had indicated that there is some unsafe conditions at Wells.

COUNCILMEMBER VICTORINO: Right.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Uh, let's see...Sanitation, 26-50, moved to Solid Waste Fund - \$200,000.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member Taguchi.

COUNCIL MEMBERS: ...*(laughter)*...

MR. TAGUCHI: Just to assist the Members, what we're doing here is relocating the appropriation, because the appropriation under Sanitation should come out of Solid Waste Fund, not General Fund. So, for those one, two, three, four, five, six, seven items or so under Sanitation, all we're doing is we'll move it later in the schedule under Solid Waste Fund. It's located in the wrong fund at this point.

CHAIR PONTANILLA: Thank you, Staff member Taguchi.

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COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: I always forget Staff. Okay, we're on Page 25, 27-9, Item Number 1, Kihei Police Station, transfer part of the funding from the Bond Fund, \$2.3 million. Questions?

COUNCILMEMBER JOHNSON: No, let's just...*(inaudible)*...

CHAIR PONTANILLA: Parks and Recreation, Number 4, 27-16, Number 4, Kalama Park Playground, add \$150,000 to complete the playground. Questions?

COUNCILMEMBER VICTORINO: No. Thank you, Chair.

CHAIR PONTANILLA: Okay. On the bottom of the page, Parks and Recreation, CIP 30-8, we're adding a \$150,000 to Cooke Memorial Pool Restroom Renovations. Questions?

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Is this the one on Molokai that um, to make them ADA compliant?

VICE-CHAIR HOKAMA: Right.

COUNCILMEMBER VICTORINO: Is this for that purpose?

CHAIR PONTANILLA: This will event . . .

VICE-CHAIR HOKAMA: Yes, yes.

CHAIR PONTANILLA: Member Taguchi, yes, right?

VICE-CHAIR HOKAMA: Yes.

COUNCILMEMBER MATEO: One of the reasons.

COUNCILMEMBER VICTORINO: One of the reasons. Yeah.

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COUNCILMEMBER MATEO: One of the many.

COUNCILMEMBER VICTORINO: Because I know that was the complete . . .

CHAIR PONTANILLA: I should have gone to Member Mateo.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER MATEO: Staff Mateo would say the um, that is one of the reasons, in addition to just the poor deterioration.

COUNCILMEMBER VICTORINO: Right.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Mateo. Thank you, Chair.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I want to come back to Kalama Park Improvements.

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: And also, for the Kenolio Recreation Center, I'd like to come back to that.

CHAIR PONTANILLA: Okay, fine.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Okay, moving on to Page 26, CIP 31-10, Countywide Facilities, reduce \$300,000. Questions? Moving down the page, CIP 23-12, Road Improvements, District Resurfacing. This is for Hana Community Plan District Area. We're gonna increase the repaving to \$200,000. Questions? So total appropriation for Road Resurfacing for Hana from 300,000 to \$.5 million. Paia-Haiku-Makawao Community Plan Area, Road Improvements, Baldwin Avenue Bike Path, we're gonna move the \$500,000 to Bond Fund. Questions? The District Resurfacing .

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COUNCILMEMBER ANDERSON: Chair, I had a question.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: As you're not asking anybody to say whether they support or don't support at this point, um, you know, I have a...I have a problem with this Baldwin Avenue Bike Path. Unless there's money coming...

CHAIR PONTANILLA: Member Anderson, we can take it up when we go into Bond. That's where the money is being moved.

COUNCILMEMBER ANDERSON: So we'll discuss it in Bond?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Okay, thanks.

CHAIR PONTANILLA: Thank you. Item Number 2, District Road Resurfacing, we're increasing the amount from 300,000 with another 300,000 so now the Road Resurfacing Improvement dollar amount for Paia-Haiku Community Plan Area is \$600,000. Questions? The Road Improvement for Makawao-Pukalani-Kula Community Plan Area, we increased the amount to...with another \$300,000. The total for Road Resurfacing for that community plan area is now 600,000. The Wailuku-Kahului Community Plan...

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Thank you, Chairman. I believe the Committee had asked a question earlier regarding 25-10, and I was wondering if the staff had an opportunity to contact Ms. Lynne Woods regarding the ability of securing some non-County funds to assist in the assessment?

CHAIR PONTANILLA: Staff?

MS. REVELS: No, Mr. Chair. Staff has not had an opportunity to speak with Ms. Woods.

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CHAIR PONTANILLA: We'll follow up with that, Mr. Hokama.

VICE-CHAIR HOKAMA: Thank you, Chair. So I would just ask, in the next round, if we can revisit this item. Thank you.

CHAIR PONTANILLA: Thank you. Okay, moving down to Wailuku-Kahului Community Plan Area, we're adding Naholo Circle Drainage Project, we're adding \$500,000 to the -- questions, Members --

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: --to the Road Improvement Area, we're increasing the appropriation by \$700,000 so we're gonna increase it up to \$1 million. Questions?

COUNCILMEMBER VICTORINO: No, thank you, Chair.

CHAIR PONTANILLA: Moving on, Page 28, 27-18. This is for Kihei-Makena Community Plan Area. We're increasing Road Approach..., Road Improvement appropriations by \$300,000 so the total appropriation now is \$600,000. Questions? West Maui, we're increasing the appropriations for Road Resurfacing by \$300,000. The net appropriation at this time is \$600,000.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: Yes, because we're also deleting some other things for West Maui -- the Ukumehame acquisition is coming out -- I, in my proposal, unbeknownst to me about the Ukumehame thing -- it's alright though -- I would like for consideration to have the Members look at \$1 million, because we have severe roadway deterioration, and we still have not dealt with Puukolii Road, which we've heard is gonna eat up probably most of what the...in fact, it'll eat up the increase just on the one road that you're putting in. So I would ask to revisit this.

CHAIR PONTANILLA: Thank you. Item Number 2, CIP 28-14, we're gonna delete the \$508,000 and the possibility of utilizing the Open Space Fund. We're researching this right now in regards to how to utilize the Open Space Fund to do this Ukumehame acquisition. Questions, Members?

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COUNCILMEMBER JOHNSON: Um, Yes, Mr. ...

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Mr. Chair, I would prefer not to use the Open Space Fund for this purpose because it was my understanding with the description, that this money would have to actually be deposited in case any of the claimants for kuleana parcels or people who had rights came back, so it's a temporary thing and I've...I don't know, I'm just not sure if we want to go to Open Space Fund to do that when we have so many other properties that we could consider purchasing.

CHAIR PONTANILLA: Thank you, we'll bring this back up again. CIP 29-12, Lanai Community Plan Area, we're gonna increase the Road Resurfacing to \$200,000. The total appropriation at this time will be 400,000. For Molokai Community Plan Area, we're gonna increase the appropriation by --zero?

COUNCILMEMBER JOHNSON(?): 200,000.

CHAIR PONTANILLA: \$200,000 so that the appropriation now will be 400,000. Questions, Members? Page 29, the Countywide Road Resurfacing. Members, we're gonna increase the Countywide Road Resurfacing by \$250,000 and the net appropriation at this time will be \$900,000. Countywide Safety Program, we're gonna increase by \$100,000. We do have several provisos: the first one would be \$50,000 shall be for West Kuiaha Street speed tables; \$100,000 shall be for traffic calming measures installed around Kahului School and Hale Mahaolu; Number 3, \$50,000 shall be for traffic calming measures installed around Iao Intermediate School. Member Molina, check, you had that . . .

COUNCILMEMBER MOLINA: Yeah, I think this, I was advised by staff, I think this would be the appropriate place for those two provisos that I had requested for earlier, the speed tables for Maui Meadows and for Kealaloe Avenue in Makawao.

CHAIR PONTANILLA: Okay, we'll come back to this area. Thank you.

COUNCILMEMBER MOLINA: Thank you.

COUNCILMEMBER ANDERSON: I think that's the next one, Chair.

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COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER ANDERSON: Countywide Speed Hump Program.

VICE-CHAIR HOKAMA: Why he wanted tables?

COUNCILMEMBER ANDERSON: 31-21...

COUNCILMEMBER MOLINA: These are, these are tables, not humps. Yeah.  
Tables are more...yeah.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER MOLINA: Not bumps or humps.

COUNCILMEMBER VICTORINO: Been a long day.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER ANDERSON: Whatever.

COUNCIL MEMBERS: ...*(laughter)*...

COUNCILMEMBER VICTORINO: Oh, you don't want humps? I'll give you  
bumps.

CHAIR PONTANILLA: Okay, fine.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Okay...okay, we'll revisit these whether it's humps,  
bumps, or speed tables.

COUNCIL MEMBERS: ...*(laughter)*...

CHAIR PONTANILLA: Okay, continuing on. CIP 24-6, this is where we moved  
the Baldwin Avenue Bike Path from Cash to Bond, \$500,000. And I  
understand Member Johns..., uh, Anderson has indicated that we need to  
revisit, so we'll revisit. Page 30 on the Bond Fund, Government Facilities,  
CIP 27-9 Kihei Police Station. Transfer part of the funding to the General  
Fund. Number 2, South Maui Community Park Phase I, gonna add \$4.3  
million. Members, any questions to both items? Seeing none, moving on.

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Page 31, Lapsed Bond Proceeds, we're gonna add \$1.9 million to the Lanai Landfill Storm Water System Reconstruction. Members, any questions? This is to comply with the Department of Health. Page 32, as was mentioned by "Staff Member" Taguchi, the five items that are shown -- one, two, three, four, five, six...seven items -- were moved from General Fund to the Solid Waste Fund. Questions, Members? Thank you. Page 30...30, 30...wait, eh, we might be done.

COUNCILMEMBER JOHNSON: We're through.

COUNCILMEMBER VICTORINO: No, we're not.

VICE-CHAIR HOKAMA: Cannot be.

CHAIR PONTANILLA: We're...on Page 36 of 36, the Total Capital Campaign Appropriation, um...the difference between the Mayor's and the Chair's position is \$9.9 million. Members, that completes the first round. The Chair would like to take a ten-minute break, come back maybe 4:50.

COUNCILMEMBER JOHNSON: For what, for?

COUNCILMEMBER ANDERSON: For what?

COUNCILMEMBER MOLINA: Chair, can I ask a question?

CHAIR PONTANILLA: Sure.

COUNCILMEMBER MOLINA: Before we break, what will we be discussing when we come back from break?

CHAIR PONTANILLA: I need to confer with my Staff members.

COUNCILMEMBER MOLINA: Oh, okay. Thank you.

COUNCILMEMBER JOHNSON: Oh, okay.

COUNCILMEMBER VICTORINO: Their wisdom will be greatly appreciated. Thank you.

CHAIR PONTANILLA: This member is.....this meeting is in recess. ...(*gavel*)...

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**RECESS: 3:38 p.m.**  
**RECONVENE: 4:55 p.m.**

CHAIR PONTANILLA: ...(*gavel*)... Thank you, Members, for that recess. The Budget and Finance Committee meeting is now back in session. Thank you for being very attentive on our first pass. Members, tomorrow morning the...what, what the Chair's intention is that we do the second pass on our budget. And this is where it's gonna get um, testy.

COUNCIL MEMBERS: ...(*laughter*)...

CHAIR PONTANILLA: Hopefully, not. Yeah. Anyway, if you do have any changes in regards to the proposal that is in front of you, that um, if you wanna make changes to the real property tax, if you could provide that information and the reason to that, um, if you're gonna do any additions to any of the programs, that you look at what areas you can provide funding for that particular project. It may come down to as, again, you know um, one of the areas that you can take a look at as far as having your projects or...well, your projects being funded is, again, look at all the different type of revenues that we receive. But again, I wanna just caution you that you do have a balanced budget right in front of you and that we, we keep it balanced as we go through the, the changes that we make. So if you're gonna add, take a look at what areas you can delete or what areas that you can add revenues to, to support your addition. Deletion, the Chair will welcome any deletions, you know, for that matter.

So, Members, have a good night's sleep. Staff Member Taguchi, you have any comments? No comments at this time. Staff Member Revels, comments? No? No comments. Thank you very much. So Members, we'll reconvene tomorrow morning at 9 o'clock, so hopefully, we can have a...I'm sorry.

VICE-CHAIR HOKAMA: I mean, if you still feel to bring up your point, tomorrow is the time to do it, right?

CHAIR PONTANILLA: Oh, yeah.

COUNCILMEMBER VICTORINO: Yeah...(*inaudible*)...

CHAIR PONTANILLA: Oh, I'm sorry, yeah, we're gonna adjourn this meeting tonight and then re..., and we'll meet here again tomorrow morning at

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9 o'clock. So Members, with that um...comments, Members, before I adjourn? If not, thank you very much. This meeting is adjourned. ...(*gavel*)...

**ACTION: DEFER pending further discussion.**

**ADJOURN: 4:59 p.m.**

APPROVED:

  
JOSEPH PONTANILLA, Chair  
Budget and Finance Committee

bf:min:070423:pe

Transcribed by: Priscilla Echalas

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CERTIFICATE

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

DATED this 15th day of May 2007, in Wailuku, Hawaii.

*Priscilla Echalas*

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Priscilla Echalas