

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

April 25, 2007

Council Chamber, 8th Floor

CONVENE: 9:10 a.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair (In 9:21 a.m.)
Councilmember Michelle Anderson, Member
Councilmember Gladys C. Baisa, Member
Councilmember Jo Anne Johnson, Member (In 9:28 a.m.; Out 11:43 p.m.)
Councilmember Danny A. Mateo, Member
Councilmember Bill Kauakea Medeiros, Member
Councilmember Michael J. Molina, Member (In 9:40 a.m.)
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.: Fred Pablo, Budget Director, Office of the Mayor
Kalbert L. Young, Director, Department of Finance
Vanessa A. Medeiros, Director, Department of Housing and Human Concerns
Rudy Esquer, Grants Administrator, Department of Housing and Human Concerns
Tamara Horcajo, Director, Department of Parks and Recreation
Zachary Helm, Deputy Director, Department of Parks and Recreation
Ron Kubo, Golf Course Superintendent, Department of Parks and Recreation
Michael Miyamoto, Deputy Director, Department of Public Works and Environmental
Management
Jeffrey K. Eng, Director, Department of Water Supply
Holly Perdido, Fiscal Officer, Department of Water Supply
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the Corporation
Counsel

OTHERS: **Item 1:** Don Ainsworth, Sustainable Technology Coordinator, Maui Community
College
Mike Morris, Maui Family Y.M.C.A.
Deborah Peterson, Maui Family Y.M.C.A.
Rita Barreras, Project Director, Maui Long Term Care Partnership
Leslie Wilkins, Maui Economic Development Board

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Becky Woods, Ka Hale A Ke Ola Homeless Resource Center and
Na Hale O Wainee Homeless Resource Center
Peter Hanohano, Community Services Director. Maui Economic
Opportunity, Inc.
Maude Cumming, Executive Director, Family Life Center
Others (10)

PRESS: Ilima Loomis, *The Maui News*

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

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

COUNCILMEMBER VICTORINO: Good morning, Chair.

CHAIR PONTANILLA: The Budget and Finance Committee meeting for April 25th, 2007 is now convened. The time is 9:10. The Chair would like to recognize the Members that are here this morning. We do have Member Mateo, Member Anderson, Member Baisa, Member Medeiros--

COUNCILMEMBER MEDEIROS: Good morning, Chair.

CHAIR PONTANILLA: --good morning--and as well as Member Victorino.

COUNCILMEMBER VICTORINO: Good morning, Chair.

CHAIR PONTANILLA: Good morning. Excused this morning are Member Johnson, Member Molina, Member Hokama.

Members, the Chair would like to introduce the Administration people that are sitting in front of you. We do have First Corporation Counsel Traci Fujita Villarosa, as well as our Finance Director Kalbert Young, and our Budget Director Mr. Fred Pablo. Supporting us is our Staff, Lance Taguchi as well as Gayle Revels, along with Committee Secretary Yvette Bouthillier.

Members, we do have people signed up for public testimony. But before we take up public testimony, I would like to have all of you in the Chambers this morning to either turn your cell phone to the silent mode or turn it off.

. . .Okay, Members, the first testifier this morning is Dan Ainsworth. . . Good morning.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. AINSWORTH: Good morning.

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COUNCILMEMBER VICTORINO: Morning.

MR. AINSWORTH: Thank you very much for allowing--

CHAIR PONTANILLA: Before you start--

MR. AINSWORTH: Yeah.

CHAIR PONTANILLA: --I forgot to give the ground rules. You have three minutes to provide public testimony, one minute to conclude, and if you can state your name and the organization that you represent.

MR. AINSWORTH: My name is Don, Don Ainsworth. I'm the Sustainable Technology Coordinator at Maui Community College, and we had a, we submitted a...around a list for...grants this coming fiscal year, and it is to keep, to beef up our current sustainable technology program. We have a two-year Associate in Applied Science Degree in...Sustainable Technology which includes solar water heating; photovoltaics, which is electric, electricity from the sun; biofuels; energy management; and wind. We want to expand our Hawaii Energy Test Lab that we're studying the...oops...we're studying the...systems that are used to hookup in the schematic that to, to put together to make the water heaters more efficient and we're...looks like we're going to be able to go from 80 gallon tanks for a small family down to 60...and which would cost them less money to begin with and still provide the hot water that they needed. And we're also now have entered into a partnership with the State DBET [*sic*], DBEDT wind energy program to monitor wind regimes on Maui to see where it would be reasonable to install small wind generators for...um...residential use. We're looking now at a new one that is a vertical access turbine that we hope will handle the, the small unit niche in the market...This initiative will create, design, and support the development of an alternative energy technology beta-set [*sic*], beta-site test...set test site on campus. We, we've got word on a bunch of new, but yet to be proved out, improvements on photovoltaic and wind and solar thermal that will allow us to capture more of the heat from the sun, more of the energy from the wind, and make it so that it's much more efficient and, and much more attractive financially for people to use. And we, we're working with several companies to provide their units for us, assistance for us...gratis so that we can hook 'em, hook 'em up, learn how to operate them, learn how to teach people how to operate them, and then test and see what their performance is like in a real world situation.

...Well, the, the funds that we're asking for will support additional personnel and provide supplies and equipment for prototype projects, then encourage and use applied research techniques for the alternate energy sources. With, with the County's assistance MCC could be the site for alter..., alternative energy education in the State. The initiative would further contribute to solutions that could potentially develop all islands in the world.

Deliverables. We tend to initiate at least two alternate energy projects that'll introduce and use wind, sun, water, waste, or other energy resources to reduce Maui County's dependence on fossil fuels; to expand the HETL lab to update the solar system throughout, through our campus

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research and in installation demonstrations as well as to appoint and train at least ten student interns as part of the alternate energy workforce expansion strategy.

There are more details that we are developing now, but we . . . are sending three people to the National Small Wind Energy Conference in June of 2007, and the resources will generally be applied to personnel, monitoring instrumentation, student internships, and conference/consultation costs.

If you have any questions or concerns, I'd like to answer them now if I could. And if you don't have any--

CHAIR PONTANILLA: Thank you.

MR. AINSWORTH: --I thank you for allowing us to come.

CHAIR PONTANILLA: Members, are there any questions for the testifier? Member Anderson, followed by Member Mateo.

COUNCILMEMBER ANDERSON: Thank you, Chair. Thank you for coming in this morning. We appreciate it. And I think what you're doing is outstanding. I mean we, we should've been leading the nation decades ago in altern..., alternative energies. And so my question for you is how much money is Maui Community College putting into this program?

MR. AINSWORTH: Well. . . my time is going to be subsidized for it, so my salary, and then we have a couple of engineers, electrical engineers that are working with us and teaching our courses, and then we pay our interns a small stipend. . . we call it an internship. And, and then we need basic, basic things like. . . when we want to monitor the, the temperature range of the, of the solar heating system, what time during the day is the best, how the pump is performing, things like this. We have, we buy little connectors to hook on the pipes to gauge the flow, (*inaudible*) the temperature, that type of thing; and until we know what the problem is, we don't know what the, what the cost is going to be.

COUNCILMEMBER ANDERSON: But do you know how much money. . . the college has dedicated to this program?

MR. AINSWORTH: Oh. . .

COUNCILMEMBER ANDERSON: I mean you must have some idea if you're asking us for 250,000.

MR. AINSWORTH: Uh-huh. Well, I think that it's gonna be. . . I'm not sure, I'm not sure.

COUNCILMEMBER ANDERSON: So you don't know what percentage this 250,000 reflects in the overall program?

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MR. AINSWORTH: No, I don't.

COUNCILMEMBER ANDERSON: Could you find that out?

MR. AINSWORTH: Yes, uh-huh.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Thank you. Member Mateo, you had a question?

COUNCILMEMBER MATEO: Chairman, that was my question. But if, if you don't mind. . .

MR. AINSWORTH: Uh-huh.

COUNCILMEMBER MATEO: . . .did, have the College initiated any discussions with the County in terms of dealing with the County's. . .I guess Energy Program Coordinator or, or the like?

MR. AINSWORTH: I, I've worked with Kal a couple of times in the past and I'm assuming will, that will continue.

COUNCILMEMBER MATEO: So the discussion never occurred between you and Kal in, in terms of looking at what sources his division had instead of coming to the Council and asking for 250,000 to run your program?

MR. AINSWORTH: No, I didn't know that. I didn't know that, that he had a budget.

COUNCILMEMBER MATEO: Okay. And you, you mentioned earlier that part of the. . .well, Ms. Anderson's question was, you know, what percentage. . .

MR. AINSWORTH: Uh-huh.

COUNCILMEMBER MATEO: . . .of the funds that MCC was kicking into this particular. . .

MR. AINSWORTH: Right.

COUNCILMEMBER MATEO: . . .program. You mentioned that part of it was your, was your salary?

MR. AINSWORTH: Uh-huh.

COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER MATEO: And, and--

MR. AINSWORTH: I'm assigned.

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COUNCILMEMBER MATEO: So your salary and the personnel that will be working with this. . .because I, I guess from what we understand the funds being requested from the County is essentially for personnel, supplies, and equipment.

MR. AINSWORTH: Uh-huh.

COUNCILMEMBER MATEO: So is, is it 50 percent is personnel cost or a larger part is personnel cost?

MR. AINSWORTH: No, it's, it's. . .I think it's, it's under that because when, when we're--

COUNCILMEMBER MATEO: Under 250,000?

MR. AINSWORTH: --yeah, when we're. . . Well, it's under half. . .

COUNCILMEMBER MATEO: Okay.

MR. AINSWORTH: . . .and so it's, it's. . .I would, I would say about probably 40 percent for the personnel part . We don't, we don't give the interns that big of a stipend. Just. . .

COUNCILMEMBER MATEO: Okay.

MR. AINSWORTH: Okay?

COUNCILMEMBER MATEO: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Mr. Ainsworth, if you can provide us a breakdown as far as the \$250,000 request. That would give us a better picture in regards to the \$250,000 that is being requested, the breakdown.

COUNCILMEMBER VICTORINO: Mr. Chair.

MR. AINSWORTH: And. . .

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Thank you. Good morning, Don.

MR. AINSWORTH: Hi, Mike.

COUNCILMEMBER VICTORINO: It's good to see you. We go back a long way, don't we, yeah?

MR. AINSWORTH: That's for sure. Let's get back on the basketball court.

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COUNCILMEMBER VICTORINO: Oh, yeah, I, I'd love to have some time to do that again. He's my coach from when I was playing at MCC. So that's a few years ago.

Don, on, on this, this. . .this program, you've been asked to make a breakdown. Also, I'd like to know the exact or the amount of students that are directly working in this area as far as sustainability. I think that's important in my mind to know the direct correlation of students that are actively participating. . .

MR. AINSWORTH: Oh, okay.

COUNCILMEMBER VICTORINO: . . .and, you know, that maybe one day will be our leaders in this community in this industry. . .

MR. AINSWORTH: Uh-huh.

COUNCILMEMBER VICTORINO: . . .which is something that we all need to have. So if you could also include that, I'd appreciate it.

MR. AINSWORTH: Okay.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Thank you, Mr. Ainsworth.

MR. AINSWORTH: Thank you for the opportunity.

COUNCILMEMBER MEDEIROS: Chair, question.

CHAIR PONTANILLA: Hang on.

MR. AINSWORTH: Oh.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Yes, thank you for your testimony this morning. What did you say your position was and are you with MCC--

MR. AINSWORTH: Right.

COUNCILMEMBER MEDEIROS: --or are you independent?

MR. AINSWORTH: I'm a faculty member there--

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COUNCILMEMBER MEDEIROS: Okay.

MR. AINSWORTH: --and I, I wrote the, our sustainable technology program and--

COUNCILMEMBER MEDEIROS: Okay. And my other question is. . .the information that we were provided for this morning is to. . .one of the goals is to build upon the current sustainable technology program. So currently, what is the sustainable technology program?

MR. AINSWORTH: It's a, it's a two-year Associates in Science Degree that we. . .it's a combination of theory and hands-on. For instance, we, we have, we put water heaters on all of our dorm units, our old dorm units. We have, my office is. . .powered by photovoltaic--

COUNCILMEMBER MEDEIROS: Okay.

MR. AINSWORTH: --and we, the students installed that. So it's, it's. . .and we have, you know, we have. . .well, like what a year ago we had one of the contractors come in and take part of the, take out the seven seats in our classes to, to. . .um. . .train him and his staff on the, on the right way to install these things. So we're. . .we've got people working at MECO and, and a lot of the solar water heating and photovoltaic installers on, on island.

COUNCILMEMBER MEDEIROS: And is this program pursuing private. . .industry as a partner, such as Maui Electric?

MR. AINSWORTH: Yes, and we, we partnered up on. . .we have partnered up on one of them, one project with them already. It's the. . .it was a way to make the water heaters more efficient by the way we configure them, like we bring the hot water back in the top of the tank, we bring it in the center of the tank, and the bottom. We determined that it was best to, to keep it in the bottom of the tank. . . *(inaudible due to interruption)*. . .

COUNCILMEMBER MEDEIROS: Okay. And, and finally, do you get Federal funding for this program or if you get the County's funding, will it leverage for Federal funding?

MR. AINSWORTH: No, I don't believe so. I know that they did provide, we got money to pay me to develop the program back in. . .well, I started in '96 and we, we. . .our program was approved by the Board of Regents in 2000.

COUNCILMEMBER MEDEIROS: Uh-huh. But, but you're a paid faculty member--

MR. AINSWORTH: Yes.

COUNCILMEMBER MEDEIROS: --with Maui Community College, right?

MR. AINSWORTH: Yeah. Uh-huh.

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COUNCILMEMBER MEDEIROS: Okay. Thank you, sir. Thank you, Chair.

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

MR. AINSWORTH: Thank you.

CHAIR PONTANILLA: The next testifier is Mike Morris.

MR. MORRIS: Good morning, Council Members.

COUNCIL MEMBERS: Good morning.

MR. MORRIS: Hi, I'm Mike Morris with the Maui Family Y.M.C.A. I'm here on behalf of a request that we have in to the County Council for a capital improvement project that we're doing at the Y.M.C.A. I know in our community there are many misconceptions of the Y. Some think we are a youth organization, some think we are a swimming pool that teaches people to swim, some think we are a senior organization, some think we are only for the poor, and some think we are only for the rich.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

MR. MORRIS: And, in fact, we are all those things. It is an organization that serves a wide variety of folks in our community. When you come in our doors, which I know many of you have, you will see the very young, the very old, the very poorest, and the very richest all in one, all in one building. . .doing very similar activities. It's the only place in all of Maui that that happens. Think about that. It's the only place that happens.

We are locally funded, we are locally run, and we are locally found by folks right here on Maui. We provide programs from all spectrums to be. . .some combating obesity issues that are connected with other Y.M.C.A.s across the country to work on a worldwide problem of obesity with youth. We do that right here in Maui. We, we provide physical education programs in elementary schools. We also provide childcare for the homeless center during the summer months and when the kids are out of school. So we do a lot of--and we do know fitness programs for adults, seniors, and children, and that. . .and it's important for me to note that the Y. serves 12,000 folks on an annual basis right here in Maui.

Again, we were started in 1960 here in Maui by local folks who decided they wanted a Y. on Maui. They raised the funds locally. They started the office on Wells Street, and in 1990 the first building that was built was, again, raised by local funds. The County then donated to that project. In 1995 when the addition was added to the building, again money was raised here locally and the County donated to that.

So we have history with the County of Maui and we certainly would love to, to keep that history going. This is a \$10 million project--our biggest in the history of our organization here on Maui.

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It's a very ambitious project that is very much needed. We wouldn't do this project if the community didn't say we didn't need it. When we did our feasibility studies, they said this is what you need in a building to serve us. And as responsible folks of running an organization like that, we listened to 'em and said we'll get out, bust our butts and try to raise the \$10 million. So that's why we're here today. We, we thank you for the consideration that you already have in for the Y.M.C.A., and we hope you'll look favorable on helping support us. And I want to save the rest of my time for questions, 'cause I think there may be some.

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

COUNCILMEMBER MATEO: Chairman, thank you. Good morning.

MR. MORRIS: Good morning.

COUNCILMEMBER MATEO: Thank you for being here. And thank you for the, thank you for the information.

MR. MORRIS: You're welcome.

COUNCILMEMBER MATEO: As, as...you just indicated that you're locally based. So you get no funds or no support from any national--

MR. MORRIS: No. In fact, we pay funds to a national organization, the Y.M.C.A. of the USA, and they, they actually provide us training, provide us expertise. Some of the stuff you're looking at, if it's in front of you, was provided from their art department with the Y. USA statistical data. Those kind of things we get from the national. They also give us direction as to programming. For instance, obesity issues in the country, youth obesity is becoming a national epidemic. So the Y. national has launched what they call "Activate America". We can choose or not to, not choose to be a part of that. We actually choose *to* be a part of that. But, yeah, we receive no funding.

COUNCILMEMBER MATEO: Okay. So your operation is totally based on your membership and your funding, your ability to fundraise?

MR. MORRIS: Exactly.

COUNCILMEMBER MATEO: Any, any State monies that--

MR. MORRIS: No State monies, yeah.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

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COUNCILMEMBER BAISA: Good morning.

MR. MORRIS: Good morning.

COUNCILMEMBER BAISA: Thanks for coming.

MR. MORRIS: Sure.

COUNCILMEMBER BAISA: There was a question last evening about your, the membership dues and what it costs to be a member. . .

MR. MORRIS: Uh-huh.

COUNCILMEMBER BAISA: . . .and some discussion about scholarships. Can you share that, please?

MR. MORRIS: I can. Also in your handout you're going to see income levels of folks who, who we serve, and you can see there that over 50 percent of our folks that attend the Y. come, come to the Y. in programs or for membership make under \$40,000 a year. And you're going to see that the scholarship numbers are there, most of it in membership, 50,000, nearly \$50,000 was provided in financial assistance to memberships. The 38, about 39,000 was in childcare programs and scholarships. The very next page shows the rates. And I want to, I want to say something about these rates. These. . .we set our rates in order to operate our business because we do operate on our own without assistance from others. So there, there are two things we have to do. We have to make sure we have a fee that can allow us to operate on an annual basis, and then we also have a policy. It is our policy to never turn anyone away due to inability to pay. Now that's. . .it rhymes and it's nice to say, but it's hard to do because we have to--I will tell you in 1999 we raised \$40,000 for a scholarship program. Today, we're raising 125,000. So as we say that and we keep that rule, it gets harder for us each year, but that's what we do, that's what we're supposed to be doing.

COUNCILMEMBER BAISA: Mr. Morris, how do you raise money besides the County and your dues?

MR. MORRIS: On, for operating?

COUNCILMEMBER BAISA: Like for scholarships, how do you take care of that? Where does the money come from?

MR. MORRIS: Gladys, we have a scholarship program at the Y. I'd really love for you to be able to give to that program, and I think you could probably afford \$100 toward that program. That's exactly how we do it. We call our friends and folks in the community and we ask them for contributions, and we've done that every year, and every year that, that amount has increased.

COUNCILMEMBER BAISA: Do you still get money from Maui United Way?

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MR. MORRIS: We do, yes. We receive around 20 to 23,000, and that is a part of this program; 100 percent of that money goes to our scholarship program.

COUNCILMEMBER BAISA: I remember when I was involved that that was what the money was earmarked for, and I didn't know if that still existed.

MR. MORRIS: It did, does. Yeah.

COUNCILMEMBER BAISA: Thank you. Thank you.

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

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Good morning, Mr. Morris--

MR. MORRIS: Good morning.

COUNCILMEMBER MEDEIROS: --and thank you for your testimony. I'm looking at your. . .kind of your plan for expansion on your second page of your handout. . .

MR. MORRIS: Uh-huh.

COUNCILMEMBER MEDEIROS: . . .and, you know, in the presentation I saw at your office you mentioned expanding the swimming pool and. . .

MR. MORRIS: Uh-huh.

COUNCILMEMBER MEDEIROS: . . .but I don't see that on here. Are, are you still going through those plans?

MR. MORRIS: We are. Are you looking at the site plan?

COUNCILMEMBER MEDEIROS: Yes.

MR. MORRIS: It should show two pools there, existing pool and then a, a second pool right behind it.

COUNCILMEMBER MEDEIROS: Okay. Maybe I--

COUNCILMEMBER ANDERSON: The one that (*inaudible due to interruption*)--

COUNCILMEMBER MEDEIROS: Oh, I see, I see it now.

MR. MORRIS: Yeah.

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COUNCILMEMBER MEDEIROS: Okay. Okay.

MR. MORRIS: Yeah.

COUNCILMEMBER MEDEIROS: Now I see it. Okay. And, you know, being somebody that grew up learning to swim in the ocean because we didn't have a pool, I think for people that live in Central Maui, you know, that's, that's a big advantage--

MR. MORRIS: It is.

COUNCILMEMBER MEDEIROS: --to be able to go to a pool, especially for seniors that really can't go to the ocean--

MR. MORRIS: Right.

COUNCILMEMBER MEDEIROS: --just because of the conditions at the ocean.

MR. MORRIS: It is a very necessary piece in our expansion because we do a lot of senior exercise programs and it's tough to get everybody in. We also, we, we also host a special Olympics swim team. They use our pool in the afternoon. So we close our pool two hours a day for them to be able to utilize it. So it's a very popular place. So an additional pool is going to help us tremendously.

COUNCILMEMBER MEDEIROS: And at your pools you always have certified pool guards on duty?

MR. MORRIS: We do, we do. . .and we teach a lot of the folk, a lot of the. . .we have the instructor at the Y. who teaches lifeguarding. So most people who are lifeguards here on Maui came through the Y.

COUNCILMEMBER MEDEIROS: Uh-huh. And what's the youngest age group that you have swimming lessons for?

MR. MORRIS: Nine months.

COUNCILMEMBER MEDEIROS: Nine months?

MR. MORRIS: Yeah.

COUNCILMEMBER MEDEIROS: Can they walk?

MR. MORRIS: Some. . .*(chuckle)*. . .

COUNCILMEMBER MEDEIROS: . . .*(chuckle)*. . .

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MR. MORRIS: They can swim better than they can walk, believe it or not. . . .(chuckle). . .

COUNCILMEMBER MEDEIROS: Okay. Thank you, Mr. Morris, for your information.

MR. MORRIS: You're welcome.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

MR. MORRIS: Sure.

CHAIR PONTANILLA: Thank you. Members, any more questions for Mr. Morris?
Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Mr. Morris, thanks for being here this morning--

MR. MORRIS: Sure.

COUNCILMEMBER ANDERSON: --and thanks for this handout, it's helpful. It looks like from your site plan that you're basically doubling the size of the Y.

MR. MORRIS: We are. We did, did a feasibility study three years ago and, again, this is a service the Y. USA provides, too. They have a facility, building facility service. We send them the--'cause there are over 2,700 Y.s in the country, so they're experts at building Y.s. We sent them our current membership, the people we serve, the programs that we do, and said what should we have in a building, and they said double what you have right now. So that was the start of our, our plans to make this happen.

COUNCILMEMBER ANDERSON: So when you first built the facility, you were giving us a little background. . .

MR. MORRIS: Uh-huh.

COUNCILMEMBER ANDERSON: . . .and you said that the County contributed. So in the original. . .construction of this facility what percent. . .can you remember how, what the total cost was and how much the County contributed?

MR. MORRIS: Both campaigns were around 1.8 million.

COUNCILMEMBER ANDERSON: Both campaigns.

MR. MORRIS: Both, there were two. There was one to build the original part of the building, that was 1.8 million. Five years later they did a second addition that was 1.8 million, and I'm, and I'm estimating, it may have been--

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COUNCILMEMBER ANDERSON: Yeah.

MR. MORRIS: --75 [*sic*] or whatever.

COUNCILMEMBER ANDERSON: Okay.

MR. MORRIS: And I know the County donated 50,000 in the first one and I think 150,000 in the second one.

COUNCILMEMBER ANDERSON: Okay. And what is your total membership? Do you know which--

MR. MORRIS: Yeah, we--

COUNCILMEMBER ANDERSON: --how many members you have?

MR. MORRIS: We go 3. . .3,500 members and then we serve an additional 8,500 program participants.

COUNCILMEMBER ANDERSON: In other words, people who are not members--

MR. MORRIS: Right--

COUNCILMEMBER ANDERSON: --that come in for something?

MR. MORRIS: --that may just come to a swim lesson or summer day camp or after school program, or participate at our Camp in Keanae.

COUNCILMEMBER ANDERSON: Okay. But the, the bulk of your income comes from these 3,500 members?

MR. MORRIS: Right.

COUNCILMEMBER ANDERSON: And, and how much is that income?

MR. MORRIS: About 800,000 a year. Our budget currently is 1.8 million.

COUNCILMEMBER ANDERSON: Okay. And when you have achieved your expansion, how many more members are you targeting?

MR. MORRIS: We're, we're looking at maybe a 25 percent increase in our membership. However, it is not our goal to do that, believe it or not. Our goal is to, to be in Kahului with a very nice facility and then start looking at satellite branches in other areas, because a lot of our folks that we're serving now are coming from all over Maui because it's our only facility. So what we really

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want to do is provide the facility like this for Kahului, then move into neighboring areas like Kihei and Lahaina and those areas. It's our long-range ten, ten-year plan.

COUNCILMEMBER ANDERSON: Kihei would love that.

MR. MORRIS: Yes. . . .*(chuckle)*. . . I live in Kihei so. . .

COUNCILMEMBER ANDERSON: So what is the one-time joiner fee?

MR. MORRIS: That fee is for facility maintenance. We put that. . .aside for a reserve. As you know, we're right down there on the ocean and the salt air eats our building alive. So we set aside \$100 of the membership to go into a maintenance reserve program.

COUNCILMEMBER ANDERSON: But what is the fee in order--in other words, every, every one of your 3,500 members, except those who have a scholarship. . .

MR. MORRIS: Uh-huh.

COUNCILMEMBER ANDERSON: . . .or some kind of assistance, have paid a one-time joiner fee and--

MR. MORRIS: Right, of \$100.

COUNCILMEMBER ANDERSON: Oh, \$100.

MR. MORRIS: Yeah.

COUNCILMEMBER ANDERSON: Okay. And then this request that you're asking for, is this a one-time only request?

MR. MORRIS: If we got 2.5 million, it would be. Our total request was for 2.5 million. If we receive half a million, you, you know I'll be back here next year, right?

COUNCILMEMBER ANDERSON: And so your goal is for the County to contribute 2.5 million of the 10 million?

MR. MORRIS: Yes.

COUNCILMEMBER ANDERSON: Okay. Thank you very much.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Just one more quick question, Mr. Morris. Does the Y. have any plans to get into any kind of lodging? And the reason I ask is many years ago when I was very ill on

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Oahu and we didn't have a whole lot of money, I remember my husband stayed at the Y.M.C.A. and it was very convenient and very inexpensive for us.

MR. MORRIS: We, we have done that. We have no plans currently for residency here on, on Maui. I know they still do it in Honolulu, and I'll, I'll tell you a funny stat. Many, many years ago before there were hotels the, the Y. was the largest hotel chain in the country until Mr. Marriott came along and started hotels. So we have since gotten out of that somewhat. In the bigger cities, New York, Honolulu, Dallas, LA, we still have residencies, but smaller communities like ours we typically don't.

COUNCILMEMBER BAISA: No plans for Maui?

MR. MORRIS: No.

COUNCILMEMBER BAISA: Thank you very much.

MR. MORRIS: Sure.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. I just have a follow-up question. Mr. Morris, do you still have the Y.M.C.A. Keanae Camp?

MR. MORRIS: We do, yes.

COUNCILMEMBER MEDEIROS: And what's the relationship with your Y.M.C.A. facility and that facility?

MR. MORRIS: We run both.

COUNCILMEMBER MEDEIROS: Okay.

MR. MORRIS: That they are associated with us, yeah.

COUNCILMEMBER MEDEIROS: Okay. Where do the revenues from the Keanae Y.M.C.A. Camp go to?

MR. MORRIS: Into our programs.

COUNCILMEMBER MEDEIROS: Okay. Programs at both facilities?

MR. MORRIS: It's a program for us. Yes.

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COUNCILMEMBER MEDEIROS: Okay. Is the revenues also used for maintenance of the Keanae Y.M.C.A. Camp?

MR. MORRIS: It is, yes.

COUNCILMEMBER MEDEIROS: Okay. And does that camp generate enough revenues? Can you tell me what are your annual revenues from Keanae Camp?

MR. MORRIS: One hundred and twenty-five thousand is our budget for Keanae, and yes we're able to operate Keanae. We are not able to keep up the infrastructure, though, on that budget. You know how big Keanae is and, and all the buildings we have. So at some point we will be doing a capital campaign in the future, I'm sure, to work on the infrastructure of Keanae.

COUNCILMEMBER MEDEIROS: So currently Keanae Y.M.C.A. Camp is self-sustaining, except you can't, you don't have any extra money for infrastructure?

MR. MORRIS: Right, and that's typical with the Y. . . . --(end of tape 1A - 9:40 a.m.)-- . . .enough income unless the membership fees were truly out of sight to be able to do our own buildings. That's why we, we go to the community. We . . .if, if the community says we want a bigger building, our job is to let 'em know what it would cost, \$10 million, and will you be able to support that? And if they say yes, then we, we launch a capital campaign and that's how this whole process started, and the community said yes, we will help you support it. However, part of that was our hopes of receiving County funding to make that happen.

COUNCILMEMBER MEDEIROS: And, and at your Keanae facility what's the use during the year?

MR. MORRIS: You mean numbers?

COUNCILMEMBER MEDEIROS: Numbers or--

MR. MORRIS: We, we--

COUNCILMEMBER MEDEIROS: --how often is it used?

MR. MORRIS: It, it's used a lot during the summer. We have typically 1,700 groups that utilize the camp facility. Winter time we don't get a whole lot of use.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Mr. Morris. Mahalo, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions for the testifier? I do have one.

MR. MORRIS: Okay.

CHAIR PONTANILLA: Good morning.

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MR. MORRIS: Good morning.

CHAIR PONTANILLA: I was one of your users when the facility was located at the Old Wailuku Armory--

MR. MORRIS: Oh, cool.

CHAIR PONTANILLA: --while I was working for the phone company. My, my question is in regards to your administration cost, that cost comes directly from the membership dues?

MR. MORRIS: It does, yes.

CHAIR PONTANILLA: Thank you. And the--

MR. MORRIS: We, we employ about 100 folks at the Y., and about 50 percent of our expenses are in employee cost.

CHAIR PONTANILLA: Thank you. And the request that you are making this morning, that will go directly into the construction cost of the building?

MR. MORRIS: Absolutely. This is totally separate from our operating.

CHAIR PONTANILLA: Thank you.

MR. MORRIS: You're welcome.

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

MR. MORRIS: Okay. Thank you.

CHAIR PONTANILLA: Members, the next testifier is Deborah Peterson.

MR. MORRIS: Oh, she's with me. . . .*(chuckle)*. . .

MS. PETERSON: I want to thank you for your time. I've sat and watched you these last few days, long hours, long days. Mike covered it all. The campaign. . . I just remind, want to remind you is not programming, it is infrastructure, and you've all talked about the importance of infrastructure for Maui community and the Y. serves the community as a whole, and the infrastructure is critical to expand. Thank you very much. You all do a great job.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Seeing none, thank you. The last testifier that signed up before the meeting convened is Rita Barreras.

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MS. BARRERAS: Thank you, Chairman Pontanilla and Members of the Council. I was here yesterday to testify on a \$250,000 request to ask the Council to provide some money to access public and private funds for our Maui community care core initiative. Several of you had questions about data, and I have provided you with a packet that I thought I'd just quickly share with you what's in that. The first page just says Data Sources and there's several websites that you can go to to access data. The next four pages, I believe, are . . . or five pages are from the DBEDT site, which is the Hawaii State Department of Business, Economic Development and Tourism. This one I thought you might find interesting 'cause I believe it was Councilman Victorino that asked about the net migration data.

COUNCILMEMBER VICTORINO: That's correct.

MS. BARRERAS: So if you look at bullet 2, Item No. 2 on that page called County Population Facts, it shares with you what the net migration was for the State of Hawaii. But if you look in the last page, page 5, I believe it shows you by County, "Cumulative Estimates of the Components of Population Change for Counties: April 1, 2000 to July 1, 2006". So it shows you by County how many births were occurring, how many deaths were occurring, what they consider natural, and then how much migration was occurring internationally and from the mainland. So that should, hopefully, answer that question for you.

COUNCILMEMBER VICTORINO: Thank you.

MS. BARRERAS: The other one I wanted to bring to your attention is the University of Hawaii family.hawaii.edu site, for the first time has organized a Hawaii aging data center, it's the only one in the country, and you'll find lots of publications there. So, I've provided with you a document called "Hawaii Older Adults: Demographic Profile", and some of this data is presented by County. So, I think you'll find that to be helpful. My contact there has indicated that if we need other data, she would be more than willing to help me find the data or if you have some specific request, just let me know and I can try and work with her.

And then other things. . . I. . . you know, there's a lot out in the internet, but one is www.fedstats.gov, there's an enormous amount of data on that website and it's all related to the Census Bureau. So, I just printed out a page for you, it's "Census Bureau State & County QuickFacts". You probably see this in different formats like in the Maui County Data Book, but I printed it out for Maui County compared to Hawaii, and then there's one Hawaii compared to the United States.

And then the last set of data is what we asked Dick Mayer to produce for us for the Maui Long Term Care Partnership, which has been, been very helpful. It's. . . it was done specifically for Maui island and it shows you the population age groups: 65 to 69, 70 to 74, 75 to 79, 80 and 84, and then 85 and above. There are some other tables in here that you'll find interesting. When we started to examine the need for--

MR. TAGUCHI: Four minutes.

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MS. BARRERAS: --assistance here in Maui County, we put together tables specifically for our project that shows what the projected need is. And then for your specific regions of Maui. . .or Maui island, I should say, there's specific data by all age groups. So. . .and I can get Lanai and Molokai, I think, that's broken down by that as well. I'll stop there to see if you have any further questions. I just wanted to respond to your request yesterday.

CHAIR PONTANILLA: Thank you. Members, any questions for Rita? Member Victorino?

COUNCILMEMBER VICTORINO: Thank you, Rita, for all this information.

MS. BARRERAS: You're welcome.

COUNCILMEMBER VICTORINO: I think this will immensely help all of us to look at this, this challenge. I was quite curious, you know on that, the Maui island projection 2000 to 2020, that particular page, I see that the way they projected it out that's showing how Maui, the Maui island or Maui County?

MS. BARRERAS: Maui island.

COUNCILMEMBER VICTORINO: Island. Okay. So you're, you're not counting the entire County then?

MS. BARRERAS: Right, because our Maui Long Term Care Partnership was focused on Maui island.

COUNCILMEMBER VICTORINO: Maui island.

MS. BARRERAS: Yeah.

COUNCILMEMBER VICTORINO: Okay. Okay, I was curious on that because I was going to say that these numbers then would be a little skewed as far as where I, where I believe them to be. But secondly, I'll, I'll say this. . .between 2005 and 2020, you know, there's a tremendous increase in the population and even a bigger increase with the 65 to 69, for which I would probably be a part, in that group at that time.

MS. BARRERAS: Yes.

COUNCILMEMBER VICTORINO: And so. . .*(chuckle)*. . .you know, looking upon that and that's where I see that and the 70 to 74, the major tidal wave as, as far as increases are concerned. I, I'm very shocked at that, but thank you. I mean I think this is very eye-opening as far as actual numbers.

MS. BARRERAS: Good.

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COUNCILMEMBER VICTORINO: Thank you. Thank you for your help.

MS. BARRERAS: You're welcome.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

MS. BARRERAS: Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions for the testifier? If not, thank you very much, Rita--

MS. BARRERAS: Thank you.

CHAIR PONTANILLA: --for being here this morning.

MS. BARRERAS: Sure.

CHAIR PONTANILLA: Is there anyone out there that would like to provide public testimony at this time that hasn't signed up prior to the meeting convening? Please come forward and. . .you have three minutes testify, and if you can name. . .provide your name and the organization that you represent.

MS. WILKINS: Aloha and good morning, Mr. Budget Chairman and Members of the Budget Committee. Thank you for this opportunity. I was encouraged to testify this morning by Councilmember Anderson.

Maui Economic Development Board was approached late last week by Ian Chan Hodges representing the American Ingenuity Alliance. He was actually encouraged by members of this body to seek us out and look at a collaboration based on MEDB's past efforts to develop workforce development to bring industry partners together, working with education partners to build innovative opportunities for our young people, particularly when that workforce development is an in-demand sector in our community, when there are gaps in that ability to provide that workforce development training here on island, and when it has a technical strand. We were, of course, honored that you thought highly of our work. We immediately saw some transferability in programs that we have already developed.

The first thing we did, of course, was to check with the members of the partnership that had originally brought forward the proposal. Obviously our interest is not to co-opt anyone else's program, but to see where MEDB could add value and strength in the program. I would like to assure you that our CEO Jeanne Skog, who could not be here this morning, has done that. She has gotten the blessing of both Mr. Hodges who originally brought forward the proposal and his national partnership with union representation that has some best practices models to share with that and I understand are interested in partnering.

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The most significant piece of our due diligence, though, was talking directly with Principal Yamanuha. We've had an excellent relationship with the Maui High Principal based on Project EAST and other programs that we've done there. We wanted to hear firsthand from him, his needs and interests on this program and how could it add value. As you know, the automotive program at Maui High has won significant national honors for years. The intellectual property of that, Dennis Ishii, is about to enter retirement. We understand his retirement goal is the end of the year. So our concern is to capture that great model of excellence that program that he's worked hard to create, codify that, put that in curriculum, see how that can be sustained, how we can bring industry to the table to make sure that program is innovative, creates articulation into the industry, as well as generating interest in other students to possibly go on to higher ed. in electronics and other related fields. We would hope to continue that pilot at Maui High with first-year funding, look at the sustainability of it, and develop a model for replication in other schools. And that's our interest and that's what our value ad would be.

We also will tell you that we take our stewardship of County funding very seriously. MEDB would be hands-on in the management, the fiscal compliance of the program to make sure that if this body chooses to invest public sector funding, County taxpayer money in it, that we would return a quality investment on that.

CHAIR PONTANILLA: Thank you, Leslie. Members, any questions for the testifier? Member Baisa, followed by Member Johnson and Member Molina.

COUNCILMEMBER BAISA: Good morning, Leslie.

MS. WILKINS: Good morning.

COUNCILMEMBER BAISA: Thank you for coming.

MS. WILKINS: Thank you.

COUNCILMEMBER BAISA: We've been looking at this proposal and are certainly interested in MEDB's involvement--

MS. WILKINS: Thank you.

COUNCILMEMBER BAISA: --because you have a track record--

MS. WILKINS: Oh, thank you.

COUNCILMEMBER BAISA: --a very wonderful one.

MS. WILKINS: Thank you.

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COUNCILMEMBER BAISA: And in my opinion, if you can do with something like this what you did with Project EAST, I think it's almost a guarantee. However, when one considers partnerships particularly in the nonprofit sector, it's really not a whole lot different than doing it in the private sector or for-profit sector.

MS. WILKINS: Absolutely.

COUNCILMEMBER BAISA: The partnership involved in how...and the partners in how that is designed and agreed to is of great essence because both partners have to be serious, have to be competent, have to be committed and have to pull equal weight. My concern is that because of the lateness of this discussion that you're having with the alliance, have those roles been defined and is there a structure that's been agreed to as to, you know, who's on first, who's on second, how monies will be shared, who will choose personnel and those kinds of things?

MS. WILKINS: That's an excellent question. As a, a program manager myself who always looks at the bottom line and looks at the viability of partnerships, it's very insightful in questions that we're asking very strategically ourselves. As I mentioned at the end of my testimony if MEDB's name is on this, MEDB will lead the project management, the project development, and the fiscal responsibilities. It is my understanding from our CEO that Jeanne Skog has acquired the consent of the original proponents, that that would in fact be the case. I cannot answer you specifically on the dollar figures that they would be bringing to the table, that in no way has been discerned at this point in time or negotiated. The critical link in this piece to us in putting our name forward as possible proponents and fiscal oversight of this is that we would not in any way be a pass-through for this. We would be integral to shaping it. We would apply best practices. For example, we recently did a national pilot program for bringing women in non-traditional occupations and apprenticeship. We would put forward some of those practices in our recruitment of broader student representation in the program. We would make sure that we retained the money funding that we see being used. I believe the dollar figure that we're asking for is much less, like a third of the original ask. We would keep it at a pilot program at Maui High. We would look to retain back Mr. Ishii in a consultancy role to help take what is in his mind and what he has been doing instinctively for years to create a (*inaudible*) of excellence and outline that in a curriculum model that others can follow and that can be replicated. That's the main source of where we would like to apply the funding.

COUNCILMEMBER BAISA: Thank you very much--

MS. WILKINS: And we would work hard then to also garner other private sector. But I cannot speak on behalf of any of the other funding on the table.

COUNCILMEMBER BAISA: Well, I certainly appreciate your frank answer and it makes me feel a lot more comfortable because, you know, accountability for public dollars and for outcomes is the hallmark of a good nonprofit project, and it gives me a comfort level to know that that is the agreement that you would be striving for in making this kind of an arrangement. Thank you very much.

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MS. WILKINS: Thank you for the great question.

CHAIR PONTANILLA: Thank you. Member, Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Leslie, thanks very much for, you know, stepping up to the plate on this issue. One of the concerns that we've had with, you know, not just this but other nonprofit or other grant requests have been the administrative costs. Basically, if you have a program and you have maybe a pilot project, a lot of the cost that are coming in are extremely high on administrative side--

MS. WILKINS: Absolutely.

COUNCILMEMBER JOHNSON: --and that's what concerned me. So if I understand what you're saying. . .because you took a look and you already have the existing administrative infrastructure in place, the majority of the money by your description would be going into the actual implementation of the program and hiring of the people that would actually conduct the training and learning sessions.

MS. WILKINS: I do want to clarify that we would probably charge some MEDB staff time to this, there's no question about that, because our staff is program driven. We allocate all of our people who work on projects a portion of their salary to those particular funding streams. So we would not go without retaining some cost to compensate for our staff allocated to it, but our goal. . .and I have not clearly negotiated this with Mr. Ishii--I'm getting this information from our very brilliant CEO and Principal Yamanuha--but that Mr. Ishii is very interested in a consultancy agreement post his retirement to help really define his legacy in a curriculum developed model so that it can be sustained and hopefully used in other schools; and that's where I see the bulk at this point in time of funding for happening and looking at some teacher stipends for some professional development to get some others trained to possibly carry on the funding. And for the amount of money, I believe it was 100,000 proposed, we're looking at a model test and looking how to reinstitutionalize it back in the DOE where it needs to be sustainable.

COUNCILMEMBER JOHNSON: Yeah. I, I really appreciate that, Leslie, and I have no problem with the administrative charges because I think what we look at it is basically you have an executive director, you have assistance, and so much of the money is going into personnel cost that really are not necessarily participants in the development.

MS. WILKINS: Yeah, absolutely.

COUNCILMEMBER JOHNSON: So, I think that gives me great reassurance that the program would at some point in time be able to not have to be funded by County dollars, and that's ultimately--where we can anyway--that's ultimately our goal and objective.

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MS. WILKINS: To further answer your question. It is our desire not to make this an ongoing MEDB program, but to see where our value ad is as convening, shaping, defining partners, and setting forward a program for sustainability, not under the MEDB umbrella (*inaudible due to interruption*)--

COUNCILMEMBER JOHNSON: And I really thank you very much. You're, you're sort of like the incubator if you will. . . .(*chuckle*). . .

MS. WILKINS: This would definitely be an incubation project. . . .(*chuckle*). . .

COUNCILMEMBER JOHNSON: Thanks very much.

MS. WILKINS: Thank you.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chairman. Good morning, Leslie, and thank you for, for being here.

MS. WILKINS: Good morning. Thank you.

COUNCILMEMBER MOLINA: And, and appreciate the e-mail that we received from Jeanne Skog.

MS. WILKINS: In the wee hours this morning. . . .(*chuckle*). . .

COUNCILMEMBER MOLINA: . . .(*chuckle*). . . Yeah. Thank you for responding so fast. I, I guess you're pretty well familiar with some of the frustrations that we share with the State, and because this is. . . an emphasis is being made with Maui High School, which is a State responsibility and the teachers--

MS. WILKINS: Absolutely.

COUNCILMEMBER MOLINA: --I've asked this question several times of Mr. Hodges and also, I guess, Ms. Brann, is what kind of financial commitment the State will be making. And, you know, as we all know, we've been given a lot of unfunded mandates from the State and the County's somewhat forced to step up. So please forgive, you know, my frustration and some of the frustrations of the other Members as well, but, you know, in my opinion we, we have to as much as possible disburse our revenues towards our County responsibilities first. So my, my question to you is are, are you aware of any potential funding sources out there private, aside from the State, that could maybe match what we're considering giving to, towards the alliance? Maybe you know, for example, we're offering 100,000, and I would be supportive of it only if there's some non-County funding sources that would match this 100,000. Are, can you shed some light on that?

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MS. WILKINS: No. I cannot give you a detailed list of potential grant applications. We have not had the--clearly, this discussion began strongly, well was even introduced on Friday of last week. So MEDB usually comes before you with our line item that's been well discussed before. But we are honored, again, that were asked to look at it. We *clearly* see incredible value in the workforce development component and the demand clearly articulated from industry for the skill set. What I can tell you is that that's what we do as an organization is leverage County dollars. We've never asked for funding that is just Maui County solo. We usually on average leverage County funding with a ten to one. I cannot stand before you and promise you that. I cannot stand before you and give you a list of what grant sources we would be going forward to look to. I have not had one-on-one discussions to find out what the original proponents of this program see as funding that they're bringing forward. I can tell you that we would use our network of leveraging partners whether they'd be industry or Federal sources or private foundations to see where there is a match. We also because of some programs we have in-house already in workforce development, there are clearly some transferability things that will immediately bring value to the County's investment that have been borne by other Federal and private grants. But I'm sorry, I do not have a list of who we would approach at this juncture.

COUNCILMEMBER MOLINA: No, no apol..., yeah, no apologies needed because this program for many of us is somewhat new. It may be familiar with, with folks on the mainland, but at least for here in Maui County myself I'm, you know, totally--

MS. WILKINS: Yeah.

COUNCILMEMBER MOLINA: --have no clue with what's involved with this program, but we were told that, I guess, the unions, labor unions are very supportive of this, and I would hope that they could step up to the plate and other entities to help contribute towards this program. So. . .and, and I'm, I appreciate that MEDB is coming in, into this request from the American Ingenuity Alliance because, you know, you guys do have a very impressive track record. So, I think--

MS. WILKINS: Oh, thank you.

COUNCILMEMBER MOLINA: --that's a very important step. But, you know, for me I'm still somewhat on the fence with this, so I'm sure there'll be more discussion on it.

MS. WILKINS: Sure.

COUNCILMEMBER MOLINA: But thank you for adding clarity to MEDB's--

MS. WILKINS: Certainly.

COUNCILMEMBER MOLINA: --involvement with this. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Members, any more. . .Member Medeiros--

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COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: --followed by Member Anderson.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Ms. Wilkins, thank you--

MS. WILKINS: Yes.

COUNCILMEMBER MEDEIROS: --for being here so early.

MS. WILKINS: Sure.

COUNCILMEMBER MEDEIROS: I know after our Budget meeting last night. . .I spoke to Ms. Skog and we sat down, and I'm really impressed that we get all this information the next morning when we show up.

MS. WILKINS: . . .(*chuckle*). . .

COUNCILMEMBER MEDEIROS: So that's a testament to your commitment and your organization's commitment to anything that you undertake. My initial concerns and support. . .in the support side, I'm really liking to see that we're placing some emphasis on vocations. You folks do a great job in the high tech programs that you do in Project EAST and I especially am impressed with Kamaaina Come Home, and I want to see something like this that gives our students a chance to choose vocations, you know, other than professions, and this is a good avenue for them to develop that interest. So my initial question when this was presented was that I know it's focused at Maui High School because of their successful program in the automotive industry, and they certainly have brought high recognition to themselves nationwide.

MS. WILKINS: Uh-huh.

COUNCILMEMBER MEDEIROS: In trying to develop this program do you see extending the program to other schools and other vocations?

MS. WILKINS: That's a great question. This first year I think we're looking at making sure the model is clear so, yes, that it can be replicated. I mean that's the whole point of putting together a program that is aligned with curriculum, it has professional development training, that can bring industry support is so that it can be replicated throughout other schools so you can broaden its reach to all students in our community. So that would be the goal, definitely, to have a model that could be replicated.

COUNCILMEMBER MEDEIROS: Okay. And, and I'm certainly, you know, grateful to hear that your normal operation of pursuing funds is to leverage County funding for other fundings. So that's a positive for us to hear, that it's not dependent only on County funding. So thank you for that.

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But thank you for being here and for all this information, and thank Ms. Skog for staying up late. . .

MS. WILKINS: . . .(chuckle). . .

COUNCILMEMBER MEDEIROS: . . .and putting this all together so we could have it this morning.

MS. WILKINS: I will indeed.

COUNCILMEMBER MEDEIROS: Thank you. Mahalo, Chair.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Ms. Wilkins, thank you--

MS. WILKINS: Yes. Thank you.

COUNCILMEMBER ANDERSON: --very much for stepping up to the plate this morning.

MS. WILKINS: Thank you.

COUNCILMEMBER ANDERSON: So it's my understanding this, this is really seed money to get this program up and going, and do you know if there's an intention to come and ask for more money from the County? I know this is putting you on the spot and if you don't know the answer, that's perfectly understandable.

MS. WILKINS: I can't begin to answer that question. It is not--as I mentioned before--it is not MEDB's management intention that we would incorporate this as an, an annual MEDB program. We see our value at this point in time as being a convener, as applying transferable skills that we've developed in other programs, and to see how it can be sustainable. We feel that building capacity in the Department of Education is a community-based responsibility of which we are happy to be a part of that. I understand Councilmember Molina's question about the State funding in the DOE, but this would be clearly where we could add capacity, where we could build that capacity for sustainability. So the answer to your question succinctly is I can't answer that, it is not our intent to make it an annual request that we would lead.

COUNCILMEMBER ANDERSON: And then do you know. . .um. . .I know the intention is once this program gets up and going is to produce income from patents, existing patents that are. . .I guess due to expire?

MS. WILKINS: It's my very novice understanding that is a social enterprise concept, that patents clearly do provide a revenue stream that the unions could deploy and. . .to education within the discipline, which is, you know, a marvelous social enterprise concept. I am not an expert--

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COUNCILMEMBER ANDERSON: But we don't have any figures?

MS. WILKINS: --I am not an expert in that and couldn't speak before you on that.

COUNCILMEMBER ANDERSON: Okay. Thank you, Ms. Wilkins.

CHAIR PONTANILLA: Thank you. Members, any more questions for the testifier? Just a comment from the Chair. Ms. Wilkins, thank you very much for coming this morning--

MS. WILKINS: You're very welcome.

CHAIR PONTANILLA: --in regards to the request of AIA.

MS. WILKINS: Thank you.

CHAIR PONTANILLA: The program as I read it, you know, like one of the Members had said, we, sometimes we concentrate on the highly-skilled level professions that we forget the vocational side, and hopefully your model can be worked out through the Department of Education. Because as I look at the high schools, you know, agriculture programs like FHA has almost like disappeared; their machinist type program has disappeared; their carpentry program I know that one school has it, but, you know, at one time it was very strong in the County of Maui. So thank you very much for taking up the challenge.

MS. WILKINS: Sure.

CHAIR PONTANILLA: I appreciate it. Thank you.

MS. WILKINS: Thank you. Thank you.

CHAIR PONTANILLA: Members, the next testifier is Becky Woods. Becky?

MS. WOODS: Hi. I'm representing Ka Hale A Ke Ola and Na Hale O Waiee. I am here to give testimonial to the rental assistance program. And what I would like to state is that the rental assistance program has benefited our clients at the shelters substantially. We are able to provide our residents the ability to find affordable housing in a timely manner because what we find to be difficult for our clients is the deposit needed to move into affordable housing, as well as the ability to afford the rents within our community. It's very expensive for them. With the rental assistance program what we do with our clients, we have a--the subsidy is on a decline. So, for example, we offer deposit of--first of all, they're earmarked at \$3,500. . . --(end of tape 1B - 10:13 a.m.)-- . . .subsidy amount can be. Part of that money can go towards deposit. If it does, then the subsidy amount is lessened. So the, the total amount is \$3,500. For the first three months say, for example, we'll offer them \$300 to go towards their rent. Then the next three months maybe 200, 250, and it goes down until they use up all their funds. During that time that they have the subsidy they are to meet with their case manager on a monthly basis, and we have

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a goal, we have an action plan that they are to follow to show us how they have the ability to supplement what we are eventually taking away in the subsidy amount. Is that clear to you? Okay. So it really does help them. It helps them gain confidence, work harder towards the goal in achieving the ability to pay for their rental. In reality what we do is, you know, we don't look at rents that are outrageous, that they will not be able to afford once the subsidy is over. We make sure that it is a . . .um. . .a realistic rental, and so but it does, it does really benefit our clients. We have subsidized probably 35 clients since October and so it's been very beneficial, and we are just continually on a weekly basis increasing the numbers of clients that we offer the subsidy to. Okay. Any questions?

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Member Mateo, followed by Member Baisa.

COUNCILMEMBER MATEO: Thank you, Chairman. Good morning.

MS. WOODS: Good morning.

COUNCILMEMBER MATEO: Thank you for, thank you for being here.

MS. WOODS: Thank you.

COUNCILMEMBER MATEO: The, the current subsidy that you receive from the County is how much?

MS. WOODS: Oh. . .I believe it's 200. . .is that. . .I believe it's 200,000.

COUNCILMEMBER MATEO: Okay. And the 200,000 is able to accommodate how many of, how many clients?

MS. WOODS: It depends on the request. Many times we have clients who just want the deposit. Then we have clients who want the deposit and the first month, you know, it. . .then we have clients who want all of it. It all depends on how many and what the need is. But this is, the subsidy has been in place for a while, but it took us awhile to get going because we had to work out, you know, the, the. . .you know, the edges there. And so right now we are on a roll where it is becoming more popular, more effective, and we can really see how it's working with our clients.

COUNCILMEMBER MATEO: Do you have a wait list of individuals wanting to participate in your program?

MS. WOODS: Pretty much every single resident.

COUNCILMEMBER MATEO: Yeah.

MS. WOODS: Yeah.

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COUNCILMEMBER MATEO: And the current 35 clients represents how many people?

MS. WOODS: Well, that's families and individuals. . . I would have to say probably well over 200 because you're basing it on families, you know, children and. . .

COUNCILMEMBER MATEO: And your reference to realistic rent, what, what is realistic rent?

MS. WOODS: Well, to me, you know, for us. . . say, for instance, you have a family of four and you want to get them a two bedroom, we're looking at \$1,200 and that's low end, and so that's, you know, kind of what we base it on. Each case manager uses their own discretion. It also depends on the clients, their financial status as far as their, you know, employment. Each case is different and we might have somebody who can afford more. So--

COUNCILMEMBER MATEO: Your requirement then in order to get these subsidies, one must be employed?

MS. WOODS: Oh, absolutely. Our requirements are. . . for the basic requirements--like I said, each client is different and we have to evaluate that, but they need to have steady employment for at least six months and to show that they have the ability to, you know, sustain employment.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

MS. WOODS: Okay.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Good morning, Becky.

MS. WOODS: Good morning.

COUNCILMEMBER BAISA: Thanks for being here.

MS. WOODS: Thank you.

COUNCILMEMBER BAISA: I'm assuming that the money we're talking about in terms of this rental subsidy is the \$400,000 in the budget?

MS. WOODS: Correct.

CHAIR PONTANILLA: Correct, yeah.

COUNCILMEMBER BAISA: And so apparently Ka Hale A Ke Ola receives about a half of that?

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MS. WOODS: I believe so. I, you know, I'm not really absolutely sure, but I believe so.

COUNCILMEMBER BAISA: There was some questions yesterday 'cause there's several pots of money in our Budget in the Department of Human Concerns that are allocated for helping people with housing.

MS. WOODS: Uh-huh.

COUNCILMEMBER BAISA: So we're trying to figure out, you know, how all the programs are funded and, and what's going on with them. The people that you are subsidizing. . .

MS. WOODS: Uh-huh.

COUNCILMEMBER BAISA: . . .do they live at KHAO or are they living in the community?

MS. WOODS: They live at our facilities, both facilities on. . .here in Wailuku and in Lahaina.

COUNCILMEMBER BAISA: I see. So you are subsidizing people who rent at your facility?

MS. WOODS: Right, correct.

COUNCILMEMBER BAISA: Okay. And I was concerned because just doing a little bit of math. . .

MS. WOODS: Uh-huh.

COUNCILMEMBER BAISA: . . .if you had \$200,000 and you helped 35 people with your current \$3,500 subsidy, you've probably used up just about all your money, don't have a whole lot left.

MS. WOODS: Right.

COUNCILMEMBER BAISA: Is that a concern?

MS. WOODS: It is a concern and we are in the process of working out our budget at this time to see where we can. . .just where we're at at this time. We really aren't clear. I mean there's a lot of changes going on in our facility, so we're trying to work it all out.

COUNCILMEMBER BAISA: Debbie [*sic*], when your clients leave, you mentioned making deposits.

MS. WOODS: Uh-huh.

COUNCILMEMBER BAISA: Do you recover those deposits back into this fund?

MS. WOODS: That is the plan. We do have a form that the client signs or the landlord signs stating that the deposits are to be returned to KHAO. Right now we haven't had anybody. . .anybody's

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lease up at this time, so we haven't had the opportunity to see a deposit returned to us because it is a new program for us.

COUNCILMEMBER BAISA: Thank you, Becky. I'm sorry I keep calling you Debbie, but--

MS. WOODS: That's okay. That's my sister's name.

COUNCILMEMBER BAISA: --please, please, please forgive me, it's been a long week. You know, rental assistance, with my experience at MEO, I know is an extremely popular program. . .

MS. WOODS: Uh-huh.

COUNCILMEMBER BAISA: . . .and our clients depend on it a lot, and I like the idea that you're doing case management along with the assistance--

MS. WOODS: Absolutely.

COUNCILMEMBER BAISA: --because if you don't case manage, when the subsidy ends then many times the client would become homeless.

MS. WOODS: Exactly.

COUNCILMEMBER BAISA: So, I commend you for that part of the program. Thank you.

MS. WOODS: Thank you. Thank you very much.

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

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Thank you for your testimony this morning.

MS. WOODS: Thank you.

COUNCILMEMBER MEDEIROS: When your clients arrive at your facility, I know you have counseling for them to improve their employment and financial conditions.

MS. WOODS: Correct.

COUNCILMEMBER MEDEIROS: What is the maximum duration that they can remain at the facility?

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MS. WOODS: Well, they can remain at the facility for up to two years, providing they follow the program requirements. And if they follow the program requirements, after 18 months we start working on an exit plan. And now that we have the subsidy, though, I think a lot of times, you know, if once we clear up their credit are. . .they're pretty much on their way to being able to afford to pay their bills on a regular, you know, manner. Then we set them up with the rental assistance program, but not beforehand. We don't want to send them out knowing that they have this huge load of outstanding bills, regardless if they have the subsidy, we try to work that out. The budget is very important.

COUNCILMEMBER MEDEIROS: And in your subsidy, does the subsidy amount vary according to the size of the family?

MS. WOODS: No, it does not. It varies depending on their income and what they're able to afford. And it's surprising that a lot of the clients, they only want what they need. They're not asking for the whole \$3,500. They're really very much appreciate, appreciative of what we have to offer. So they generally don't take more than they need.

COUNCILMEMBER MEDEIROS: Thank you for the services you provide to this group of people and families that are just caught up in between and just needs little bit help before they can stand on their feet again. So thank you for the services you provide.

MS. WOODS: Oh, you're very welcome.

COUNCILMEMBER MEDEIROS: Mahalo, Chair.

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

COUNCILMEMBER ANDERSON: Thank you, Chair. Good morning.

MS. WOODS: Good morning.

COUNCILMEMBER ANDERSON: So the 200,000 of this total 400 that you folks administer, that goes totally to subsidize those people who use the facilities at Ka Hale A Ke Ola?

MS. WOODS: Correct.

COUNCILMEMBER ANDERSON: And so how many units do you have there?

MS. WOODS: Well, we have 72 units in Wailuku and we have, I believe, 35 in Lahaina.

COUNCILMEMBER ANDERSON: And how many of those are two bedroom?

MS. WOODS: We have. . .um. . .well, in Lahaina they're all two bedroom, and in Wailuku I believe they are, there are. . .I guess 40, 40. . .somewhere around there.

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COUNCILMEMBER ANDERSON: Generally?

MS. WOODS: Yeah.

COUNCILMEMBER ANDERSON: That's good. And so you folks charge \$1,200 a month for your two-bedroom units?

MS. WOODS: Oh, absolutely not. You're talking about the, the affordable housing next door, Hale Makana, and no we do not. Our affordable units--well, first of all, at Ka Hale A Ke Ola and Na Hale O Wainee our two bedrooms go for 400, our one, our singles go for 325.

COUNCILMEMBER ANDERSON: Oh, that, that's reassuring. . . .*(chuckle)*. . .

MS. WOODS: Yeah.

COUNCILMEMBER ANDERSON: Because I thought when you were saying earlier that--

MS. WOODS: No.

COUNCILMEMBER ANDERSON: --the you figured \$1,200 for a two bedroom.

MS. WOODS: Is a reasonable rent for them to move out into society.

COUNCILMEMBER ANDERSON: When they go out?

MS. WOODS: Right.

COUNCILMEMBER ANDERSON: But this, this 200,000 is used to help them get out?

MS. WOODS: Correct.

COUNCILMEMBER ANDERSON: Oh, it's not used to subsidize your program?

MS. WOODS: Oh, absolutely not.

COUNCILMEMBER ANDERSON: Okay. I was confused.

MS. WOODS: Yeah. Sorry about that.

COUNCILMEMBER ANDERSON: Okay, thank you. So of the 200,000, if you're using 3,500, that means basically. . .you can, you can help 57 families with this and--

MS. WOODS: Yes.

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COUNCILMEMBER ANDERSON: --and what is your expectation of people or, I guess, what is your. . .

MS. WOODS: Our goals for them?

COUNCILMEMBER ANDERSON: Well, no. How many people have moved from your program out into the normal rental program?

MS. WOODS: Well, like I, I mentioned it was, we've helped about 35 families so far.

COUNCILMEMBER ANDERSON: In one year?

MS. WOODS: In not even a year.

COUNCILMEMBER ANDERSON: Great.

MS. WOODS: Yeah, just a few months. We find that the rental assistance program really helps them move along faster, it encourages them, it gives them. . .

COUNCILMEMBER ANDERSON: Hope.

MS. WOODS: . . .hope, you know, I mean it really truly. . .it gives me chills just to even talk about it 'cause I really feel that it's just, it's a blessing for the people that we serve.

COUNCILMEMBER ANDERSON: Yeah.

MS. WOODS: And, you know, it's. . .they know that they also have to stand up to the plate and do their part, and that's why we meet with them on a monthly basis to make sure that they are following through with their goals. Now if they don't--we have clients that we have served who relapsed, you know, drug use, alcohol, whatever. Once that happens, they are made clear that they are no longer qualified to receive the subsidy. If they receive HUD--you know, we have people on the HUD list--once they receive HUD they are no longer qualified, you know, they only get one subsidy, and that's either from us or from them.

COUNCILMEMBER ANDERSON: Okay, great. Thank you very much.

MS. WOODS: Okay. You're welcome.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: Thank you for all this information you've shared with us today. I, I think it's very heartwarming. The question I had for you, with this two-year program--and I know in Wailuku it's been ongoing for a number of years--have you seen. . .what percentage of

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success rate for those who actually move out and get back into the community? What's the success rate overall?

MS. WOODS: Well, it depends on the clientele. If we, if you're talking about the clientele who are in recovery, the success rate is probably. . .I would say 80 percent. If you are talking about the, the society, you know, our society without substance abuse--

COUNCILMEMBER VICTORINO: Right.

MS. WOODS: --that is, I would say, in the 90, 90, 95 percent. It's very successful. We don't see a lot of comebacks unless they are in recovery.

COUNCILMEMBER VICTORINO: Yeah. Now the other part of the, the program you serve is the ability to educate and take care of the children during working hours whenever the parent or parents are out working. Tell, tell me how many children do you serve in the two centers?

MS. WOODS: Let's see, we have about 45.

COUNCILMEMBER VICTORINO: In the two centers?

MS. WOODS: In the two centers. I mean that's, that's what they're allowed per day, 23, 22 per day--

COUNCILMEMBER VICTORINO: Oh, I see.

MS. WOODS: --you know, at one time. So actually, I mean over the course of a year. . .I mean hundreds of, of children--

COUNCILMEMBER VICTORINO: That are served--

MS. WOODS: --that are served through us.

COUNCILMEMBER VICTORINO: That's through that? Okay. I'm very familiar because each of the last three years. . .no, actually last four years our insurance agent's group has provided Christmas gifts for both the Lahaina and as well as the Wailuku centers and, you know, it's very heartwarming and gratifying when we go there and to see the smiles that we bring to the children--

MS. WOODS: Yeah.

COUNCILMEMBER VICTORINO: --because we know they are less fortunate, you know, and that's one time of the year that I say no child should ever go without a gift. So, I thank you for all your help and I hope you continue that success rate and these are people that are gonna be a big part of our community.

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MS. WOODS: Well, I just want to say thank you very much. We really appreciate the gifts and the offers and the support. Not only does it make the children feel good, but it really helps the parents because the parents don't have money to go out and buy gifts and, you know, to know that their children are taken care of, it means so much to them. So thank you very much.

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

CHAIR PONTANILLA: Thank you, Member Victorino. Becky, thank you for being here this morning. But I do have for my own curiosity, out of the \$200,000 that is granted to you, do you have any administration cost with the \$200,000?

MS. WOODS: We have not used any money towards administration--

CHAIR PONTANILLA: For administration.

MS. WOODS: --at this time. Although I'll say that it is getting to the point where we are so busy where we are thinking about that and that's up for discussion, but at this time we are trying to avoid that because the money is being used quickly and is very much needed.

CHAIR PONTANILLA: Thank you for that answer.

MS. WOODS: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Members, the next testifier is Peter Hanohano.

MR. HANOANO: Aloha, my name is Peter Hanohano. I'm with the...with MEO, Community Services Director, and I was invited to come and speak concerning our rental assistance program that is funded by the County. And there's four agencies, Ka Hale A Ke Ola being one, MEO being another, Women Helping Women and Family Life Center, and Maude with Family Life Center, I believe, will be following me. And I've been with MEO for six months and I would say out of the numerous programs that we administer out of community services, that the County rental assistance program is by far one of the...um...crucial pieces of the services that we provide. The...for example, at the end of March we assisted 32 families with emergency rental assistance. That's a one-time rental help. Families are in such a situation that they, they come to us require, requesting this help. We assisted 14 families with utility disconnection and 24 families with subsidy rental assistance, for a total of 70, 7-0, 70 families, assisting 134 adults and 126 children. My office is situated right close to the entry into our Department and I, as I sit in my office I'm amazed at the steady stream of community members coming in asking for help of all kinds. But I would say on a daily basis we get at least two or three families a day coming in pleading for help with their rent, and so depending on their situation. What we found is that we, we went back and looked over for those that we provided emergency rental assistance, utility disconnection assistance, and subsidy rental assistance, and out of the...the 24 families that we assisted, all 24 were still in their places of residence and that is because...I, I believe the key for them maintaining their residence is the case management.

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MS. REVELS: Three minutes.

MR. HANOHANO: And, and for the emergency rental assistance--and this, this was a survey done back in December--out of the 22. . .well, of the 30 families that received emergency rental assistance, 22 were still in their homes. The others we're not sure if their phone was disconnected, we couldn't get a hold of them. So that was the 73 percent retention in their places of residence, and for utility disconnection it was at 50, 54 percent. So clearly the subsidy rental assistance for us has, has been a means of helping our community members retain their, their rentals.

MS. REVELS: Four minutes.

CHAIR PONTANILLA: Thank you. Members, do you have any questions for the testifier?
Member Mateo?

COUNCILMEMBER MATEO: Thank you, Chairman. Good morning, Peter.

MR. HANOHANO: Good morning.

COUNCILMEMBER MATEO: What is your grant from the County, how much?

MR. HANOHANO: One hundred thousand.

COUNCILMEMBER MATEO: One hundred thousand. And, and can you tell me the. . .utilities program. . .

MR. HANOHANO: Yes.

COUNCILMEMBER MATEO: . . .is that a separate fund or is this fund from the, part of the 100,000?

MR. HANOHANO: It's, it's out of the same fund.

COUNCILMEMBER MATEO: It's out of the same fund?

MR. HANOHANO: Yes. According to the guidelines that we received from the Department, the rental assistance which, which would include emergency and subsidy is a maximum of 3,500, and for utility disconnection is a maximum of 500, one-time assistance up to \$500.

COUNCILMEMBER MATEO: Doesn't your organization already have a utility assistance program?

MR. HANOHANO: No, this is the utility assistance program. The money is provided through the County.

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COUNCILMEMBER MATEO: Okay.

MR. HANOHANO: Oh! Okay, I'm sorry. LIHEAP is Low-Income Housing Energy Assistance Program, is a State program that we help the State enroll community members so that they can be eligible for a utility credit. So we just help them process the applications, but it's all handled by the State.

COUNCILMEMBER MATEO: Okay. But that, that provides no--

MR. HANOHANO: No funding comes through us for that.

COUNCILMEMBER MATEO: Okay. And, okay. . .well, the utility part kind of troubles me. Let, let me just ask you then. Is there any requirement for any payback whatsoever should they. . .you, you provide them with accommodations and if they, if they leave the rental unit the deposit requirement, is that a, is that a return back to the organization?

MR. HANOHANO: The utility assistance--

COUNCILMEMBER MATEO: No, not the utility. The rental part of it, the component.

MR. HANOHANO: I'm sorry. Could you--

COUNCILMEMBER MATEO: If you're finding an individual a rental unit, the individual also pays a deposit for that unit.

MR. HANOHANO: Yeah.

COUNCILMEMBER MATEO: Does, what happens to that deposit--

MR. HANOHANO: Sure.

COUNCILMEMBER MATEO: --in the event the, the family leaves or vacates the, the rental unit?

MR. HANOHANO: Sure. The different agencies who handle, who are participating in the rental assistance program do things differently. MEO has not, we do not provide deposit assistance.

COUNCILMEMBER MATEO: Okay.

MR. HANOHANO: So we just prov..., the assistance we provide is just for rent, and in fact we don't even do back rent. So what we do is we work with the tenant and the landlord and where there's back rent and oftentimes there are, there is back rent, but because of the assistance that we're able to provide. . .we work with the landlord and the landlord is able to work out a payment plan with the tenant. So we, we address on a declining scale basis rental assistance from today into

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the future, and that with monies the tenant is able to save is, can go towards paying back the, the back rent.

COUNCILMEMBER MATEO: Okay. Thank you. And my last question. Between the rentals and the utilities, you have an idea of what percentage of the 100,000 goes towards the utilities?

MR. HANOHANO: I would say. . .um. . .it's not a major portion of the funding, and it's just there depending on the needs of the family as they come in.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Good morning, Peter--

MR. HANOHANO: Good morning.

COUNCILMEMBER BAISA: --and thank you for coming. How does the rental assistance waiting list look at MEO at this point? Do we still have one?

MR. HANOHANO: We had a waiting list of 110 families, separate households coming in. We were able to get an additional allocation because it was apparent that Ka Hale A Ke Ola would not be able to expend their funds by June 30th. So we got an additional \$35,000. And so. . .um. . .what was your question?

COUNCILMEMBER BAISA: Waiting list, how many?

MR. HANOHANO: So we were able to address the 110. So with our original \$100,000 we were able to assist those, and then with the additional funding we were able to help the others on the wait list. But we are constantly, people are constantly coming in and we--I would say so the, the waiting list was 110, we got it down to about 40 or 50, and then now it's coming back up.

COUNCILMEMBER BAISA: Thank you very much.

MR. HANOHANO: You're welcome.

COUNCILMEMBER BAISA: It's a very important program.

MR. HANOHANO: I would, I would say this is one of the most critical pieces of help that we can provide our community.

COUNCILMEMBER BAISA: Well, I think the statistic you shared with us where 24 families that found housing, are still in that housing is 100 percent success. I think that speaks for itself.

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MR. HANOHANO: Sure. Now, I also wanted to add what we found is that our program requires that they be employed. We have had people because of injuries or loss of jobs come in begging for assistance, rental assistance; otherwise, they would be on the streets. Luckily we have other programs that we can help them find jobs. And so we've been able to enroll them in, in what's called Employment Core Services, help them find a job, help them stay in their places of residence.

COUNCILMEMBER BAISA: So what I'm hearing from you then is that MEO also does case management for its clients like KHAO?

MR. HANOHANO: Absolutely.

COUNCILMEMBER BAISA: And you feel that's integral to their success?

MR. HANOHANO: I believe that's the key for them because we're able to keep track of them on a monthly basis, they have to come in; otherwise, they don't get the next month's rent. So it's not just a check in the mail, that we, we see them face to face, we talk to the landlords by phone every month and we make sure, you know, things. . .everyone's on track and, and we. . .and, and sometimes, in fact often we, we will subsidize them for up to six months and, and many of the clients will come in and say after four months, after three months, we're okay, we can take it from here. And so that's why our, our original goal was to help 40 families with rental assistance and 10 families with utility assistance, and we were assisting up to 70 families because as, as was shared earlier what. . .they just ask, they just ask for what they need and no more, and we found that to be the case.

COUNCILMEMBER BAISA: That's very nice to hear. Thank you very much.

MR. HANOHANO: Sure.

CHAIR PONTANILLA: Thank you, Member Baisa. Member Medeiros, followed by Member Victorino.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Mr. Hanohano, thank you for your testimony this morning, for being here.

MR. HANOHANO: Thank you.

COUNCILMEMBER MEDEIROS: I was going to ask you what is the criteria for people to qualify for this? You mentioned one, that they needed to be employed.

MR. HANOHANO: Yes.

COUNCILMEMBER MEDEIROS: What is, what are the other criteria?

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MR. HANOHANO: Well. . .um. . .well, the income qualification is that they meet at least 80 percent of the median family income and/or below, and so we have a. . .income scale. So for a person of one it's \$13,140 annual income; for a family of two, 26,280; family of three, \$39,420 and so on. And so the scale is. . .and this is part of the guidelines provided us by the County, and so there's an income criteria, there's a willingness. . .we require that they be open and willing to this case management supervision as well as. . .um. . .the ability to pay, so that's employment.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that criteria. What would be reasons why somebody would be disapproved of this request, or do you accommodate everyone that comes through the door if they meet the criteria?

MR. HANOHANO: I believe we try to meet their needs depending if the funding is still there. We got to a point where the funding zeroed out and we started the wait list and the wait list went up to 110 families, and then we got another allocation and then the, the wait list started going down.

COUNCILMEMBER MEDEIROS: I see.

MR. HANOHANO: But we, we have a wait list.

COUNCILMEMBER MEDEIROS: Okay. And, and do you have statistics on the demographics of the people you serve? Are they mainly kamaaina families or do people that are new residents also qualify?

MR. HANOHANO: I would say the, I would. . . --(end of tape 2A - 10:43 a.m.)-- . . .working local families just trying to make it, and, and I guess that's a, that's a good question because what we found is that from 2006 to 2007 there's been a spike in, in the rents. So the people coming in today where we saw rents at between 1,200 to 1,500 last year, we're seeing as of this year, 2007, rents going from 1,500 up to 2,000.

COUNCILMEMBER MEDEIROS: Wow.

MR. HANOHANO: And I hear that everyday I'm. . .my office is right next to the front door and they're coming in and I hear them, what they're quoting as rents and I can't believe that's what they're paying, and that's for two- and three-bedroom homes. It's not mansions. It's just shacks.

COUNCILMEMBER MEDEIROS: . . .(chuckle). . . Okay. Thank, thank you for that, yeah, because we want to be sure that, you know, County funding is supporting kamaaina families, you know, because the County funding is extended out to the limits as it is. So thank you for the service and the program that you and MEO provide. Thank you.

MR. HANOHANO: Thank you.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

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

COUNCILMEMBER VICTORINO: Yes. Most of the questions I was going to ask have been asked. Just a couple of quick ones. You mentioned the income ranges that these people have to fill to qualify, and you also mentioned about employment or crafting employment, helping them get assistance in that area.

MR. HANOHANO: Yes.

COUNCILMEMBER VICTORINO: Of the percentage of people that you assist, how many come in with the employment challenge as being one of their, their, their criterias, you know, not having a job or the job is inadequate?

MR. HANOHANO: I would say just. . .as of this year I would say maybe a third--

COUNCILMEMBER VICTORINO: A third?

MR. HANOHANO: --are, are faced with either a no job due to injury, no job due to being laid off. I would say between a fourth to a third. Otherwise, everyone else has employ, is employed, but just struggling--

COUNCILMEMBER VICTORINO: Yeah.

MR. HANOHANO: --because the rents have gone up.

COUNCILMEMBER VICTORINO: And when you say these rents have gone up, the vast majority, the demographics, again geographic now I'm talking about, where are they located? Are they all over or a lot of it's Central, Upcountry? Where are the spikes being most prevalent?

MR. HANOHANO: I would say that. . .I would say islandwide.

COUNCILMEMBER VICTORINO: Islandwide.

MR. HANOHANO: Our services also extend to. . .right now Molokai is, is participating with us in our program, and so far we haven't had to go to Lanai, but we are also helping families on Molokai.

COUNCILMEMBER VICTORINO: So the spikes are islandwide?

MR. HANOHANO: I would say on, on. . .I've. . .I don't think so much on Molokai, but more so on, on Maui.

COUNCILMEMBER VICTORINO: The reason I'm asking this question is because I've been told the spikes have been tremendous, especially in the Central and Upcountry areas.

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MR. HANOHANO: For sure.

COUNCILMEMBER VICTORINO: I mean those are where the big spikes are coming.

MR. HANOHANO: Yeah.

COUNCILMEMBER VICTORINO: It, it. . .well. . .and not to, to say South Maui or West Maui wasn't expensive to live there from the beginning and has gotten more expensive, but where we call the bastion of our residents, our working people, Central, Upcountry, East Maui have now been really adversely affected with higher rentals.

MR. HANOHANO: You are correct. That, that has been my observation.

COUNCILMEMBER VICTORINO: Yeah. So, so that fact has come, become very apparent.

MR. HANOHANO: Yes.

COUNCILMEMBER VICTORINO: And so these are the people that as we've talked about many times, our community, that our working people that need the help, the rental--not necessarily just buying houses, just talking rentals. They've become very difficult to assist.

MR. HANOHANO: Yes.

COUNCILMEMBER VICTORINO: Thank you. I appreciate it. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you, Mr. Victorino. Members, any more questions? Mr. Hanohano, I've got several. Do you have any repeaters, meaning, you know, clients that come for assistance more than one time?

MR. HANOHANO: Not yet.

CHAIR PONTANILLA: Not yet? That's good. And the \$35,000 that you mentioned that you got--

MR. HANOHANO: Yes.

CHAIR PONTANILLA: --did it come from the County of Maui?

MR. HANOHANO: These were funds that were part of the 200,000 that Ka Hale A Ke Ola was given and they could see. . .because of the way they administer the funds, they wanted to make sure that--and we needed it and so we asked for it and, and we were able to get some of it.

CHAIR PONTANILLA: Thank you. And my last question is the \$100,000 that you receive from the County--

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MR. HANOHANO: Yes.

CHAIR PONTANILLA: --how much or is there a percentage for administration cost?

MR. HANOHANO: There is a percentage. I don't know what that percentage is, but it's not much.

CHAIR PONTANILLA: Thank you. And--

MR. HANOHANO: It's not enough to really pay for the work that is involved in, in trying to help. We, we try to make, we make sure that the bulk of the money is used to help the families who really need it.

CHAIR PONTANILLA: Thank you. And thank you for supporting this particular program.

MR. HANOHANO: Sure.

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

MR. HANOHANO: Thank you.

CHAIR PONTANILLA: Members, the Chair is aware of the time. We do have one more testifier.

COUNCILMEMBER VICTORINO: Yeah, go ahead.

CHAIR PONTANILLA: Maude Cumming.

MS. CUMMING: Hi, my name is Maude Cumming. I'm the Director for Family Life Center. I'm also here to testify on behalf of the rental assistance program. We consider it an important component in a continuum of services. A lot of our work is with the homeless population. So our criteria is that clients must be at-risk homeless or homeless. The at-risk component is that they have to be, they, they could be in a house and they're facing eviction. So we received \$50,000 last year. Out of that we helped, I believe, 29 families. So it, it was an average of between 1,200 and \$1,500 per client, which is a lot lower than some of the other agencies. We. . .don't do utilities as a general rule or deposits because we're determined that we wanted to help so many people with this much money and so we're, we're limited, and so most of our money is used for rental assistance. We require that clients attend classes. We have classes in landlord/tenant codes and also in budgeting, and they also have to be willing to participate in case management. We will inspect the places that they find or that we help them find. And we help them--a lot of what we do is we help them to problem solve. We ask for a lot of information. Some of our clients think that it's too much information for \$1,200, but we require income verification, they have to bring in pay stubs, social security, whatever. And the, the income is for two reasons, one to determine eligibility and the other is to determine sustainability. They have to have an income stream whether it's social security or, or work. And if we cannot come up with a plan for how they're going to remain in the housing, then we don't

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assist them. Our, our goal is really to help people stay in housing. We say to them that if, if we're going to help them for one month and then they're going to be out on the street the next month, then we cannot do it. I, I've checked with MEO about also enrolling people in their work core program for people that don't have a job. We will do, we will help people to get into rooms, but we inspect them as well because some of our clients--we have an emergency shelter, so some of our clients once they get into the shelter and they're provided a, a stable place to sleep, get something to eat, they can, they can go out and look for work, but they may be single, they cannot afford rents for even a studio or a one bedroom, which is anywhere from \$900, but they can afford \$500 for rent. So we, we have done that as well, looked into those kinds of options for clients that cannot afford a, a separate standalone unit.

MS. REVELS: Three minutes.

MS. CUMMING: I think one of the important, one of the valuable things that has come about as a result of this is that the four agencies right now that share the money, we get together on a monthly basis and problem solve, and we're right now in the process of developing a system to, to share information so that clients do not go from one agency to another. And we let the clients know, get their consent that we will be checking with the other agencies, and so we e-mail, we will start that process of e-mailing each other. I think that it's a very valuable step in, in a whole continuum of services for us, and that is they can go from homelessness to the emergency shelter to, to housing, and so I think that's very critical.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier? Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. And thank you, Ms. Cumming, for your testimony. I, I was going to ask the question that you, you answered in your testimony that if there's a collaborative connection between all the agencies, and you said you folks have a monthly meeting.

MS. CUMMING: Yes, this is one of the few programs that does have a collaboration, and so it's been val..., very valuable because we've been able, able to share common problems, what we're experiencing, and then translate that into a new, maybe a new structure, new regulations that we all follow.

COUNCILMEMBER MEDEIROS: Right. And, and you said part of that collaboration is so that possible clients don't double dip and go from one agency to the other--

MS. CUMMING: Yes.

COUNCILMEMBER MEDEIROS: --and that's great.

MS. CUMMING: Yes.

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COUNCILMEMBER MEDEIROS: But on the other side of that if your, your agency has a client that you cannot approve or they don't qualify because I hear that there's a little bit difference in criteria between the different organizations, do you recommend them seeing another agency for possible help?

MS. CUMMING: Yes. Yes. We--

COUNCILMEMBER MEDEIROS: Okay.

MS. CUMMING: --refer to each other all the time.

COUNCILMEMBER MEDEIROS: Okay. That, that is good because then they're not left to fall between the cracks. . .

MS. CUMMING: Uh-huh.

COUNCILMEMBER MEDEIROS: . . .that we see a lot of times. So thank you for the service you provide and your testimony. Mahalo, Chair.

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

COUNCILMEMBER BAISA: Thank you, Maude. Thank you for being here and thank you for the work you do. It's very special work and it takes special people to do it.

MS. CUMMING: Thank you.

COUNCILMEMBER BAISA: I wanted to comment on the referral system that you have going with the other agencies. You know, that is a special feature of the nonprofits here on Maui, and I think that is why our social service network is as strong as it is because we have figured out a way here on Maui to share information, to work with each other, not to duplicate, but to keep the welfare of the client in mind all the time.

MS. CUMMING: Uh-huh.

COUNCILMEMBER BAISA: And I want to thank you for that because no agency has enough money or--

MS. CUMMING: Absolutely.

COUNCILMEMBER BAISA: --resources to take care of everything.

MS. CUMMING: Uh-huh.

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COUNCILMEMBER BAISA: But if everybody shares and if everybody brings something to the table, then everybody wins. So thank you very much.

MS. CUMMING: Thank you.

CHAIR PONTANILLA: Thank you, Member Baisa. Member Hokama?

VICE-CHAIR HOKAMA: Just one question for Ms. Cumming. And I want to just, first, say thank you for your time--you know, everybody's time is valuable, so thank you for your time. What percent of your clientele is our people?

MS. CUMMING: At this point I would say that 100 percent of them are. There are a lot of people that we serve with other programs that are on the beach that are. . .that are from the mainland that have moved here. We haven't assisted any of those rental assistants primarily because they, they haven't been able to get work yet, and in one case we did have a couple that applied, but they came here in, in June I think and up to that point they had earned about \$60,000. And so because we compute, we compute income on an annual basis, so their income was over the limit even though they're homeless right now. So we suggested to them that they continue looking for work and then at some point maybe later on, after a year maybe they might be eligible. But right now all of the clients are residents.

VICE-CHAIR HOKAMA: Our local people, right?

MS. CUMMING: Yes.

VICE-CHAIR HOKAMA: Thank you.

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

COUNCILMEMBER VICTORINO: Thank you, Ms. Cumming, again. . .you know, I share the same sentiments as my colleagues. The question I had for you was of the number of people for which you mentioned--you serve mostly the homeless or houseless group of people, right?

MS. CUMMING: It's, they have to be homeless or unsheltered--

COUNCILMEMBER VICTORINO: Unsheltered, yeah.

MS. CUMMING: --homeless or at-risk homeless.

COUNCILMEMBER VICTORINO: At risk, okay. Okay. Of that group of people, what percentage would you say actually have what we call gainful employment, not a living wage? When I call gainful employment, it means they work a full-time job, but maybe making 10, \$11 an hour which then really puts them at risk to lose their house because of the escalating rentals and all that. What percentage actually work that are in your program?

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MS. CUMMING: Probably about 20 percent have social security, they're disabled. The other 80 percent have to be working. So we suggest that they be, be creative, and that means sometimes that somebody else moves into the household that is working. We've had. . . a mother with four children. . . her. . . a single cousin moves in and then they can, they can sustain the rent. 'Cause when we look at their rent, they, they won't be able to make it. So we, we sugg..., that's what we do is we problem solve and, and help them say now, now how is it you're going to be able to afford this rent. But if they're not getting social security or welfare, they have to be working. So that's the other 80 percent.

COUNCILMEMBER VICTORINO: That's the 80 percent, yeah.

MS. CUMMING: But if another adult moves into the household, we also have to count their income for verification. So. . .(chuckle). . .

COUNCILMEMBER VICTORINO: So it's a kind of Catch-22 at that point?

MS. CUMMING: . . .(chuckle). . . It, it gets kind of, you, you know, so. . .

COUNCILMEMBER VICTORINO: Yeah.

MS. CUMMING: But we help them work through that.

COUNCILMEMBER VICTORINO: Okay. Well, thank you. I, I think it's, it's kind of shocking to hear the kind of numbers that I've heard today from various agencies, the amount of people that are out there and, and many of whom are local residents who have worked here and lived here for all their lives and still struggling and now falling, you know, into those levels where they cannot even afford rentals. . .

MS. CUMMING: Uh-huh.

COUNCILMEMBER VICTORINO: . . .and, and that's kind of an appalling situation. You know, those who move here, like you just mentioned somebody who made 60,000 then moved here, I kind of question what the rationale is and, and not being able to find something here with employment as. . .unemployment I say, I should say, as low as it is right now. But let's not get into that discussion. I don't think that's a fair situation to, to compare with, but thank you very much.

MS. CUMMING: Thank you.

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

COUNCILMEMBER ANDERSON: Thank you, Chair. Just one quick question. It's nice to have you here and thank you for letting us pick your brain 'cause your knowledge helps us understand the

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bigger picture out there. . . Have you found that I would say over the last year we have seen an appreciable increase in gas cost, an appreciable increase in electrical cost. . .um. . .and I think for some people an increase in their rent? So those increases, you know, could put somebody over the top of being able to pay their rent because that. . .depending on where you work, how much gas you use, how large your family is, how much the electrical bill is, that could translate to \$200 a month easy.

MS. CUMMING: Uh-huh.

COUNCILMEMBER ANDERSON: And, and sometimes that's the only discretionary income somebody has or maybe over what they have as discretionary. In other words, money that's not earmarked for living expenses. And so what I need to know from you, do you see an increase in people not being able to meet their rent just because of these cost of living increases that have happened?

MS. CUMMING: Yes, we do. And as I mentioned before. . .it, it. . .you know, we see it as part of a continue of services. We also distribute food; we suggest that they pay their, we always say pay your, your rent first, food later. They can come to us for food. If they don't have food stamps, we'll, we'll try to help them apply for food stamps, but we stress that. . .paying the rent is the most important thing 'cause otherwise they'll be out and then, then it, you know, it balloons into a whole bunch of other kinds of problems, that to let us know and see if we can help them problem solve to meet the other needs. But yes, you're right, they have increased.

COUNCILMEMBER ANDERSON: So this is kind of a broad general statement and so I don't expect a detailed answer, kind of a general. If you could give us some idea of what the average income is of the family that, families that you serve.

MS. CUMMING: . . .The average income, I would say there are. . .families make an average of between \$12 and \$15 an hour. So that means that there is generally more than one person working. It, it's not an income that meets the current rent, rents that are being charged.

COUNCILMEMBER ANDERSON: Right. But you don't have an annual income figure?

MS. CUMMING: No, I don't. I'd have to look that up.

COUNCILMEMBER ANDERSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you, Member Anderson. Members, any more questions for the testifier at this time? Thank you again for being here this morning.

MS. CUMMING: Thank you.

CHAIR PONTANILLA: Members of the audience, Ms. Cumming was the last person to testify. Are there any other testifiers that would like to testify at this time, please come forward. Seeing none

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coming up, Members, the Chair with no objections would like to close public testimony at this time.

COUNCIL MEMBERS: No objections.

...END OF PUBLIC TESTIMONY...

CHAIR PONTANILLA: Thank you. The Chair is very aware of the time and we're going to take our mid-morning break and report back here at 11:20. This meeting is in recess. ...*(gavel)*...

RECESS: 11:03 a.m.
RECONVENE: 11:25 a.m.

CHAIR PONTANILLA: ...*(gavel)*... Thank you, Members, for that mid-morning break. This morning the Chair has asked the Budget Director to have available various directors to address the question that you had last night. This morning we do have the Finance Director Mr. Kalbert Young. And, Members, I think one of the things that we talked about last night was the Self-Insurance Program, and one of the things that the Chair was kind of interested in is in regards to what happens if we take out self-insurance dollars from that particular fund, meaning 1 million, 2, 3, 4 million and the effects it would have with the County of Maui. So at this time, Members, I'm going to have Mr. Young provide us with some comments this morning.

MR. YOUNG: Thank you. Good morning, Mr. Chair. Good morning, Members.

COUNCILMEMBER VICTORINO: Good morning.

MR. YOUNG: The Self-Insurance Program as outlined and summarized in my presentation earlier in March when the Budget came down to the Council kind of gave a brief overview of what this program is used for. The Members should be aware that although it's proposed in the Mayor's Budget to be funded at \$13.55 million or 1, or 13,550,000, the expenses that come out of the Insurance Program includes the insurance premiums for all the insurance policies that the Council..., that the County undertakes during the course of the year as well as for funds to fund the Self-Insurance Program. And the Self-Insurance Program is used to pay for settlements or legal claims that are currently underway in litigation or pending settlement in the upcoming fiscal year as well as any legal and defense cost for any cases that the Council approves. Then there are the ongoing cost of self-insurance, namely the claims for damages on or to County property, and repair or replacement of County assets after what can be considered an, an insurable incident. These incidents don't fall under the County insurance policies because the insurance policies have what is comparable to a deductible in a sense, and that's what the insurance, the self-insurance pays for.

Having not been. . .in attendance at yesterday's discussion in regards to the Insurance Program, I would say that the Council should. . .be cautious in terms of trimming the Insurance Program. A large part of the increase from Fiscal Year '07 to Fiscal Year '08 is budgeted at levels for an

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estimation or a prediction of settlements on some very large lawsuits that are pending against the County for the last several fiscal years, and the anticipation is that they will be in some way resolved either by judgment or settlement in the upcoming fiscal year, as they've been in progress for at least the last year to two. And that's a large reason why the amount for self, for the Insurance Program has increased from the current fiscal year of 6.9 million to propose in Fiscal Year '08 of 13.55 million.

I'm available for any other questions with regard to this program or anything else in the Countywide or Finance Department, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Kalbert, thanks very much. And of the 6.9 that is in the claims and settlement account right now, is any of that been encumbered to date?

MR. YOUNG: In the current fiscal year, Ms. Johnson?

COUNCILMEMBER JOHNSON: Yes, uh-huh.

MR. YOUNG: I'm . . . I'm almost certain that there are funds in claims and settlement that have been encumbered, but I can't tell you at this time to what degree in the current fiscal year. They are encumbered for expenditures in the future fiscal year.

COUNCILMEMBER JOHNSON: Okay. And I know because it varies from year to year it's kind of hard to predict what request will come forward and what won't. But do you have the '06 figures to show what was in the fund, what was in . . . you know, what, what was actually allocated and then what was encumbered? Would you have that figure? . . . 'Cause I know that that would be an actual.

MR. YOUNG: Let me just check if it's in this report.

COUNCILMEMBER JOHNSON: Is that the CAFR?

MR. YOUNG: This is the Finance Director's Quarterly that was presented back in December of 2006 for the, for six months. It does include a prior year encumbrance column.

COUNCILMEMBER JOHNSON: And, and the reason I'm asking, Mr. Chair, is just so we can have a sense of what we've allocated and then what we've actually, you know, spent out of the fund.

MR. YOUNG: Based on the Finance Director's Quarterly as of December 31st, 2006, the Insurance and Self-Insurance Program had encumb..., had prior year encumbrances carried forward to Fiscal Year '07 of \$1,393,000. Based on this report, though, I can't tell you what was appropriated for 2006.

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COUNCILMEMBER JOHNSON: Yeah. I, I believe it was substantially more than that. But be that as it may, if let's say these claims and settlements have not, I guess, been resolved prior to the end of this fiscal year, would these monies then be treated as carryover savings and just go into the General Fund then?

MR. YOUNG: That, that is correct, yes, and, and as you pointed out what is difficult is that we are predicting or anticipating that these funds will be necessary should the settlements or judgments or claims reach that level in the upcoming fiscal year. But the reason why sometimes these funds, this fund is not tapped is because the, these settlements or these judgments or these claims don't come to exaction in that fiscal year, and that's why they, they, you know, they end up being reflected as carryover savings but--

COUNCILMEMBER JOHNSON: And sometimes they'll balloon as well. . . .(chuckle). . .

MR. YOUNG: Yes. And that is the question the Chair asked, what would happen if we did not have funds in the Self-Insurance? The risk would be that Administration would have to come back for a budget amendment during the course of the fiscal year and because a lot of these suits are rather large, we would be coming back with--at, at least three of the suits are multi-million dollar potential on the settlement side, not on the, not on the suit side. They're actually being sued for multiple tens of millions, and the settlement side would, you know, we would anticipate would be far less. But a \$10 million lawsuit settling for 2 million is quite sizable even on the current level of funding that's being asked for in the Self-Insurance. So if this fund was to run low, we would have to come back and ask for additional funding, and it would be a challenge to find, you know, the anticipated amount of multiple of millions of dollars to fund the Self-Insurance settlement.

COUNCILMEMBER JOHNSON: Right. And what is, what is your current deductible?

MR. YOUNG: Right now we have. . .for a number of the policies, for property and for liability the deductible is at a million, at \$1 million.

COUNCILMEMBER JOHNSON: Okay. So anything that is under that amount generally the smaller claims will come out because they would never reach that threshold?

MR. YOUNG: Yes, correct.

COUNCILMEMBER JOHNSON: Okay. Now what is our upward limitation with, with our reinsurance company? Do we have a cap on, you know, 20 million? Is there some type of a, I guess, limitation on what would be paid out? Let's say there's a claim filed and we pay our million dollars towards a deductible and then the insurer or the reinsurer pays the differential, is there a limitation on that side?

MR. YOUNG: Yes, there is, there is a limitation. I, I cannot recall what, what the amount. It is quite substantial, though, in the \$75 million range. Yeah.

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COUNCILMEMBER JOHNSON: So, so that would be the reinsurance. And out of claims and settlements do we also take the cost expenditures for our legal defense? Does that come out of the Operating Budget for that area?

MR. YOUNG: The work that's being done for. . .any, any legal work that's being done is billed to this claims and settlement as well and, and that work is entailed with the attorneys in Corporation Counsel, any special counsel that they may hire, any other legal work or work that's related to, to their legal defense.

COUNCILMEMBER JOHNSON: Okay. And you don't have a report on that either? Of course, we're not, you know, through with the fiscal year. But, Mr. Chair, at some point--perhaps not in this Budget--I, I would really like to. . .I know we've done it in the past, but go over this historical account because this has been an area where we have parked money. . . .(*chuckle*). . .

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: I know because I was there when we parked it, and we did it as a way to access later on if we needed budget amendments, because traditionally not all of the monies that were in this fund were expended.

CHAIR PONTANILLA: Thank you, Member Johnson. Members, any more questions for Mr. Young? Member Baisa?

COUNCILMEMBER BAISA: Thank you, Mr. Young, for the information. After listening to your explanation. . . --(*end of tape 2B - 11:36 a.m.*)-- . . .that this account pays for, it sounds to me that it might not be a good idea to try and move some money out of here and put it someplace else. Do I get the right impression?

MR. YOUNG: Well, Ms. Baisa, my financial conservatism would advise against it; however, you know, again the. . .it, it's a balancing of the expectation versus the risk of not having the, the funds available to do these settlements. It is true that in year's past, in recent year's past there has always been a balance in the Insurance and Self-Insurance Program, and I would hope for the County's sake that that is true for every year going forward. You know, but if you wanted to trim off any money from what's budgeted, we would then have to weigh what the risk is going to be if these settlements or judgments or claims do come to fruition in the Fiscal Year.

COUNCILMEMBER BAISA: So this is a prudent guess that you kind of estimated?

MR. YOUNG: It, it's a. . .yes, it's a prudent guesstimate of what could potentially come up. I would also mention that based on the number of suits that are still pending and out there, the estimation from Corporation Counsel on likelihood of settlements were far in excess of what is budgeted. So again there is a fair amount of risk assigned in this amount that is requested for Self-Insurance

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because if, if Corporation Counsel's guess comes in on settlements, we, we will, again, will not have enough in the Self-Insurance Program.

COUNCILMEMBER BAISA: Thank you. I understand that you don't have a crystal ball--

MR. YOUNG: Yes.

COUNCILMEMBER BAISA: --but thank you for your good work on it.

CHAIR PONTANILLA: Thank you, Member Baisa. Any more questions for the Finance Director at this time? Thank you again, Mr. Young, for being here this morning. Appreciate your comments in regards to Self-Insurance. Members, the. . .oh. . .Mr. Young is going to explain the Open Space Fund as well as the real property tax.

MR. YOUNG: Okay. Mr. Chair, I understand that there were some discussion yesterday on the Open Space Fund in terms of the historical expenditures and the current balance. The current balance in the Open Space Fund as of today, April 2007, is 3,856,000. A look back on the previous history of accessing these funds reveals that there was actually only three instances where the Council accessed the funds, and this was--some of these transactions predate me, so I'm not quite sure what they were. But in 2004, Fiscal Year 2004 there was 810,500. . . \$810,500 accessed for Maui Coastal Land Trust purchase. In 2005, January, there was \$996,200 accessed for acquisition of two lots in Hana, and most recently in December of 2006, there was \$353,700 accessed for. . . purchase of a land acquisition in Kihei on Ponana Street. That returns a balance of. . . over the course of the, since the fund was implemented in 2004, a remaining balance of 3.8 million in the fund. Based on the Mayor's proposed tax rates, the Administration would be anticipating another \$2 million to. . . into this fund, to bring the total amount available in Fiscal Year '08 to 5.8 million. I'm available for any questions related to the Open Space Fund (*inaudible due to interruption*)--

CHAIR PONTANILLA: Members, any questions for Mr. Young?

VICE-CHAIR HOKAMA: Question.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Mr. Young, thank you. And again, Members, if we go by, I guess, projects, it's the Old Waihee Dairy, it's Muolea and Palauea is--

COUNCILMEMBER ANDERSON: No.

VICE-CHAIR HOKAMA: --is what we bought.

COUNCILMEMBER ANDERSON: No. It's not Palauea.

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COUNCILMEMBER ____: It's not Palauea.

VICE-CHAIR HOKAMA: Palauea? Oh, so, so we--

COUNCILMEMBER ANDERSON: The Ponana Street--

CHAIR PONTANILLA: Ponana Street.

COUNCILMEMBER ANDERSON: --was the Kihei Greenway.

VICE-CHAIR HOKAMA: Oh, I'm sorry. Thank you for that.

COUNCILMEMBER ANDERSON: Yeah.

VICE-CHAIR HOKAMA: So then you gotta add, we also bought Palauea. We bought land in Palauea.

COUNCILMEMBER ANDERSON: Not with open space, though.

VICE-CHAIR HOKAMA: No, no, no. I just, I just saying the County--

COUNCILMEMBER ANDERSON: Yeah.

VICE-CHAIR HOKAMA: --we bought land. Even if it was only. . .the County went and purchased open space. Mr. Young, this \$4 million bond that we authorized for the Ukumehame purchase, that is just being viewed as a General Fund expenditure? It will not be reimbursed by the Open Space Fund as you understand it?

MR. YOUNG: Yes, Mr. Hokama. As, as I understand it the. . .I, I had thought, I guess mistakenly, that the Ukumehame land purchase was in someway connected to the Open Space Fund, but in review of the Budget and what it appears at the time that it was budgeted, it's purely a General Fund/Bond Fund acquisition.

VICE-CHAIR HOKAMA: Okay. So, Chairman, again, yeah, Council has shown through various land acquisitions that even if we had setup this fund which is supposed to be the source of open space funding. . .when we believe it to be the right thing, we've used the General Fund, although we had access to this specific fund created by Charter. Let me ask you a, a question, Mr. Young. If we chose, we could have debt service paid from the Open Space Fund for this land acquisition of Ukumehame?

MR. YOUNG: I, I would believe that that would be appropriate and allowable, and I would ask that if the Council so chose to do that, that it do so through specifying in, in either a budget amendment for a previous ordinance or going forward in the current budget ordinance.

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VICE-CHAIR HOKAMA: Okay. Well, again, you know, I just. . .I'm looking at different ways of funding our needs, and so I appreciate that response. Thank you, Mr. Chairman.

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

COUNCILMEMBER JOHNSON: Yes, with regard to the Ukumehame purchase because that was for a right-of-way corridor and possibly park use, it was my understanding that in the Open Space Fund that was why we didn't take it from there, plus it would've just about depleted all the money in there. Because eventually if the Department of Transportation. . .(*chuckle*). . .makes a ruling or decides where they're going to put the corridor, we would have the ability to be compensated back for that right-of-way or that, whatever the value of that right-of-way was, either, you know, in cash or some other way. So is right-of-way something that is usually used for open space, from that Open Space Fund?

MR. YOUNG: Well, I, I wasn't around, I guess, when the Ukumehame land transaction was, was being worked on or negotiated, and I think perhaps Corporation Counsel might have a more clearer legal opinion of what types of uses the Open Space Fund can be utilized for, 'cause I would not know if, if construction of a highway or roadway would constitute availability for Open Space Funds.

CHAIR PONTANILLA: Corporation Counsel?

MS. FUJITA VILLAROSA: Mr. Chair, it really depends on the facts of the situation. The Open Space Fund can be used to improve public access to public land, open space, and recreational facilities. So if the property was going to be used for a, a right-of-way or, or an easement or. . .or a road of some sort to access open space. . .public land, open space, or recreational facilities, then it would be allowed.

COUNCILMEMBER JOHNSON: Okay. In the case of Ukumehame, it would relocate the highway more mauka and that would run through a substantial portion of the property. The park area is having a separate access way, which is the 508,000 or whatever that we've taken out of the Budget. . .

MS. FUJITA VILLAROSA: Uh-huh.

COUNCILMEMBER JOHNSON: . . .for accessing the park in that respect. So, you know, to me it would be for. . .I, I guess to improve regional transportation. . .

MS. FUJITA VILLAROSA: Uh-huh.

COUNCILMEMBER JOHNSON: . . .and that was not my understanding of the use of the Open Space Funds.

MS. FUJITA VILLAROSA: Uh-huh.

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COUNCILMEMBER JOHNSON: That should be, in my opinion, looked at as a Public Works or some kind of a Federal highway project. . .

MS. FUJITA VILLAROSA: Uh-huh.

COUNCILMEMBER JOHNSON: . . .and, you know, I realize we get our. . .well, it used to be ISTEPA, now it's called T-21 Funds, you know, for scenic view planes and that type of thing, but I don't know if those funds are even available anymore. So, I'd be--

MS. FUJITA VILLAROSA: Well, maybe. . .you know, again, I'm not familiar with the specific facts of this situation, but perhaps a portion of the purchase could be used, you know, could be funded by Open Space Fund if--you know, I'm not sure if the majority of the property was going to be used for open space or recreational use, and maybe only a portion of it is going to be set aside. And I think part of the problem is we don't even know--

COUNCILMEMBER JOHNSON: Where the roadway is going.

MS. FUJITA VILLAROSA: --yeah, if, if there's going to be this road or not, and I don't think that it's reasonable for the County to have to, you know, guess at what might happen to property at some point in the future. I think really you have to look at the intent at the time the property is acquired what is it going to be used for, and maybe you can, you know, do a portion type thing.

COUNCILMEMBER JOHNSON: Yeah. And, and right now that planning, from what I understand from the DOT at their meeting the other evening, it was a three-year community planned input probably to even get the EIS done. So it's a long, protracted process. So we won't even know if the majority, a minority of the property, we won't know what percentage of that property is actually gonna be needed for the corridor and if the community wants transit or other, you know. . .you know, light rail or whatever, then, you know, to me that's not even something that's been answered yet. Thank you.

CHAIR PONTANILLA: Thank you, Member Johnson. Question for Corporation Counsel or, or the Finance Director. In regards to the purchase of the 100 acres or 84. whatever acres at Ukumehame, because the past Administration had indicated that the purchase was to provide for a new highway and also parks, could we have accessed park assessment fees for the purchase of those areas that were being proposed as parks?

MR. YOUNG: Mr. Chair, my, my understanding is that park assessment fees can be used specifically for the acquisition of new parks, for new property for parks and the design of new parks. So, I would, I would probably answer in the, in the affirmative that if the property was for a park designation that it could've used park assessments. I, I don't know at the time how many, how much funds were available in park assessments for that district or what district Ukumehame is in, though. I'm assuming it's in West Maui.

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CHAIR PONTANILLA: Thank you. Members, any more questions for the Finance Director at this time--thank you--on this issue? The next issue was in regards to real property tax.

MR. YOUNG: Yes, Mr. Chair. And just. . .I understand that there was some discussion or some question about the top ten taxpayers in the County and I did want to provide, if the Chair so did want, a handout which I have here. . .or I can mention that for the Members' knowledge. During the current fiscal year, Fiscal Year 2007, based on the established tax rate and assessed values, that the top ten taxpayers in the County of Maui are, with the exception of. . .two, are primarily in the hotel, resort, or timeshare category. The number one taxpayer is Consolidated Maui, which is listed as a type of business as timeshare; the second is Westin Maui Corp., which lists the business type as either hotel and/or timeshare; HMC Maui, which is hotel (Kea Lani and Hyatt); fourth is the Grand Wailea Investment, which is the hotel property at Grand Wailea; number five is Alexander & Baldwin Properties, which lists as type of development. . .either agriculture (sugar), real, real estate development, and property management; number six is Castle & Cooke Resorts, Lanai Properties, and Dole, Lanai Company, which also lists development, property management, hotel, golf course management as their business line; number seven is Maui Land & Pineapple Company, which lists development and property management, hotel, golf course management, and pineapple agricultural development; number eight is West Maui Resort Partners, which lists timeshare and hotel properties, commonly known as the Embassy Suites; number nine is--this is in Fiscal Year 2007, bear in mind--is Seibu: Makena Golf, Makena Golf Corp., which is hotel, golf course, and real estate development; and number ten is Marriott Ownership Resorts, which is timeshare and hotel for Marriott. These ten taxpayers contribute for Fiscal Year '07 real, real property taxes of 23,740,000, which equates to 12.06 percent of the real property tax levy that was budgeted for Fiscal Year '07. I have this handout that is available if the Chair or the Members want, Mr. Chair.

CHAIR PONTANILLA: Thank you. If you could provide that to Staff. Members, any questions for Mr. Young in regards to the top ten. . .taxpayers in this County? Member Anderson?

COUNCILMEMBER ANDERSON: Mr. Young, does that include the assessed valuation in your handout?

MR. YOUNG: The assessed valuation for their properties is listed on the handout, yes.

COUNCILMEMBER ANDERSON: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR PONTANILLA: Thank you. Members, any more questions for Mr. Young? Member Victorino?

COUNCILMEMBER VICTORINO: Thank you, Kalbert. I think this is, this is great information. But you listed the top ten, right, and the total that you gave us, the 23,740,000, is *all* the properties inclusive or just from these top ten?

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MR. YOUNG: These top ten--

COUNCILMEMBER VICTORINO: Yeah.

MR. YOUNG: --paid \$23,740,000 of real property taxes, total.

COUNCILMEMBER VICTORINO: But my question is do we have, we have more of these, more properties? These are the top ten, I understand that. There are more properties that pay hotel rates?

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: Okay.

MR. YOUNG: Yeah. These, these are only the top ten, yes.

COUNCILMEMBER VICTORINO: Well, okay. No, no. . .wait, wait a minute. I understand that. Okay.

MR. YOUNG: Okay.

COUNCILMEMBER VICTORINO: You're missing my question. Twelve percent is what these top ten did. What was the total percent that was contributed to the County coffers? See, that's the question I would have. Now, I got the top ten, but add all the rest in. What is the total amount and what is the percentage? That's the question I have for you.

MR. YOUNG: Real property tax collection in the current fiscal year was budgeted at about 197 million.

COUNCILMEMBER VICTORINO: No, no. Okay, no. Again, I, I may be asking the question wrong and I apologize, Mr. Young. When you take all the hotels--

MR. YOUNG: Okay.

COUNCILMEMBER VICTORINO: --and condos and timeshare, right, the total assessed value and the total income that they brought in?

MR. YOUNG: Okay. You're, so you're asking--

COUNCILMEMBER VICTORINO: Not just the top ten--

MR. YOUNG: --for all hotel, all hotel and timeshare properties--

COUNCILMEMBER VICTORINO: That's correct.

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MR. YOUNG: --what did they contribute?

COUNCILMEMBER VICTORINO: That's correct.

VICE-CHAIR HOKAMA: Thirty-eight percent.

COUNCILMEMBER ANDERSON: Chair, I have that. . . .*(chuckle)*. . .

CHAIR PONTANILLA: In, in a previous handout the Director had noted that the--

VICE-CHAIR HOKAMA: Forty-four percent.

CHAIR PONTANILLA: --44 percent--

COUNCILMEMBER VICTORINO: Forty-four percent?

CHAIR PONTANILLA: --of our tax revenues come from hotel--

VICE-CHAIR HOKAMA: And timeshare.

CHAIR PONTANILLA: --timeshare.

MR. YOUNG: Yeah.

COUNCILMEMBER VICTORINO: That's what I wanted the people to hear--

MR. YOUNG: Okay.

COUNCILMEMBER VICTORINO: --the amount that they totally put in. It's nice the top ten are shown here, but when you add the total up, nearly 50 percent of our revenue comes from that particular industry.

MR. YOUNG: Yes. Since, since the timeshare rate was created in 2006--

COUNCILMEMBER VICTORINO: Yes.

MR. YOUNG: --the contribution from timeshare and hotel properties has been excess of 40 percent of the real property tax take for the County, excess of 40 percent. Prior to the creation of the timeshare rate when those properties were at the hotel rate, the contribution was closer to 40 percent. Yeah.

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COUNCILMEMBER VICTORINO: And I wonder what . . .if we ever get the bed and breakfast and the TVAs in here and that income, I wonder what percent then we would have? Be kind of interesting to find that out eventually, yeah?

MR. YOUNG: Yeah. I'm, I'm not, I wouldn't--

COUNCILMEMBER VICTORINO: Not, I know you don't--

MR. YOUNG: Yeah, I wouldn't know how many (*inaudible*). So--

COUNCILMEMBER VICTORINO: Yeah. I know you don't and we're not asking, I'm not asking that, but it'd be kind of interesting to see how that total would come up. But 44 percent, that's what I wanted to. . .the public to hear, that the total revenue driven by the hotel/resort areas is that amount.

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: Thank you, Mr. Young.

MR. YOUNG: Okay.

CHAIR PONTANILLA: Thank you, Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Mr., Mr. Young, in regards to the hotel/resorts I, I know that some of the hotels do utilize condos as part of their rooms, I guess. How much would you say is generated through that partnerships with the condominium owner, well, condo, condo owners?

MR. YOUNG: Yeah. Mr. Chair, I'm not prepared to, to answer that 'cause each property would, you know, of course have different varying levels of contribution. This handout that I did provide you, though, shows for each of the taxpayers the number of TMKs or the number of individual parcels that they pay on. So you will see that for the. . .as far as the top ten go anyway, a number of them have a number of tax parcels that they pay on. So, for instance, the Consolidated Maui Inc. is the number one taxpayer for timeshares. They actually list 396 individual time, tax map parcels.

CHAIR PONTANILLA: Okay. Thank you. Members, any more questions for Mr. Young at this time? Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. . . .So we're only, your breakdown here is helpful, but it's, it's just a small picture of the overall number of units. And so, Mr. Young, we got a printout on. . .for. . .this, this is for the assessment year '07 of all the real property tax TMKs that are classified hotel/resort, which is Class 7, and this is as of April 19, '07, and it

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reflects 10,128 units on 457 properties and these are assessed as hotel. So my question is. . .since we have a separate classification now for timeshare, that would be a different class than the hotel/resort class that, that I have printed out here. I'm confused because it seems like. . .it must be because you've got, I've only got 457 properties. I've got actually 10,128 units, each unit having a different TMK which is reflective of timeshares, so I'm confused. If there is 457 properties assessed as hotel, can you tell us how many properties are assessed as timeshare and, and what class do you use for that? Do you know?

MR. YOUNG: I, I can't tell you how many properties are, are assessed as timeshares, but previous, on a previous handout, you know, this matrix, this pie chart one that I gave out earlier does list the number of unit count for timeshare, and the unit count for timeshare, according to this report, is 1,757 and for hotel/resort it's listed at 9,720. And. . .for the report that you're referencing, if that was derived off of the real property tax system, there is going to be a different classification for between hotel and resort versus timeshare because they're taxed at different rates, so they are classified differently.

COUNCILMEMBER ANDERSON: But what I don't understand is if this is hotel/resort, which is what it says on this printout, why are there so many. . .I mean do you give a different TMK for every hotel room?

MR. YOUNG: No.

COUNCILMEMBER ANDERSON: Then I don't understand how we can have so many TMK numbers, you know. I mean. . .um. . .I guess I'll show you this when, when we get a break, but, you know, the, the only difference in the TMK numbers for many of these listings are the parcel number, parcel 1, 2, 3, 4, parcel 1 through 18. So, I'm confused with this, how we can have 10,128 units classified hotel/resort, but yet that only reflects 457 properties.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: If Ms. Anderson would be kind enough to yield for a question, please?

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Sure.

VICE-CHAIR HOKAMA: Thank you. May, maybe this might be helpful. So what I would ask you, Mr. Young, as our Director--and I understand, you know, Ms. Anderson's question and why some of us may not be able to connect the dots. I, I would think that maybe some of the confusion comes from the condominium category. So that would be just one TMK, but if you have a condominium that is living there, he's going to ask for his homeowner's. . .

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MR. YOUNG: Uh-huh.

VICE-CHAIR HOKAMA: . . .category. But if the owner wants to put it in a transient accommodation pool, only that unit becomes hotel?

MR. YOUNG: That is correct.

VICE-CHAIR HOKAMA: How would, but how do you view the TMK that she's concerned that this condo is sitting on since just a unit of a complex of, of rooms in a structure on one TMK, how, how would you folks view, how do you view that and how do you account then for the, the unit numbers?

MR. YOUNG: Yes, for tax purposes the condominiumized unit is gonna be in the hotel classification and, therefore, if that report that Ms. Anderson has lists properties in the hotel/resort classification, that circumstance would show up on that report because that unit, that condominiumized unit will be taxed as a hotel, in that hotel classification. Because Maui County Code for condominiumized properties, they are required to respond to a survey by use, meaning that if you have a condominiumized property, you will be solicited for a survey for you to attest what is your use and if your use is less than six months rental, meaning short term, it, it will be in the short-term rental pool, it will be classed at its highest and best use, which is the hotel tax classification. And if that is the case, it will show up on that report if that report is by property classifications for tax purposes. Yeah.

VICE-CHAIR HOKAMA: Thank you, Chairman.

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

COUNCILMEMBER ANDERSON: Okay. Thank you for that question, Chair Hokama, because that really is the missing link here in my understanding of this. So any, any condominium that is used as a short-term vacation rental would be classified hotel?

MR. YOUNG: Yes.

COUNCILMEMBER ANDERSON: But if there's units within that condominium complex that are used as full-time residents, then it's under apartment?

MR. YOUNG: Yes. Or if they are owner/occupant, then they'd be homeowner.

COUNCILMEMBER ANDERSON: Homeowner?

MR. YOUNG: Yes.

COUNCILMEMBER ANDERSON: Okay. And then would that condominium, condominiumization. . .be also applicable to properties that let's just say. . .um. . .well, just for

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everyone's easy understanding the Baldwin Beach situation where we have one, one TMK that has been condominiumized into three different parcels or apartments, if you will. If one of those--and not specific to this project, but just as an example, because this is happening at Launiupoko, it's happening in a lot of places. I mean I'm finding out in Maui Meadows they're condominiumizing the lots down there and selling off the ohana units as separate units. So if that were the case. . .um. . .and would, would you then send them your, your survey and if they send it back and say that we, we live in it two months out of the year and we rent it out the rest of the time, then they would all of a sudden be classified as hotel/resort and taxed under that class?

MR. YOUNG: Yes.

COUNCILMEMBER ANDERSON: And so those would be included on here, too?

MR. YOUNG: Yes.

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

CHAIR PONTANILLA: Thank you, Member Anderson. Members, any more questions for Mr. Young?

COUNCILMEMBER VICTORINO: Yeah, Mr. Chair.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: I just. . .and, and correct me if I'm wrong, but I just had to do this 'cause it bothered me to no extent that I have heard and have had e-mails, and all of us probably have had the same e-mails and calls about how timeshare has gone up 400 percent. So, I just took Consolidated Maui Inc. because that's. . .from what you, what I see there is the only pure timeshare. All the rest, many of them have a mixture of golf courses, hotels, and others, so real hard to play the numbers, but that one I can play. And I saw there's 396 TMKs which I'm going to assume are 396 units. Am I pretty much correct in what I'm saying so far, Mr. Young?

MR. YOUNG: Three hundred and nine. . .it's 396 tax--

COUNCILMEMBER VICTORINO: TMKs.

MR. YOUNG: --map keys. I. . .it, it would depend upon how those tax map keys are assigned.

COUNCILMEMBER VICTORINO: Okay.

MR. YOUNG: So if it's--

COUNCILMEMBER VICTORINO: Okay. So let's, let's. . .for, for the sake of the conversation let's say they're all units, okay. . . --(end of tape 3A - 12:08 p.m.)-- . . .all, all units. Based upon the

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assessed value, right, using \$14 for. . .per thousand for assessed value which comes out to 300, \$3,851,475, right? So, I then. . .and I did some simple math, real quick. Using the 396 TMKs, I divided that up and that came out to \$9,725.94 per TMK, whether one unit, two units, okay, and then I divided that by 52 owners or 52 weeks in a year. Now some people may own two weeks, three weeks, whatever, but let's say if everybody owned one week, that came out to a grand total of \$187.03 per owner, okay, and that's saying you own for one week. So the point I'm trying to make out to, to the Chair and to the, to the people is as an owner that's what they pay per week, okay, using this simple mathematic, and, and I may be wrong in the methodology, but just using all of that, that's what each owner would pay is \$187 per year for their. . .I mean per week that they own that timeshare. If they own two weeks, three weeks, obviously it goes up. So, I was just curious and when they gave me that figure of 400 percent, how they were ascertaining this and if my math, and, and I'm not saying it's correct, but if I used all the same, the simplest methodology to come up, they each pay \$187 a week or \$187 a year because that's gonna be their fair share of the, the tax assessment, yeah. So, I just wanted that to be brought up, Mr. Chair, that that's the only one I could really ascertain, and I still may not be 100 percent right. There may be two units based upon one time, TMK--who knows?--but taking it down to the simplest form so that we as taxpayers know what these taxpayers were complaining about. I just wanted to break it down to its simplest form. Thank you, Mr. Young. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you, Member Victorino. Members, any more questions for Mr. Young? Thank you, Mr. Young, for being here this morning. We really appreciate your comments and your answers to the Members this morning. Members, the Chair is aware of the time, but before I call our. . .noon, noon break, the Chair would like to inform that the departments that are here this morning or from this morning. We're going to take up when we come back from lunch, first would be the Department of Housing and Human Concerns. This is in regards to the affordable rental program. Following the Housing and Human Concerns, we'll go with the Parks and Recreation and we'll review the golf fees. Following the Parks and Recreation, we'll follow up with Public Works and Environmental Management, and this is in regards to the permit fees. And last on the agen..., list this morning, a request for department heads would be the water usage for hotel/resorts.

So, Members, at this time the Chair would like to recess this meeting until--

COUNCILMEMBER MOLINA: 1:40.

CHAIR PONTANILLA: --1:45 p.m.

COUNCIL MEMBERS: . . .(*chuckle*). . .

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

RECESS: 12:10 p.m.
RECONVENE: 1:50 p.m.

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CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting is now reconvened. Thank you, Members. At this time we do have the . . .Housing and Human Services [*sic*] Department, if they could come up forward.

. . .Members, for your information, because I understand that the Dalai Lama is at the War Memorial Stadium, that we're going to be taking our, if we go into the evening, our dinner break at 6 o'clock. Earlier than that would be a problem in regards to the traffic condition.

MS. MEDEIROS: I can attest to that.

COUNCIL MEMBERS: . . .(*chuckle*). . .

CHAIR PONTANILLA: I know I, I couldn't make a left turn from Longs Drugs.

MS. MEDEIROS: Just going home yesterday was, was bad.

CHAIR PONTANILLA: So, Members, here with us this afternoon is the Director of Housing and Human Services [*sic*], Vanessa Medeiros, as well as the Grants Administrator for the Department. Members, again last night we had some questions in regards to the affordable rental program, and this morning we had some testifiers in regards to that particular program. So, Members, the Chair would like to have the Director provide us with comments. Vanessa?

MS. MEDEIROS: Thank you. Thank you, Chair. Thank you, Members. With respect to the affordable rental housing program, the rental assistance program I, I guess as we call it, you know, we had, we asked the testifiers to come this morning and I think it was important for you folks to, to hear from them, you know, how the program works, and I'm hoping that we actually satisfied whatever questions you may have had. However, if you have any further questions, we'd be more than happy to, to respond to those.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Chair, I don't want to muddy the water, but the \$400,000 appropriation appears to be very clear. I think we know what's being done with it. I think there was some confusion about the item that falls right after that, which is called Grants and disbursements for affordable housing and/or supportive living housing in the amount of 382,000. We were not sure what that's used for.

MS. MEDEIROS: Okay.

CHAIR PONTANILLA: Thank you. Vanessa?

MS. MEDEIROS: Okay. I'll, I'll be happy to respond to that. My understanding is that these monies were initiated in the current Budget, Fiscal '07 Budget by the previous Administration to provide

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supportive housing opportunities to the lowest economic spectrum in our County. You know, we asked our staff, this is something. . .this is one of those things I've been tracking, and my understanding is that initially there were, there were three programs or, or, or agencies that were identified for this support. One being the MEO's BEST Program's transitional housing on Vineyard Street, second was Old Maui High School Homeless Program, and the third was the Family Life Center Homeless Program. My understanding is that these monies were not specific to programmatic or bricks and mortar. To this, to date, however, none of these monies have been awarded and for this reason, that the MEO. . .*(chuckle)*--oh, getting notes from the side here--the, the MEO transitional housing on Vineyard Street is not operational at this point in time; the current Administration does not support the use of the Old Maui High School as a homeless shelter or resource center; and third, the Family Life Center. . .and, and which is the only eligible program and the one who could really use this money, unfortunately, has a problem with their zoning and they're trying to remedy that situation. They have a Special Use Permit right now which expired apparently about two years ago. So they're in the process right now of trying to get that matter settled and if the matter is settled and assuming that we still have the money, then we would certainly proceed with working with them on this.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Oh, thank you very much. That certainly clarifies why none of us could figure out what programs were being operated with this money. I have an understanding of MEO BEST and I understand that's tied up in County permits and whatever. So it's kind of a similar problem with the Family Life Center that if they could get beyond that, probably the money could be used. So you're requesting that we leave this money in the '08 Budget?

MS. MEDEIROS: I, I would certainly, you know, with, with your concurrence. I think that we do have some agencies who could really use this money and, again, it, it is for the most need, the lowest spectrum of, of our community.

COUNCILMEMBER BAISA: Thank you very much. After we heard what we heard this morning, it appears that the money would be really needed. Thank you very much.

MS. MEDEIROS: Sure.

CHAIR PONTANILLA: Thank you. Members, any more questions? The Chair has one, to say that the Family Life Center is trying to get their entitlements in regards to running a program or. . .?

MS. MEDEIROS: No, it's just the zoning--

CHAIR PONTANILLA: The zoning?

MS. MEDEIROS: --for their location. Their location is on Kane Street--

CHAIR PONTANILLA: Their--

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MS. MEDEIROS: --right across from Foodland.

CHAIR PONTANILLA: --their office location?

MS. MEDEIROS: That's, that's the program and their office location.

CHAIR PONTANILLA: Okay, fine. Right now they do provide affordable assistance program?

MS. MEDEIROS: Yes, they do.

CHAIR PONTANILLA: And are, are they going to be another entity that will be providing this service along with the service that's shown on this Budget?

MS. MEDEIROS: My understanding is that the monies from this supportive living line item that was going to go to them was going to help them--and I believe it was, again, it's a bricks and mortar thing--it was going to help them develop units for the homeless people to, to be able to stay in overnight. So that's what this monies were, were identified for.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to the Grants and disbursements for affordable housing--

COUNCILMEMBER MATEO: Chairman.

CHAIR PONTANILLA: --and/or supportive housing? Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. Ms., Ms. Medeiros, good morning. . .good morning--good afternoon.

MS. MEDEIROS: Is it happy hour yet? Oh, sorry.

COUNCILMEMBER MATEO: I don't know.

ALL: . . .*(laughter)*. . .

COUNCILMEMBER MATEO: Every hour is happy hour.

ALL: . . .*(chuckle)*. . .

COUNCILMEMBER MATEO: Just for clarification purposes. During the testimony this morning with the three different organizations that, that did provide testimony, my reference is to additional payments for elec..., electricity, and two organizations does not provide this consideration and one does. And I was just a, a little concerned because I, I have a difficulty in seeing the rental assistance program monies going for other than rental assistance. There is the connect, yeah, but

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like the purpose and the intent was not for electricity costs. So perhaps, you know, you can comment on another fund or maybe justifying the, the rationale in the use of these monies for that.

MS. MEDEIROS: Okay. Thank you. To be honest with you when I heard that this morning, I was shocked myself 'cause I kept saying I, I. . .I don't see the, the correlation. This is something that I will definitely go back to our Department and we will be working on this because I do not see a correlation and I, and I truly believe that if we're talking about rental assistance, then rental assistance is rental assistance and it should be very clean-cut.

COUNCILMEMBER MATEO: Okay. Is there. . .you know, the, the fund that you just referenced, assisted living or, or whatever that source was?

MS. MEDEIROS: Oh, supportive living.

COUNCILMEMBER MATEO: Yeah. Could that not be inclusive of considerations like electrical or utility concerns?

MS. MEDEIROS: I, I think it could. To be honest with you again, you know, this, when this money was earmarked in the previous Administration, I, I think they had a thought process of how they want to see this funded. As, as I'm looking at this, I think that we can take this money and create a program and this could be one of those areas where we could look at that as, as a possible purpose.

COUNCILMEMBER MATEO: Okay. Okay.

MS. MEDEIROS: We don't, we certainly don't want. . .we, we would not want all of this money to be used for that purpose, but we could look at that.

COUNCILMEMBER MATEO: Okay. Thank you. Chairman, my questions for that specific affordable housing item is complete, but I do have another question in one of the other grant items when you're ready.

CHAIR PONTANILLA: Okay, thank you. Member Baisa, you, you had your hand up?

COUNCILMEMBER BAISA: Yes, please. I just wanted to make a brief statement about the use of the money for paying an electrical, emergency electrical payment. You know, if you live in a home and it has no electricity, it's very difficult to be functional because the refrigerator doesn't work, the lights don't work, you can't cook, no hot water, and so it becomes a very unsafe and not appropriate environment to be in, and I think that's why that consideration was made. By I like Member Mateo's idea that we could keep the rental part strictly rental and maybe add a little bit of utility money into the other, that 382,000 category and that might take care of it.

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MS. MEDEIROS: Actually, I would be really happy to do that and I certainly, you know, love your concurrence with, with the process.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Thank you, Member Baisa? Members, any more questions? The, the Chair has one. Earlier this morning we heard the testifiers. What is the Department policy in regards to--I understand that one organization provided some monies to another organization to provide rental assistance. Is there a policy in regards to that?

MS. MEDEIROS: I'll ask. . .Rudy Esquer is our Grants Management Administrator, he can respond to that.

MR. ESQUER: Good afternoon, Council Members. That particular incidence was a one-time occurrence. The appropriation that was made to Maui Economic Concerns of the Community, the 200,000, they had start-up problems primarily because with their particular program it was moving people out of the shelter after they've been there for the two-year period, gone through the program. They were having difficulty being able to go out in the community and, and afford the rents. So the plan for the shelter program was to allow them to move people out on that end so that could take care of their waitlist, so it'd shorten their waitlist on this side and help people get out on this other side. But the start-up for that took longer than we anticipated and they notified me that they were not going to be able to spend out the entire amount by the end of June. So as was mentioned earlier this morning, the whole group gets together to help to plan the program and rather than have the money not be spent, MECC worked an agreement with the other agencies to share some of that money to allow them to continue to spend 'cause they had already, were pretty much spending out on their money. So the agreement was that they would share amongst each other and that way make the money available to the community.

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

COUNCILMEMBER MEDEIROS: Oh, Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you, Chair. The agencies that testified this morning. . .and Member Mateo brings up the use. . .the. . .of paying for utilities. The agencies said they have guidelines from the Department and I was wondering if you would review those guidelines, if that was allowed, or if you need to reevaluate the guidelines so they are clear on it so that the money is spent the way intended to be. But I have to agree with Member Baisa that it seems like it's all connected, you know, if you're having rental assistance but there's no electricity, that makes it difficult to live in a place like that. So, yeah, I would say if you could evaluate or, or revisit your guidelines. Thank you, Chair.

MS. MEDEIROS: Thank you.

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CHAIR PONTANILLA: Thank you. Member Mateo, you had a question on a different item?

COUNCILMEMBER MATEO: Chairman, thank you, thank you very much. Oh, I just wanted to, to comment on the electrical thing just so that my colleagues are kind of like understanding where I'm coming from. When rental assistance is provided to the individual, that's rental assistance, monies to pay the rent. That means they don't have to pay it because somebody else is subsidizing it, yeah. That should allow them the opportunity to save that much more money to *pay* the electrical costs. That's the savings. That's the benefit.

Other than that, Chairman, I just wanted to follow up on a communication that you received from the, from the Department, April 25th, regarding an item under the Department of Housing and Human, Human Concerns, Grant No. 5, Grant for Hale Mahaolu Homeownership Counseling Program. The memo we received from the Director request a reconsideration of the title of the grant itself. So, Chairman, with your allowance if you can ask the Director to provide us with additional information and clarification on your request.

CHAIR PONTANILLA: Director Medeiros.

MS. MEDEIROS: I was waiting for you guys to ask me about this. And, and to be honest with you, you know, I'm the one who created that housing homeownership counseling at Hale Mahaolu back in 1988, so I know the program in and out. In, in looking at the line item in, coming in--and, and I'm sorry that I wish I had, you know, been able to say this as part of my, my budget presentation--I think it's important that in looking at the County's housing initiative and we're looking at the affordable housing, the workforce housing initiative, that this is an area where we could use these monies as a program, not specifically to one agency or organization, but I'm aware of several organizations that can assist us in preparing our families for what we hope will be the affordable ownership or rental. It's not so much that I have a problem with this agency, but. . .and, and I'll be real honest with you, that this was in the current Budget and we have not award these monies. I just received a, a copy of the contract and when I looked at the application, I was appalled because what they identified as a problem and need and what they proposed as their service did not correlate and was not going to help us move ahead with what our initiative is. So that's the reason why I'm coming to this point and asking if it's possible to just identify it as "housing and homeownership counseling". The intent from my part is to look at financial literacy and homebuyer education and, to a certain extent, a little bit of case management, and this comes from my experience not only in doing this program for. . .but also my experience in, with Department of Hawaiian Home Lands.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MATEO: Thank you very much. So, Mr. Chair, are we going to consider the changing of the grant name itself, or I don't know what the process is at this point, Chairman.

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CHAIR PONTANILLA: Okay. We can come back on that and if the Members feel that it should be changed, then we'll take a vote and. . .majority rules.

COUNCILMEMBER MATEO: Thank you, Chairman. Thank you.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Good afternoon, Ms. Medeiros.

MS. MEDEIROS: Good afternoon.

COUNCILMEMBER ANDERSON: I'm hoping you can clear up something for me 'cause I've heard this both ways. . .In, in affordable housing guidelines that HUD puts out as well as what mortgage banks look at, they consider 30 percent or 33.33 percent of a person's income is what should be spent on their housing cost. Now, I have seen that calculation meant to include all of their housing cost, which includes their electrical cost. . .Can you, you know, just clear that up for me because how does HUD figure that? I mean, you know, that's a big difference when you're looking at the monthly mortgage payment or rent payment. . .and I think, you know, if you added the electrical cost and the water cost, you could substantially increase that 30 percent way beyond. So. . .

MS. MEDEIROS: Thank you for the, the opportunity to comment and I'm, I'm so happy that I. . .this was my dissertation for my bachelor's program.

COUNCILMEMBER ANDERSON: Oh, so am I. . .*(chuckle)*. . .

MS. MEDEIROS: You know, I, I cannot speak for HUD, but what I can tell you that this process, the 30 percent is, is based really on a mainland model and this is based, you know, on the mainland with the cost of living is so much lower and this is the estimate. In fact, that's the reason why you see with the Section 8 Program or, or most rental assistance programs, they're saying that, you know, they'll pay 30 percent or they'll go by 30 percent of the income, you know, and they base the rent on that. So, so that's sort of the Federal model. Realistically on, on the local level a lot of lenders will go by. . .I think it's like, it's up to about 50 percent, which is, you know, even scary, but they'll go up to about 50 percent and just so they can qualify people for loans. Now it's something that we don't have too much control of because this is being done by outside entities, either the banking association or the Federal government. I don't know if there's ever a way we will be able to, to change that, you know, other than either people's incomes increasing such that they can actually afford a house. But, but that's just the model they, they go by. I think I understand under USDA, which is a little bit looser, I think it's about 41 percent.

COUNCILMEMBER ANDERSON: But does that include other housing cost besides just the mortgage or the rent?

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MS. MEDEIROS: Yeah, I believe it does. I don't have the, the...the information in front of me, but from my experience in the past it, it did include all of that. You know, one of the, actually the problems with the way that they do it is--and again I'm not, I'm not a mortgage expert--but from what I've seen is they'll look at the gross pay of a person and use that as the mechanism to determine what they qualify for. The challenge with that is that if you look at the, you balance that with the net pay, the net, if you go by the net pay, most people won't qualify for housing. So there's, that's another area that you have a little bit of an imbalance.

COUNCILMEMBER ANDERSON: Yeah. Because once you go over 30 percent of your income for housing, then you're naturally taking away from other living expenses. . .

MS. MEDEIROS: Uh-huh.

COUNCILMEMBER ANDERSON: . . .diminishing what's available for food and all of that. And so to me. . .I. . .you know, I've seen financial advisors on these television shows where they're telling you how to budget money and stuff. They include in the 30 percent that you're supposed to stick to for your housing cost, they include electricity and water, anything that's associated, you know, with living in the house.

MS. MEDEIROS: Uh-huh. Uh-huh.

COUNCILMEMBER ANDERSON: And, and so I mean that will really skew for our workforce housing even if we're looking at trying to qualify people. It seems to me we need to include that. But if that's not a standard that HUD uses--and that's what you're telling us, right?

MS. MEDEIROS: Well, that's pretty much the Federal standard, that's, that's what they've set and it's, you know, again it's however way they decide it. And that's one of those things like they've been doing this for 50 years and I don't think they've ever decided to change it.

COUNCILMEMBER ANDERSON: No, that's what I'm asking you. Are you saying that the Federal HUD standards includes all housing cost, not just the rental cost?

MS. MEDEIROS: I'm not an expert, but I'm, I'm going to assume that it does include that.

COUNCILMEMBER ANDERSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you, Member Medeiros [*sic*].

MS. MEDEIROS: Oh.

COUNCIL MEMBERS: . . .(*chuckle*). . .

CHAIR PONTANILLA: I'm sorry. Thank you, Vanessa.

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MS. MEDEIROS: Oh, thank you.

CHAIR PONTANILLA: Thank you, Member Anderson.

ALL: . . .*(laughter)*. . .

COUNCILMEMBER ANDERSON: What did he call me, Medeiros? . . .*(chuckle)*. . .

CHAIR PONTANILLA: I know at one time it used to be. . .well, when I. . .back in the '70s and '80s when I bought my house, that the lenders were looking at 2 ½ percent, 2 ½ times your annual income as a guideline. If you meet, met that criteria, they would lend out the money to you to purchase a home. So that was long time ago, though. Members, any more questions for Ms. Medeiros? Member Baisa?

COUNCILMEMBER BAISA: Chair, there's additional grants in her section that we're holding. Should we take the opportunity to talk to her now about that?

CHAIR PONTANILLA: If you do have any questions in those grants to get more information, fine.

COUNCILMEMBER BAISA: One of--

CHAIR PONTANILLA: Members, we're looking at page 3 to begin with.

COUNCILMEMBER BAISA: My next, the next one that I see is on page 4 and it's under Human Concerns, and one of them was about 41, the Kupuna Care or Disabled Services for the Frail and Elderly.

Note: Pause.

CHAIR PONTANILLA: Vanessa, yeah. . .

MS. MEDEIROS: Oh. . .

CHAIR PONTANILLA: . . .you got a copy of that?

MS. MEDEIROS: Well, I was looking at your--

CHAIR PONTANILLA: This is what is being reviewed by the Members.

COUNCILMEMBER ANDERSON: That's on page 3?

COUNCILMEMBER BAISA: Page 4. It's on. . .well, on the, on the consolidated one it's page 4.

CHAIR PONTANILLA: Page 4, Item 41.

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MS. MEDEIROS: Okay.

COUNCILMEMBER BAISA: Yes. I believe that Member Hokama had brought up an issue of a proviso for income consideration. . . .We wanted clarification as to how that works.

CHAIR PONTANILLA: Oh, yeah. . .last night we--

MS. MEDEIROS: . . .(*chuckle*). . . I'm sorry, I'm still waiting for the question.

CHAIR PONTANILLA: . . .(*chuckle*). . . Last night the issue was that in providing this service, the question was that hopefully we're looking at the lowest of the lowest income so that we take care of the, the ones that really need it.

MS. MEDEIROS: Okay, thank you. You know, this is. . .because this is a new funding and, and again it provides us the opportunity to, to create the program within whatever guidelines that, that is desired--and the proviso is, is fine--I think one of the areas that we just want to make sure that, that we don't get caught in is, you know, whether or not we're looking at this in, in guidelines. . .in terms of Federal guidelines, in terms of State guidelines because sometimes they have the definition of elderly is all those persons who are of certain age and above or those who have disabilities. So that's just one of the areas that, you know, we would just want to make sure that we don't, you know, trip over. But if, if the. . .if it's the pleasure of the Council that you want to have a proviso, you know, we would certainly follow what you have. It, it shouldn't be a problem.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: I think that if this is purely County money, that we can set our own guidelines. If it gets mixed with Federal money, then you have to be very careful to keep separate accounting because the Federal has different standards and they don't look at, at income eligibility. Because there is such a need among the elderly, my suggestion might be that maybe we develop some kind of a fee schedule and that way we won't have to eliminate those who can maybe contribute more to help, because that way it helps to have more money to take care of more people. You know, I've had some experience with Kupuna Care and because of the limitations of money it's kind of sad because there are people who get chore service one hour once a month, and to me one hour once a month of chore service is ridiculous. So, I'm concerned that those who really need this service should have it because when they can't have it is when they wind up in plugging up Hale Makua and Kula and having to leave their homes and then it costs us, all of us a lot more money 'cause we're paying for those long-term care institutions that are so much more expensive, and the longer we can keep our elderly independent and at home, of course, that's their wish as well as ours. So, I think that's why this discussion is coming and it's strange and serendipitous, but I have an e-mail right in front me from John Tomoso, and John says that Kupuna Care is in trouble at the Legislature and it looks like it

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might not make it and if it does, our County program will become even more important to our frail and elderly.

MS. MEDEIROS: Uh-huh.

CHAIR PONTANILLA: Thank you, Member Baisa. Members, any more questions. . . --(end of tape 3B - 2:19 p.m.)--

MS. MEDEIROS: I'm sorry.

CHAIR PONTANILLA: Go ahead.

MS. MEDEIROS: My, my recollection of, of this program was that it was to help supplement the current Kupuna Care program, and again this is kind of one of those areas where I'm saying that if, if the intent is to supplement the Kupuna Care Program, then we may be required to follow whatever those guidelines of Kupuna Care is, which may or may not go against what, what you're trying to get as far as making sure that we meet the criteria of those who really need it and, and sliding scale. We can certainly look into that. I think it's certainly an important area.

COUNCILMEMBER BAISA: Just a final point on that is that Kupuna Care gives people the leeway to give voluntary donations. We have some members of our community that are very generous and they do make regular contributions and that helps. There are also those who, who either choose not to and can or those who cannot, and so the participation by the client or the client's family is voluntary.

MS. MEDEIROS: Uh-huh.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Hokama, followed by Member Victorino.

VICE-CHAIR HOKAMA: Yours is on this one?

COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR HOKAMA: Chairman, mine is on another area of page 4, so I'm happy to yield to Mr. Victorino.

CHAIR PONTANILLA: Okay, fine. Thank you. Mr. Victorino.

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COUNCILMEMBER VICTORINO: Since Ms. . . .Ms. Medeiros, since Ms. Baisa has brought up, and I just read the same e-mail, what is the amount of funding we get from Kupuna Care each year? Do you know?

MS. MEDEIROS: I don't know, but I think it was in our original Budget presentation. I don't have the . . .it in front of me, but it was in the Special Revenue area.

COUNCILMEMBER VICTORINO: Okay. 'Cause I would be very curious if what is being said is true, then, you know, if that comes to fruition before we're done with this Budget process which I probably--

VICE-CHAIR HOKAMA: It's 695,000.

COUNCILMEMBER VICTORINO: Okay. Thank you, Mr. Chair. Mr. Chair has gone out and found the 695,000. Then I would be very, very, you know, willing to look for areas that we'd add that 695,000 to make sure 'cause I want to put more money anyhow in it. Now if we don't have it, Mr. Chair, and it does not exist or won't be existing next year, we definitely need to put the money in to take care of that necess..., that big necessity. I mean whether people donate money or help pay or whatever, we can setup whatever guidelines, but the initial 720,000 which is a supplement now would become primary and that's like half of what we're already getting. So something very important to look into. If that's going to occur, then what we can do now to prev..., you know, to make sure money is available, or else you guys can come back for a special budget amendment, but I'd prefer doing it upfront then coming back later, especially if we know it's going to occur.

MS. MEDEIROS: Uh-huh.

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

CHAIR PONTANILLA: Thank you, Mr. Victorino. Member, Member Johnson, you had a question in regards to that?

COUNCILMEMBER JOHNSON: Yeah. I, I was just going to ask because we have Title III monies, are any of these commingled with Title III monies or are these derived from any of that Federal funding?

MS. MEDEIROS: Yeah. I would, I would have to check. I don't think so. I think if, when I looked at the breakdown, a lot of our Title III monies actually goes to Kaunoa for, for direct services. So I, I don't think any of the Title III monies go for this, but we can certainly review that and, you know, we would never commingle. We, we have to keep track. . .

COUNCILMEMBER JOHNSON: Uh-huh.

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MS. MEDEIROS: . . .of the Federal monies and what it's being used for and the State monies and what it's being used for. And, again, if we have any County monies, we would have to track that separately.

COUNCILMEMBER JOHNSON: Right. And, you know, the, the one thing that I look at in this area because, you know, in. . .I have personal experience with this particular program, and one of the things that is an advantage for me is that, number one, I don't have as an individual here not being born and raised here. For many of the people that are recipients of this program they don't have a support network. So the program is very much needs based, and that creates a problem because a lot of times you can't go to aunty, you can't go to sisters, you can't go to other people. So sometimes it becomes the only program without going to licensed professional nursing, which is a minimum of four hours, every time they come roughly \$100. So for me I make a donation which is tax deductible. Like Maui Adult Day Care is not tax deductible. A lot of the other programs and things that you would be provided, they are not tax deductible, but because I make a donation which is to either MEO or Hale Mahaolu that is tax deductible, but then that frees up money for other people that participate in the program. So a lot of times it's not necessarily the ability to pay. It's the need and it is also who, you know, is willing or who is able to financially make that contribution. So, I think that, you know, from my perspective I don't want to be, you know, in my personal situation I think it's. . .it would be disrespectful of me because I have sufficient money at this point in time to, to make those contributions. But I think there are many people like me that are in the gap group, you know, we, we would not qualify for it if it's income based and yet the program, if it's made unavailable to us, leaves us in a very vulnerable non-choice situation where you then have to go to a licensed professional nurse for a minimum number of hours, and the comparison, you know, where I contribute let's say \$300 a month for services, that's 5..., that now goes to \$500 a week. That eats up my whole entire paycheck for the whole month.

MS. MEDEIROS: Uh-huh.

COUNCILMEMBER JOHNSON: So, I'm typical, though, of many of the people that are in the gap group that people think, you know, have all sorts of money. But, you know, I'm not, I'm not poor, but I'm also not independently wealthy that I can go hire private nursing. So, I think there are many people included in this program. I'm one example of one little spectrum of the people receiving those services, but I must say, you know, I'm shocked at the State. If they don't provide those services, shame on them.

MS. MEDEIROS: Uh-huh.

COUNCILMEMBER JOHNSON: So I, you know, I just offer that from my perspective that there sometimes are no other choices and the choices that I would have or other people 'cause I know many local people who spent their whole lives and they have financial wherewithal, I don't think they should be denied either.

MS. MEDEIROS: Yeah. I think. . .if I can, you know. . .

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CHAIR PONTANILLA: Go ahead.

MS. MEDEIROS: . . .if I can just sort of add a little bit to that is, you know, again the item says, you know, services for frail and elderly, and, and, you know, one of the items that we can look at, and I'm sure we're already doing it, is, is to look at the ADL, the activities of daily living, and that's sort of one category as far as what the need is, that we can certainly look at, you know, the income, ability to pay. One of the things, and you may or may not be aware of, and back in my experience with, with Hale Mahaolu and having to qualify the elderly for the rental, and one of those areas that I had really the hardest time with is that you could have an elderly person who, you know, whose husband had a pretty good job, he may have passed away, so now she's getting that pension and that pension is about, you know, \$1,200 a month and, you know. . .well, and they have no savings, and but because the \$1,200 a month, I'm sorry, you don't qualify or your rent, 30 percent of that is, you know, \$400 a month. And then you could have the next person sitting next to her who has, you know, a monthly retirement of \$400 a month, owns 20 acres of land, and that person gets more services, you know, and that's, that's the way the system is. So, you know, that's where you, you kind of have that balance and like I said, we can, we'll certainly take a look at this, we'll look at how the program is now 'cause this is meant to supplement the existing program, but we will certainly look into your concerns with respect to frailty and, you know, the, the. . .who needs it most.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Well, thank you, Chairman. I would hope you would not look at it as supplementing a State program. I wish not to be associated with the State program.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

MS. MEDEIROS: Okay. We going say make 'em better then. No.

VICE-CHAIR HOKAMA: You know, 'cause maybe we should be like the State and Feds, we should give notice we're terminating our grants program and then they're going to run to the Legislature and run to Congress instead of always running to us. But one last comment on this area, Director. I think that is why for people like me, I would like to see continuous and vigorous approaches to get the TANF funds, the Federal Temporary Assistance to Needy Families. That's what the Federal government provides and it is disappointing we are not receiving any to assist us since it is going definitely to other areas of the country. And, yes, it is being under attack to fund the war, but nonetheless Congress because the communities and counties of our nation have lobbied Congress hard there still are some resources in the program, and I would ask your Department to, to vigorously try and to continue to get some of that grant funding.

My question's on the, the Work Day Program, and I just want to be clear, what is your understanding of the needs of this program? Is it just this 200,000 or \$210,000 General Fund request as, as you understand it, Director, please?

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MS. MEDEIROS: Well, I'm really sorry to say that I do not have an answer for you, and my Grants Manager does not know what this money is for.

VICE-CHAIR HOKAMA: I'm just trying to get, get. . .an understanding of, you know, it--you know, we've heard from Mem..., I've heard from my colleagues that they need 210 and we've made adjustments to provide \$210,000 of General Fund, and I just want to be clear because. . .I'm looking for money to take care my needs on Lanai, okay, and I found money. And so I'm just wondering here we are under Appendix A there's provisos that is in the Administration Budget to give them \$170,000, then you have this \$210,000 we are now looking at General Fund. So, I'm just trying to ascertain what is their true request to the County? Is it 210? Because right now we, we have from two sources \$380,000.

MS. MEDEIROS: Uh-huh. You know, I, I don't want to misspeak on this. I, I believe the \$200,000 is their program monies. I believe that the, the \$170,000 that they're requesting through the Mayor's portion of the Budget, I think it's specific to the Old Maui High School.

VICE-CHAIR HOKAMA: No, no, this is not Maui High School. This is Highway Fund, Highway Revolving Funds.

MS. MEDEIROS: Okay. Then, I, to be honest I'm not sure. I, I do know some of the work that the Work Day does and they do a lot of the cleanup, but I don't know the specific.

VICE-CHAIR HOKAMA: Okay. I would ask if you do have additional information back at your Department, if there's a chance you could share that by pau hana this afternoon because we'll be, the Chairman is going through decision making and I'll be making my adjustments according, accordingly. So whatever you can assist us would be appreciated. Thank you very much.

MS. MEDEIROS: Okay. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Members, any more questions in, in any of the items either on page 3 or page 4 regarding Housing and Human Services [*sic*]? If not, thank you, Vanessa.

MS. MEDEIROS: Thank you.

CHAIR PONTANILLA: Thank you for being here.

. . .The next Department being reviewed is the Parks and Recreation Department. We do have the Deputy Zach Helm as well as the Golf Superintendent Ron Kubo here with us this afternoon.
. . .Opening comments?

MR. HELM: Good afternoon, Chair Pontanilla and Council Members. I have circulated the handout. . .for your information regarding the proposed rates and fees for Waiehu Golf Course,

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and with me this afternoon is our . . .our Superintendent and also Administrator for the Waiehu Golf Course to assist me for any questions that you may have at this time.

CHAIR PONTANILLA: Thank you. Members, questions for the Department regarding golf and the golf fees?

VICE-CHAIR HOKAMA: Questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Can you explain to the Committee, please, the current Departmental approach to Junior Golf Program at Waiehu Golf Course?

MR. HELM: Sure. Ron.

CHAIR PONTANILLA: Mr. Kubo?

MR. KUBO: Good afternoon, good afternoon, Mr. Chair, Members of the Council. Could you repeat the question, Mr. Hokama?

VICE-CHAIR HOKAMA: How is the course dealing with the, our Junior Golf Program? What is the arrangements or agreements that you have with Maui Junior Golf?

MR. KUBO: The arrangement every year is that the Junior Golf submits a schedule in November for us to look at and, and schedule it throughout the year.

VICE-CHAIR HOKAMA: And, and so what has the golf program normally accommodated the program with? Like every weekday after a certain time for the after school program and weekends, certain times for the actual half round, full round play? Can you, can you explain that--

MR. KUBO: Normally they, they like to start practicing in January, but it's always on the weekend, on Saturdays and Sundays, and we try to accommodate 'em, except for days when we have tournaments we cannot.

VICE-CHAIR HOKAMA: Uh-huh.

MR. KUBO: The problem is that January, February, and March is our busy season. That's when the tourist season is. So, I start, usually start them like in March. So they come and play. . .their practice rounds are just nine holes. So they usually start around 3 o'clock. During the summer they're able to play longer because of the daylight, and their tournament starts, their 18-hole tournament starts in May and goes all the way through August.

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VICE-CHAIR HOKAMA: Okay. Do they pay the student rate when they utilize the golf course, Mr. Kubo?

MR. KUBO: The students. . .their rate is \$8 a month, and that's all they pay.

VICE-CHAIR HOKAMA: Right. No, no seed fees?

MR. KUBO: No seed fees. No, no.

VICE-CHAIR HOKAMA: Okay. And, and the agreement is they just take up whatever open slots that, that is available in that afternoon hours or do you block off specific times for them?

MR. KUBO: No, we block off tee times for them on the weekend.

VICE-CHAIR HOKAMA: On the weekends.

MR. KUBO: Uh-huh.

VICE-CHAIR HOKAMA: Okay. Now that the schools have adjusted their program whereby--you know, we normally don't have the traditional summers that we grew up with--has that impacted the scheduling of their, their needs for the course use as well as the tournament dates because we're, we're going more or less to a year-round school program?

MR. KUBO: Yeah. I haven't seen any difference in the scheduling. I know all the schools right now are in year-round. . .

VICE-CHAIR HOKAMA: Uh-huh.

MR. KUBO: . . .schedule, and I believe they. . .they end in July and they start back up in school in, in August, I believe. So they don't have the, their three-month vacation. . .

VICE-CHAIR HOKAMA: Uh-huh.

COUNCILMEMBER VICTORINO: Yeah.

MR. KUBO: . . .anymore.

VICE-CHAIR HOKAMA: Have you been able to come up with an assessment of. . .with your new proposal for us? If we are to still accommodate the Junior Golf Program in its current format, what, what would be the impact on your potential revenue generation, so that if we make a policy decision that says we understand you want to be, you know, your goal is to. . .have the program pay for itself, but we make a determination and for our youth we're willing to make adjustments and have some maybe General Fund support to take care of our young people in organized activities, recreation? That, that information might be help..., would be helpful for a

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person like me. So can you give us an estimate of what the . . . your current proposal is with the twilights and the impact it would have of less generation from the Junior Golf Program?

MR. KUBO: Well, the twilight, the only place it would affect the Junior Golf is on the weekend--

VICE-CHAIR HOKAMA: Okay.

MR. KUBO: --because they usually don't, the Junior Golfers don't have any schedules for the weekday.

VICE-CHAIR HOKAMA: Weekdays. Okay. If, if you can. . . and, you know, I understand it would be an estimate, Mr. Kubo. I would ask if you could try and do maybe a quick estimation and, and provide the Committee with that so we can make a consideration about whether or not we want to provide some General Fund support to offset your loss of revenue in your Enterprise Fund, to allow us to have our young people in organized recreational activities--that we support the tennis programs, we support the athletic fields for the soccer, baseball, football programs. I would like us to give consideration for, for the Junior Golf Program also. Is that, is that a possi..., okay, is that something your, you might be able to help us with?

MR. KUBO: Sure.

VICE-CHAIR HOKAMA: Yeah. I, I would appreciate that consideration. Chairman, thank you.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Members, any more questions in regards to the rates and fees? Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Mr. Kubo, I'm not a golfer, so excuse some of the questions. But so at Waiehu Golf Course the golfers have a choice to walk or to ride a cart?

MR. KUBO: Yes.

COUNCILMEMBER MEDEIROS: Okay. And secondly, I know Chair Hokama asked about the timeslots for the Junior Golfers, and you say they do not practice on weekdays?

MR. KUBO: No, they don't--

COUNCILMEMBER MEDEIROS: And--

MR. KUBO: --unless they go out on their own.

COUNCILMEMBER MEDEIROS: I see. That's really unusual because most junior programs, that's when they practice. . . (*chuckle*). . . is after school, and is there a reason why they don't and they just do it on weekends?

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MR. KUBO: Yeah. I've talked to them every year about the possibility of them coming out on a weekday, and they always tell me that the parents can't come out--

COUNCILMEMBER MEDEIROS: Oh, it's a matter of transportation and--

MR. KUBO: --to supervise. Yeah.

COUNCILMEMBER MEDEIROS: --and supervision? I see. Okay. Thank you, Mr. Kubo.

MR. KUBO: You're welcome.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Yeah. Thank you, Chair. Good afternoon, Mr. Kubo and Mr. Helm.

MR. KUBO: Good afternoon.

COUNCILMEMBER MOLINA: Just for, just for my information, you know, the high schools they still have golf teams, yeah, and so we're not only just talking about the intermediate school kids, we're talking about high school. And how about the private schools, do they have golf teams?

MR. KUBO: Around this time of the year, in fact right now they're having their, the MIL is having their individual championships, but we do have all the high schools coming to practice during the weekday after school--Maui High, Baldwin High, Lahainaluna, St. Anthony, King K., and also Hana--

COUNCILMEMBER MOLINA: Okay.

MR. KUBO: --and they do come during the weekday.

COUNCILMEMBER MOLINA: I see. And on average how long do they stay on the courses for practice?

MR. KUBO: Oh, they usually practice at least nine holes.

COUNCILMEMBER MOLINA: Oh, nine holes?

MR. KUBO: Yeah.

COUNCILMEMBER MOLINA: Okay. Thank you.

MR. KUBO: About 2 ½ hours.

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COUNCILMEMBER MOLINA: Two and a half hours. Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Yes. So the high schools utilize the golf course through the week coming in after school and practicing and all that.

MR. KUBO: Right.

COUNCILMEMBER VICTORINO: And now they're in the process, the MIL is right now in the process of their championship for which if you follow the paper, St. Anthony right now, the boy's team is leading the division which is very unusual, but thank you. What I wanted to ask you is this, does this inhibit or, you know, with this twilight and being that. . .especially this time of the year that they use the course a lot, would that detract a little bit as far as playing times for them because this is the time they've come out and we're talking twilight, around 2 o'clock, or what was it, 2:00 or 3:00?

MR. KUBO: Three o'clock.

COUNCILMEMBER VICTORINO: Three o'clock, right. And that's when most of the high schools would show up is around 3:00 or 4:00 and play nine holes or whatever they can play before it gets dark.

MR. KUBO: Right.

COUNCILMEMBER VICTORINO: Would that be a challenge. . .knowing that January, February, March is the busy period, that's golf season, kind of all of that kind of coming to a head? Would the twilight kind of inhibit that a little?

MR. KUBO: Yes, especially during the winter because wintertime after 3:00. . .by the time it gets dark would be 6:00, yeah.

COUNCILMEMBER VICTORINO: Yeah.

MR. KUBO: So you don't have a whole lot of tee time that'll go out after 3:00 because if you start at 4:00, you won't be able to finish nine holes. So--

COUNCILMEMBER VICTORINO: Right. So the twilight zone won't be that applicable to December through maybe March or something like that? It would not, not too--oh, maybe even November through March not too many guys would have a chance to go out and play at that time.

MR. KUBO: Well, usually from January.

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COUNCILMEMBER VICTORINO: From January?

MR. KUBO: Yeah, because December it's. . .well, maybe a little bit in December.

COUNCILMEMBER VICTORINO: Right. Right. 'Cause, you know, the, the question comes out, you know, we've discussed about doing away with the twilight, you know. I mean it's a great suggestion getting more people out. Well, maybe the suggestion that I would put out is having twilight from maybe April through October or something like that where you're not talking high school, you know, you're, you're talking longer days. . .you know, these are the times where more people could play I understand, and then you're avoiding taking slots up in your busiest time of the year, which is January, February, March, high school, you know, playing everyday in the afternoon. I mean to me that would make kind of like a, a good sense, yeah. But I mean that's something that you might want to consider and see what kind of deviation and, like the Chair said, maybe we can put more money towards the Junior Golf and these high school teams 'cause these are our young citizens, too, so that they can get the chance to play and not, you know, being impacted.

And another thing for point of information so that all the Members know, that next year the. . .throughout the State because of the Michigan ruling, the MIL and all of the schools will be changing their schedules, and golf probably won't be impacted, but many of the other sports will be impacted. The schools and the areas that'll be most affected will be our small schools, such as Molokai or, or Lanai and some of them where you have soccer. Well, you guys don't have football, but, you know, the other sports that have to practice all concurrently. 'Cause they're talking of moving soccer into the winter possibly, moving girls basketball into the spring, I mean to the--what you call that?--the fall, yeah. So they're making some major changes right now which will have an impact on our, our utilization of fields.

And one more thing I'd like to ask the Chair to do for me if you can, if we could have our Legislative Assistants or somebody look up--I'm very curious to bring before this body because for years I know this has been, and Mr. Hokama knows what I will be referring to, the Memorandum of Agreement from 1964 which then took all the schools from County control to the State control under the uniform system that we have today. And when that was done, in that Memorandum of Agreement--and I'd like to see the original copy if we can find it somehow in the archives; I don't know where we'd look for it--but in that Memorandum of Agreement all usage of parks adjacent to the schools was given to first and foremost the school, such as Iao, Wailuku El., Baldwin. I was also told, and I'd like to find this out, Mr. Chair, that the War Memorial Complex was County land, which is correct, but built with State money; and I would like to verify that because I've had this challenged through the years, that it's back and forth, who owns what and what, and what obligations. I agree, I do not want to fund State programs, but I'm also understanding that when these changes were made some 40-plus years ago, those agreements, those memorandum of agreements were done for a good reason, the reason was the State was going to take over because many counties at that time were having extreme financial difficulty running the school system, and that's what this, this change was made. So it's important today when we're looking at everything and I hear sometimes my colleagues and

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others talk about usage of the schools and our parks, you know, we gotta remember these parks were adjacent to schools because the schools were really part of the County, and that's what is very important to understand.

So, Mr. Chair, if we could get someone to look up that, that Memorandum of Agreement, not for Budget so much 'cause I don't think that's an issue for Budget, but an issue that continuously comes up because of the usage between our State-run schools and our County-run parks. Yeah. And I think it's important that that be brought out at a future date, maybe at Policy or one of the other committees. Thank you, Mr. Chair.

CHAIR PONTANILLA: Let me clarify. The information that you're requesting is for all of the properties or just the War Memorial Complex?

COUNCILMEMBER VICTORINO: No, it would be for all the properties in the County of Maui because I think the Memorandum of Agreement covered all the schools that existed then, of course. Now the new schools that have come up, obviously it's a different scenario. But I think Council Chair Hokama will, will agree with me, there was an agreement that was made--that I want to make sure that if there are things that we're supposed to abide by, then I want to make sure we abide by. If there's things the State is supposed to abide by, then fine, I'd like to put their feet to the fire and make sure they take care of it. So that's what I'm looking for, Mr. Chair.

CHAIR PONTANILLA: Thank you. And I can relate to that in regards to the Baldwin High School complex as well as War Memorial Complex where the property is owned by the County and we're trying to executive order the portion of Baldwin High School complex. I think Corporation Counsel can relate to that because we had a lot of discussions last year. Mr. Helm.

MR. HELM: Yeah. I'd just like to respond to Councilman Victorino regarding the twilight rates and program. I'd like to see that we try to, you know, have it and whether it's gonna work during the winter months versus the summer months because, of course, summer months are longer days. And but it'll, it'll give the non-avid golfers an opportunity to come out and people that just want to, you know, spend a few dollars and come out and golf, and maybe this will maybe attract them to, to have that opportunity. So, I'd really like to see your support on this. Thank you.

CHAIR PONTANILLA: Um. . .

COUNCILMEMBER VICTORINO: Yeah. And, Mr. Helm--and excuse me, Mr. Chair, to respond to Mr. Helm--I'm not, not saying do it, but knowing what Mr. Kubo has said about busy, high school, all these other entities or other challenges we face, just consider that. You know, I'm not saying not do it, but I would hate to at the expense of our high school players and others that really need to use it not have an opportunity. For a guy like me who is a hacker, going out at the twilight would be a lot of fun 'cause then that would only harm myself, nobody else, but I would not want to take away from somebody, somebody else who needs the timeslot at that point in time.

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MR. HELM: And I agree, I don't want to take any opportunities away from the youths 'cause to me they're the future of, you know, generations. So, you know, as much opportunity that they can get to golf, you know, I'd like to have them continue. And as Ron mentioned, a lot of the junior program is during the weekend and MIL is pretty much during the weekday. So it's gonna be difficult, though, but I think during the summer when there is longer days I think there'll be at least more time to golf.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Chairman. . . --(end of tape 4A - 2:48 p.m.)-- . . .I thank Mr. Kubo and the Department, they gave us an attachment to, to Director Horcajo's memo to you and, and the Members of this Committee. . . .And again, I, I love people like Mr. Victorino because it helps take care some of the weeds. So hacking is not negative. . .

COUNCILMEMBER VICTORINO: . . .(laughter). . .

VICE-CHAIR HOKAMA: . . .in, in a certain point of view.

COUNCILMEMBER VICTORINO: Thank you. I thought I did something wrong. . . .(chuckle). . .

VICE-CHAIR HOKAMA: But what would be helpful, I think, for this Committee. . .if we are to improve our public course so that we can set rates at a, at reasonable levels--and again I previously mentioned golfers equate what they pay with, with a value, you know, whether it's an aesthetic value, difficulty of the course, ease of the course, amenities of a course. What was provided was how to. . .we can, may improve our greens and fairways at Waiehu. And I went through the report, Mr. Kubo. There's one thing missing--what would be your estimated cost to implement the improvements, and that is for something for us to work with you folks so that we can plan whether or not we need fee adjustments to help pay for the improvements. 'Cause golfers, I will tell you, who are willing to pay knowing they're going to get the value back in some manner. You know, I mean for the average guy he would say no way I would, I would pay \$100 to play a round of golf, but let's say you tell 'em if you, are you willing to pay \$100 to play at Pebble Beach or the United States Open (*inaudible*), you're going to have people say yes, just to have that opportunity. Are you willing to pay 250 to play at Masters at Augusta? Oh, yes, that's the premier golf tournament of the country. So, again, value and what you ask them to pay. . .it varies course to course. But we know we want to improve the greens; Mr. Kubo mentioned that. I agree with that, you know, when I go to play. He mentioned the need to rotate and improve the grassing on the fairways. I agree with that. And so if we can plan ahead, inform our golfing community this is the improvements we're planning and we are looking at a fee rate schedule that will help pay for these improvements, I think you will find golfers in general who are very supportive and willing to pay knowing that the increased fees is related to increased value. And so we would need that help on what is the estim. . . , estimates that you

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are. . . would like to see so that we can implement some of these recommendations in this USGA report that you shared with us. And, again, I just state that this would help us also go back to the golfing community and explain some of the improvements and daily operational needs of the course, and they will say it makes sense to me to ask me to pay "x" amount more 'cause this is what I will get back from our County golf course. So that will be my request, gentlemen.

CHAIR PONTANILLA: Thank you.

MR. KUBO: Thank you, Mr. Hokama. I, I just wanted to, to comment on that, is that. . .to redo the greens it, it all depends on, on how extensive you want to go, if you want to redo the whole greens from top to bottom or you just want to regrass it. So it takes a lot more, a lot more money to do the whole thing.

VICE-CHAIR HOKAMA: No, I understand that, Mr. Kubo.

MR. KUBO: Yeah.

VICE-CHAIR HOKAMA: But I think we're at an age of the course that maybe redoing the whole greens one time, since we're going to have to put out of service anyway for a period of time, I would say let's do it the right away, put in the money so that we get the long-term value of the improvement. Let's take care the irrigation and, and the base lay of the greens. Let's make sure we get enough sand over the, over your, your base foundation so that, you know, the grass recovery, the surface, the putting requirements, and for you to also meet certain standards that we would like to have the USGA say Waiehu Golf Course is one of the better County municipal courses that you can play with and what you pay you get good value for. Because we get rated, you know, I mean we're like everybody, we get rated from, by other golf. . . , golfers, and I would like us to be able to make the appropriate improvements 'cause over the long term it's a revenue generation that I'm looking at. The Junior Golfers will eventually become adults paying adults rate at Waiehu and, you know, we've got competition. In the '60s we had, what Maui Country Club, Kaanapali. Maybe that was it, right, early '60s?

MR. KUBO: Sixties, yeah, just Kaanapali.

VICE-CHAIR HOKAMA: Yeah. You know, now we have the Makenas, the Kapaluas, the Waikapus, you know, I mean we've got a lot of competition. And so, again, golfers look for value of what they're paying. So, I would just ask--and, again, whether we do this by six holes, we close all nine at one time, you know, that, that's part of the calculation of length that we're going to keep certain things out of service, but in the long run I think the program is a benefactor of us doing the appropriate reinvestment of our public facility.

MR. KUBO: I think we, we still have to keep things in perspective because we can't really compete with the resort courses because in order to do that we're going to have to spend a lot of money.

VICE-CHAIR HOKAMA: Understood--

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MR. KUBO: Yeah.

VICE-CHAIR HOKAMA: --that's, that's understood, Mr. Kubo.

MR. KUBO: We have to keep, keep the rates affordable.

VICE-CHAIR HOKAMA: Yeah. Yeah.

MR. KUBO: The one comment I wanted, I wanted to make about the, the Junior Golf is that it's a popular program so. . .and it's really growing, and right now they have 190 golfers. So if they continue to grow, we're going to have problems trying to handle all of 'em.

VICE-CHAIR HOKAMA: Uh-huh. So do--and, and, Mr. Chairman, and I'm sorry for little, some extension of time--but part of the USGA/PGA program and because the fame that the Tiger Woods bring, the Michelle Wies of Hawaii, and now we have Todd Fujikawa. . .so, you know, young people going like, we get our own young people role models, right. So we have the first tee program. Is there ways that the County of Maui can access maybe some of those golf funds to assist us with the first tee, 'cause first tee is just like Junior Golf in a sense.

MR. KUBO: Right. The first tee program. . .provides like a, a course, like a nine-hole course for, for the juniors. As far as the, the golf course contributing to that, though we can contribute, you know, so much for, for the program. But I think what needs to be looked at is if there is a possibility of building a nine-hole course for, for the Junior Golfers.

VICE-CHAIR HOKAMA: Uh-huh. Uh-huh. Well, in, in the old, old days--

COUNCILMEMBER VICTORINO: Old days. . .*(chuckle)*. . .

VICE-CHAIR HOKAMA: --gosh, I sound like my father now, in the old days. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

VICE-CHAIR HOKAMA: . . .you know, there were discussions. I mean for those that you can remember Eddie Tam driving around the course in his pink Cadillac with his hat. . .you know, he, he. . .he had some very long-term visions of what the County, he would like to see the County have provided. So again, Mr. Kubo, we would ask for your suggestions and recommendations of how to, how the different approaches we may want to consider so that we can make the best decisions.

MR. HELM: Councilman Hokama, we can provide that information for you.

VICE-CHAIR HOKAMA: And we would appreciate. Thank you so much.

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MR. HELM: Sure.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Mr. Kubo, maybe you can provide us with some insights in regards to the proposed rates and fees for Waiehu Golf Course daily twilight rates that was sent to us by your Director.

MR. KUBO: Yes, Mr. Chair. The proposed rates and fees that was presented earlier at the last hearing. . .we had the daily rates for weekday and weekend, and what I wanted to do was to, to streamline that because there was too many rates, different rates in there. So instead of having a weekday and weekend, we just combined it and just have a daily rate for weekday or weekend, and those are \$10 for a County resident with card, and the twilight rate will be \$5. For Maui County resident senior with card, \$5, weekday or weekend, and \$3 the. . .the twilight fee. Hawaii State resident other than the Maui County resident with Hawaii drivers license, \$30 daily rate and \$15 for twilight rate. The non-Hawaii State residents, \$55 daily rate and \$30 for twilight rate. The monthly rate for the students would stay the same at \$8 per month, and there's a loss replacement card fee for \$5, and the tournament fee is always the, the same as the daily rate.

CHAIR PONTANILLA: Thank you. So according to this sheet the non-Hawaii State residents or resident, you're going to go from \$30 to. . .or twilight rate of \$30 and the daily rate of \$55?

MR. KUBO: Right.

CHAIR PONTANILLA: With the added cost of the cart, the daily rate for that non-Hawaii resident would be approximately how much?

MR. KUBO: Sixty-three dollars.

CHAIR PONTANILLA: Sixty-three dollars.

MR. KUBO: Sixty-three.

CHAIR PONTANILLA: Thank you.

MR. KUBO: Yeah.

CHAIR PONTANILLA: Members, any more questions for the Parks? Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. Just dovetailing off of your inquiry with regards to the, the rate, proposed rate increases. Is, is there a way to shift the increase for the residents, with the resident card during the week? I know there's a \$2 increase, yeah, and I know you have a \$12, excuse me, \$4 increase on the weekends. Yeah. How's your, your. . .the amount of--I, I would guess the retirees are the ones that come out predominantly during the week, during the weekdays.

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MR. KUBO: Retirees and your residents and the tourist. Actually, the tourists come out mostly during the weekdays because, because they know that the weekends we have club play.

COUNCILMEMBER MOLINA: Uh-huh.

MR. KUBO: So most of them come out during the weekday.

COUNCILMEMBER MOLINA: Okay. Just keeping it exclusive to the retirees, usually I get the calls from retirees, I guess, you know for them on. . .those who are on fixed incomes. . .you know, you raise it a dollar, they, they express a concern, yeah. Is there a way to shift the, the increase more towards, you know, I guess the non-residents and maybe. . .or, or maybe keep the increase on the residents very minimal to maybe \$1 instead of \$2 if we're looking at just the weekday rate?

MR. KUBO: Uh. . .

COUNCILMEMBER MOLINA: I, I know when we, when the Director was here I guess a week or so ago, I guess they were going to consider or at least she had seemed to have indicated to us that they were gonna take that into consideration. Has any consideration been made since the time we spoke with the Director?

MR. KUBO: We looked at the--you mean the senior resident rate?

COUNCILMEMBER MOLINA: Yeah.

MR. KUBO: Which currently it's at \$3 for weekday and \$5 for the weekend.

COUNCILMEMBER MOLINA: Yeah.

MR. KUBO: So all we're doing is saying that \$5 be weekday and weekend.

COUNCILMEMBER MOLINA: Yeah. But also for the residents with the resident card, you know, it's currently at \$8, yeah, for the weekend.

MR. KUBO: Uh-huh.

COUNCILMEMBER MOLINA: The proposal is to move it up to 10.

MR. KUBO: Ten.

COUNCILMEMBER MOLINA: So some of us expressed a concern or more of a preference to keep, you know, maybe have a lower rate increase and shift that, you know, the additional increase on towards the non-resident. So I'm just curious if anything else was formulated?

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MR. KUBO: Well, I don't know. My, my feeling is that the non-residents are already. . .I mean--

COUNCILMEMBER MOLINA: Subsidizing enough--

MR. KUBO: Yeah.

COUNCILMEMBER MOLINA: --or paying enough?

MR. KUBO: Because they, they right now, like last year, they. . .the non-residents play was 17 percent of the total rounds, but their, their revenue covered 51 percent of the revenue.

COUNCILMEMBER MOLINA: Okay. Just for me, that's my personal preference. I, I know the. . .you have less of the non-residents playing, but yet they actually seem to be, seems to be contributing more, yeah. But for me I just have a preference to give our residents a little bit more of a break. So. . .but thank you for your input and I was just, you know, wondering what had transpired since we had talked with the Director 'cause it seemed that she had indicated that we will take your suggestions under consideration. So at this point we have, nothing was formulated since then.

MR. KUBO: Uh-huh.

COUNCILMEMBER MOLINA: So thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Just one more questions for, question for the Department regarding the golf course. If we went ahead with the increases, you feel confident that we're going to hit those numbers as projected?

MR. KUBO: . . .You mean as far as the revenue?

CHAIR PONTANILLA: Yes.

MR. KUBO: . . .I'm sure that we can reach, you know, the revenue in that area, but it's like anything else with the tourist, it's, it's always seasonal. So it's just a. . .a feeling that, you know, the, the tourism right now is up, so it should be at least at the same level at this, as this year.

CHAIR PONTANILLA: Okay. Thank you. Members, any more questions for the Department? If not, I would like to thank the Deputy Director, Mr. Helm, as well as the Superintendent, Mr. Kubo, for being here this afternoon. Thank you.

MR. KUBO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you.

MR. HELM: Thank you.

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CHAIR PONTANILLA: . . .The next Department gonna be . . .that we had asked to come over here is the Public Works and Environmental Management Department. But seeing none over here and looking at the time, the Chair would entertain a recess to 3:15. This meeting is in recess. . . .(gavel). . .

RECESS: 3:05 p.m.
RECONVENE: 3:21 p.m.

CHAIR PONTANILLA: . . .(gavel). . . Okay. Members, the Budget and Finance Committee meeting is now reconvened. This afternoon we do have Deputy Director Michael Miyamoto from the Public Works and Environmental Management Department.

. . .Members, question--oh, Mr. Miyamoto, you have any opening comments that you want to share?

MR. MIYAMOTO: No, Mr. Chair. I have no opening statement.

CHAIR PONTANILLA: Okay, fine. Thank you. Members, any questions for the Public Works Deputy Director? Member Medeiros?

COUNCILMEMBER MEDEIROS: No, Chair, is there any reference page we're looking at?

COUNCILMEMBER VICTORINO: Right here. Page 5--

CHAIR PONTANILLA: Page 5 of 9.

COUNCILMEMBER MEDEIROS: Five of nine. Okay.

VICE-CHAIR HOKAMA: Chairman, I believe we had a question on the--

COUNCILMEMBER JOHNSON: Permits.

VICE-CHAIR HOKAMA: --road, bridge, and drainage maintenance area. I was wondering if maybe the Staff could assist us. I think it was one of the Members that is to return shortly.

COUNCILMEMBER VICTORINO: I think we also had a question on the air ambulance.

VICE-CHAIR HOKAMA: No, not for Public Works.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Mr. Taguchi?

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COUNCILMEMBER VICTORINO: Oh, Public Works. . . .*(inaudible)*. . .

MR. TAGUCHI: I, I believe we requested the Public Works Department, specifically the Development Service Administration, for a discussion regarding building permit fees--

COUNCILMEMBER VICTORINO: Yeah, that's right. . . .*(inaudible)*. . .

MR. TAGUCHI: --on homes greater than half a million or something.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: Page 4 of Rates and Fees.

CHAIR PONTANILLA: Thank you. Page 4, Rates and Fees. Member Molina?

COUNCILMEMBER MOLINA: Oh, no. I'm, I'm sorry, Chairman, if. . . I didn't have a question on that, but I figured since we had the Deputy Director here, I wanted to ask him on something else related in the Budget. But I'll go ahead and yield until the *(inaudible due to interruption)*--

CHAIR PONTANILLA: Okay, fine. Thank you. Members, any questions on the rates and fees? Member Johnson?

COUNCILMEMBER JOHNSON: No, mine wasn't on rates and fees. But I did note two other places that covered the subject matter under Public Works and that was, there was a question on--this is on their first Exhibit "1", page 26 of 36 on the County Building renovation, and I believe that Mr. Victorino had posed that question and then we also had Baldwin Avenue Bike Path. So those were the two notes that I had made on my. . . and, and then there was some district road resurfacing.

CHAIR PONTANILLA: Okay, fine. Member Anderson, I think you had questions on the rates and fees for buildings over half a million dollars to \$1 million, and \$1 million and above. . . .And I think part of the discussion was that the ability for us to increase the rates--

COUNCILMEMBER ANDERSON: Right.

CHAIR PONTANILLA: --the fees for the building permits--

COUNCILMEMBER ANDERSON: Right.

CHAIR PONTANILLA: --and what the fees really cover in regards to the Department.

VICE-CHAIR HOKAMA: Chairman, maybe we can help the, the Deputy Director by having him look at page 4--

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COUNCILMEMBER VICTORINO: Yeah.

VICE-CHAIR HOKAMA: --of Appendix B of the Budget Ordinance.

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: Thank you.

Note: Pause.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Yes, Mr. Chair. I have the page in front of me.

CHAIR PONTANILLA: Yes. The question is how do we . . .raise the permit fees for buildings \$500,000 to a million as well as a million and above, and the question is what is the process now and . . .the, the existing fees, what does it cover? Mr. Miyamoto?

MR. MIYAMOTO: Thank you, Mr. Chair. Unfortunately, my Development Services Administrator is on Molokai this, today doing the Planning Commission on Molokai. So I spoke, I did get a chance to speak to him, and at this time the detailed itemization of those costs are not available. It's something that we're going to work on in the next year to try and fully itemize to, to try and justify whether or not we should be increasing or if the funds are actually covering or not covering what our expenses are at this time. But at this point we don't, we don't have that information readily available. We haven't collected that data.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: So what. . .it's my understanding that we are restricted by not any kind of law, but by. . .I guess standard procedures that the fees need to reflect the cost of the service, and so when was the last time--there must have been some determination as to the cost in order to arrive at the fee that we're currently charging. So do you know when that was last, when these permit fees were last adjusted?

MR. MIYAMOTO: Mr. Chair. I asked the, the Administrator that question. He could not recall. He said it was probably done before his time, so he could not identify exactly when it was done, but it's something--that's why we want to work on getting it updated at this point.

COUNCILMEMBER ANDERSON: You're talking about Ralph Nagamine?

MR. MIYAMOTO: Yes.

COUNCILMEMBER ANDERSON: It was done before his time?

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COUNCIL MEMBERS: . . .(chuckle). . .

COUNCILMEMBER ANDERSON: . . .(chuckle). . . No offense, but he's been around a *long* time.

ALL: . . .(chuckle). . .

COUNCILMEMBER ANDERSON: Then these are just archaic. . .(chuckle). . . Sorry, Ralph.

VICE-CHAIR HOKAMA: Well, Mr. Shinmoto was in charge--

COUNCILMEMBER ANDERSON: I mean--

VICE-CHAIR HOKAMA: --of the program before Mr. Nagamine.

COUNCILMEMBER ANDERSON: --but I mean, you know, everything has gone up in cost and. . .for us to be charging such manini fees, I mean--well, let's put it this way. Is it fair to assume that. . .for a house that cost \$500,000--and that's construction cost in today's market; that means we're looking at a fairly large, you know, involved construction--would it be a fair assumption to say that \$2,000 doesn't cover the cost that your Department incurs in processing the permit, reviewing the plans, doing the inspection, and all of that? I mean how many man hours is that, \$2,000?

MR. MIYAMOTO: Yeah. Given the, I guess given the escalated rates that we currently are under, for example, like the condo that I currently occupy, it's just a condo and its, its value has increased from the mid-100s to somewhere in the low 400s. So actually a 400, a \$500,000 home today is not that much larger than probably a 2 to \$300,000 home that were previously constructed, you know, when these, probably when these rates were, were determined. So--

COUNCILMEMBER ANDERSON: Well, you know, we're talk..., we're not talking about market value, we're talking about construction cost, right?

MR. MIYAMOTO: Yeah. And so, you know, I think the, the rates are given what we currently do for the price and everything. I think it's going to be. . .it's fairly accurate until we can gather more data at this point. We're, we're just not sure and, you know, it would be only, would be a guess to see whether or not the fees actually are representative of the work involved.

COUNCILMEMBER ANDERSON: How much do you, how much. . .who, who does the plan reviews? Are there, are they engineers that do the plan reviews?

MR. MIYAMOTO: Through the various people that are, that respond to--the Development Services is the central coordinating agency that sends it out to the various departments for review. So the various departments have engineers and we have the plans review people in our Development Services that handle the coordination of that effort.

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COUNCILMEMBER ANDERSON: So how many people just on an average? You got the Planning Department, the Public Works plan reviews people, you got Water, you got Parks, you got Fire, you got Police. Who else reviews the plans?

MR. MIYAMOTO: We do send it to the State agencies also?

COUNCILMEMBER ANDERSON: State agencies. I don't know if we can charge for their cost.

COUNCILMEMBER ____: We should.

COUNCILMEMBER ANDERSON: They don't charge, they don't charge us, do they? . . .*(chuckle)*. . . I think we should check. . .*(chuckle)*. . . They don't charge us for any reviews?

MR. MIYAMOTO: No, not at this point.

COUNCILMEMBER ANDERSON: So . . .um . . .and how much time would one person spend on a review on average for a house costing 500,000 to construct or up? An hour per person? And then, of course, if the plan gets red-lined and sent back, then they gotta review it a second time.

MR. MIYAMOTO: Yes. I guess I really can't speak for a lot of the other divisions 'cause my primary experience has been in wastewater, and I've watched what our wastewater engineers do when they review plans, and they go through a process where literally they take the, the actual construction plans and they color-code the lines so that they make sure that lines don't cross and then they go through the process of reviewing the computations of how much wastewater is generated and, and that can take anywhere from a simple one, maybe like you're saying maybe a couple of hours to maybe a more complex one where they have to send it back to the, to the designers to have corrections made and things like that. That's why as part of our performance reviews you see the amount of, the response times that some of these take. So sometimes like for the third quarter that was just done I think, for example, like our wastewater, the, the report represents them taking a long time, like about let's say over a hundred days to get the plans reviewed from start to finish. But I think what's not shown in that, that timeline is the fact that a lot of times the plans have to go back to the designers, they have to do some redesign and then they redo some recomputations and then they submit it, and a lot of that is what takes up the time of the--

COUNCILMEMBER ANDERSON: Right.

MR. MIYAMOTO: --118 days.

COUNCILMEMBER ANDERSON: But the actual, you know, time that the employee is spending on this particular permit application. . .it's gotta be a minimum of two hours.

MR. MIYAMOTO: I would imagine initially if everything's perfect, I would imagine two hours. If there's corrections that need to be made, then we're talking a little bit longer.

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COUNCILMEMBER ANDERSON: Alright. And, and would it be safe to say that all of these folks, you know, depending on how long they're, they've been here and, and. . .you know, whether they're an engineer or, or not--but I would think it's probably safe to say that they're making at least \$30 an hour, right?

MR. MIYAMOTO: . . .That would, that would put them in about the Civil Engineer IV level, and I think, for example, in wastewater we actually have Civil Engineer IIIs reviewing plans. . .

COUNCILMEMBER ANDERSON: And they make?

MR. MIYAMOTO: Depending on, like you said, the years of service, but I know they make less than the Civil Engineer IVs which make somewhere in that 60 to \$66,000 range at the top end of the scale.

COUNCILMEMBER ANDERSON: So what's that hourly?

MR. MIYAMOTO: Like you said, it's about 20, \$30 an hour and then you. . .on an average it's about 2,080 hours a year of working time. So literally just doubling the hourly rate, it gives you a rough idea of what the annual salary is.

COUNCILMEMBER ANDERSON: So you're saying I should use \$60 an hour?

MR. MIYAMOTO: No. . .it. . .at \$30 an hour, it amounts to roughly around 60,000 a year. . .since you figure the annual number of hours worked in a year is about 2,080.

COUNCILMEMBER ANDERSON: Well, that doesn't help.

CHAIR PONTANILLA: About \$29.

COUNCILMEMBER ANDERSON: Huh?

CHAIR PONTANILLA: About \$29 an hour.

COUNCILMEMBER ANDERSON: An hour? Well, let's round it out to 30, and that still doesn't take us above this figure. . .Well, I guess there's nothing we can do. When are you guys going to study this?

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Mr. Chair. In speaking with the. . .Administrator, he wants to start working on that this year so that we can be prepared for next year's Budget.

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COUNCILMEMBER ANDERSON: We would like that. You know what prompted this, Mr. Miyamoto, is we had someone testifying here the other night and he was saying he, he is a contractor here now and previously was in California, and I'm not sure. . . I think he said it was Ventura County, but I can't remember, but what I do remember is he said for. . . --(end of tape 4B - 3:35 p.m.)-- . . .that, you know, are in this kind of price range, they're charging \$50,000 for a permit. And if they have to, you know. . .I'm assuming that they have to follow what we have to follow as far as the, the permit fee has to meet or at least address the cost of, of issuing the permit, I'd say we are way, way off. You anticipate large increases here because, you know, we're increasing *everything* to our resident population--their water, their sewer, their trash, their property tax--and we need to find other ways to create revenue. . .

MR. MIYAMOTO: Uh-huh.

COUNCILMEMBER ANDERSON: . . .and personally, for me, the people who are making profits here, our residents aren't here to make profits. They don't own their home as a profit base or as an investment. They're here as part of our community. And so those people who are investing in our community to make a profit eventually. . .I think they need to, you know, pay a heavier price. . .

MR. MIYAMOTO: Uh-huh. Uh-huh.

COUNCILMEMBER ANDERSON: . . .because they're taking up all of our resources, they're taking up your time, and they're not necessarily contributing members of our community. They're basically high-end visitors. So, I'd like to see us, you know, charged appropriately and make them help pay the cost of doing business for the County. So can you give me any idea of what you would anticipate this \$2,000 fee climbing to? I mean basically it's \$3 for every \$1,000 of valuation.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: At this time it would just be a guess on my part to be honest, but I. . .actually I was present when that gentle..., well, of monitoring the, the hearings when that gentleman did speak. . .

COUNCILMEMBER ANDERSON: Oh.

MR. MIYAMOTO: . . .and I was sort of interested in hearing what he said because having been in the, the private sector in my previous employment in, on the East Coast, I know we as a. . .working with developers the, the fees were always important. But the one thing that I noticed from working from various counties. . .the. . .what was included in those fees are also important to know because like, for example, in one of the counties in Maryland, the fees included a lot of like the assessment fees, like sewer assessment, water assessment, park assessment, and those types of fees. So it seemed enormous in this one county and I remember a supervisor saying, you know, don't do any work there 'cause the fees are high. But when I explained to them that

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you have to look at it in totality and look at apples and apples and, and say what's the other county charging for all of these other types of assessments and to make sure that, you know, you're comparing apples and apples and not just saying this county has a high fee, building fee, whereas this other county that does separately charge a sewer assessment, they charge a fire protection assessment, they charge police protection assessment. They're all separate little fees that they charge, but when you add them all up, they were pretty much relatively on par with the other county. So, I think that's the information that, you know, we're going to be looking for when do our, our study and we start looking at other counties and see what comparable type services and charges that they're, they're providing.

COUNCILMEMBER ANDERSON: So, Mr. Miyamoto, the gentleman that gave us the \$50,000 permit fee told us that, that on top of that fee was the impact assessment fees.

MR. MIYAMOTO: Uh-huh.

COUNCILMEMBER ANDERSON: So this \$50,000 did not include any of those impact fees? So you don't want to give us a guesstimate of what you think we'd be, we'd be looking at?

MR. MIYAMOTO: To be honest with you, it would be unfair to try and give some kind of a guess at this time.

COUNCILMEMBER ANDERSON: Okay. Well, I hope that you can come back to us next year with some more realistic permit fees. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Anderson. Just for your information, we had some discussions a couple weeks ago in regards to rates and fees. Because as we note, you know, some of the rates and fees that are in this Appendix here need to be updated--

COUNCILMEMBER ANDERSON: Yeah.

CHAIR PONTANILLA: --and it's only fair that we give the departments that do have fees that they charge to review the rates and fees that are in our Appendix so that we come out with new numbers, hopefully we come out with new numbers before the next Budget session. Member Johnson?

COUNCILMEMBER JOHNSON: Yes. I just wondered, Mike, do you have money budgeted to do--is it going to be an outside rate study or is it going to be an in-house rate study? 'Cause I know like when we did the water rate study we had a special allocation for that particular thing. So how are you planning on doing this?

MR. MIYAMOTO: Mr. Chair.

CHAIR PONTANILLA: Mr. Miyamoto?

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MR. MIYAMOTO: In my discussions with the, the Administrator, he said that they would, they could do it possibly inside. They have a, a KIVA Specialist that was previously approved and they have a person in that. We can go ahead and start doing a lot of the data gathering and then the outside, for example, like other counties, other municipalities throughout the country, she could probably do that either via the internet, but they do have the staff that could possible start working on this.

COUNCILMEMBER JOHNSON: Okay. And is there a computer model that you would need to access or purchase in order to just--you know, 'cause this is going through every department, so I don't know if there's a universal computer model where you can actually input the data and then it helps structure the fees. Is there such an animal or would you have to do that in your research?

MR. MIYAMOTO: Mr. Chair.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: We had not envisioned using pretty much a computer model. We're probably gonna. . .what we're, the anticipation was to use average salaries, you know, knowing the, the level of employees in a particular department that would, that perform plan reviews and permit reviews and we would just take an average salary, as it would be difficult to try and. . .

COUNCILMEMBER JOHNSON: Uh-huh.

MR. MIYAMOTO: . . .guess which person's gonna handle a particular project in a particular area. And as some of our own staff, you know, in, for example, wastewater they have two people that review the whole County, and primarily they try to use the lower level position to do a lot of the reviews, but when the workload gets heavy, it then goes to the higher person. So we would probably take an average of their salaries and try and get an average amount of time and just use it based on that. That's something we can physically obtain and--

COUNCILMEMBER JOHNSON: Okay. So you're looking at actuals as opposed to, you know, having an artificial, you know, rate structure such as what Member Anderson is referring to?

MR. MIYAMOTO: Yeah. It, it would just be very matter of fact what data we could gather.

COUNCILMEMBER JOHNSON: Okay. I would really appreciate it if you could include some other, I guess, jurisdictions and see how they've structured their rates and fees. I think it would be helpful. And then also include within that the overtime or, you know, if somebody's on time and a half and the benefits because I think all of those costs, you know, somebody's gotta pay them. So it's not just the pure cost of the, the actual salary; it's all of the add-ons.

CHAIR PONTANILLA: The overhead cost.

COUNCILMEMBER JOHNSON: Yes. Thank you.

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CHAIR PONTANILLA: Okay, thank you. Member Hokama?

VICE-CHAIR HOKAMA: Thank you, Chairman. I . . .let me recall what I was going to ask the Deputy Director. Oh, thank you. You are just, you're looking at the whole permitting program, Mr. Director, or just this building permit section? What, what was the Administrator's intent, please?

MR. MIYAMOTO: I brought it up only as this permit. I only specifically focused on this question, so I can discuss it with him and see if plans to use, like you're saying looking at justifying the fees for the other.

VICE-CHAIR HOKAMA: Okay. 'Cause building permit is based on value, the total value of the, the project, the construction, the materials. . .concrete, whatever.

MR. MIYAMOTO: Uh-huh. Uh-huh.

VICE-CHAIR HOKAMA: The plan review fee is the portion where the, the applicant pays for the actual departments to process, review, and approve the building plan. Okay. So, I, I think maybe for us we might need to look at adding the building permit plus the plan review is, is what actually the County receives for an approved building permit, 'cause it's a multiple component of the process. So, I would ask that you, you do a complete review and make adjustments accordingly because the initial plan review fee is based on a percentage of value of the building permit amount that we designate. But everything else is based on an hourly rate, it's not based on value, which is the first number that it's set by. So, you know, I'm just wondering whether or not we, we're consistent or we need to make an adjustment on. . .we stay with values and not the hourly rates.

MR. MIYAMOTO: We can discuss that with, with the Administrator and see what his thoughts are and how those, this rate structure is.

VICE-CHAIR HOKAMA: Okay. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. The existing fee is 25 percent of the. . .

VICE-CHAIR HOKAMA: Of the building permit.

CHAIR PONTANILLA: . . .plan review is 25 percent of the building permit. Member Molina, you had a question?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chair. If everyone else is done with regarding the fees for building permits, I have a, a different subject to ask my question on.

CHAIR PONTANILLA: Okay. Member Medeiros, followed by Member Anderson.

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COUNCILMEMBER MEDEIROS: Mahalo, Chair. Deputy Director, you know, as you do that reassessment of the permit fees for buildings, would it be possible to think about different rate structure for residents as opposed to non-residents? And the reason I'm asking for that potential of review is that we, we are constantly placing the burden on our residents and if they're building a family home, I hate to see their construction cost or cost of the home escalated. We seem to put the burden of our tax requirements on the middle-class working families. So if we can put some of that burden on non-residents that are building the high-end homes as a different structure, if that's a possibility, please consider that in your review. I know there comes a question of discrimination, but, you know, we have kamaaina discounts, we have resident, non-resident golf fees. So, I think we should consider that. Thank you, Chair.

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

COUNCILMEMBER ANDERSON: That's creative thinking. Would you know off the top of your head, Mr. Miyamoto, and I'm not going to hold you to an exact figure, but what percent of the building permits are issued on plan review waivers?

MR. MIYAMOTO: . . .Mr. Chair.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: I don't have the number off my, the top of my head. I would have to check with Staff, especially with our. . .I guess our KIVA Specialist could come up with that data.

COUNCILMEMBER ANDERSON: And do you know. . .um. . .you know, a plan review waiver is . . .*(sigh)*. . .something I think we should do away with entirely 'cause it's caused us a lot of problems.

CHAIR PONTANILLA: Excuse me, Member Anderson.

COUNCILMEMBER ANDERSON: What?

CHAIR PONTANILLA: I think Mr. Arakawa is in the process of providing us with an ordinance to do away with plan review waiver.

COUNCILMEMBER ANDERSON: Hallelujah. I know we got, we prohibited it on shoreline properties. . . .So, you know, in your study I think it would be worth noting what percentage of people use plan review waivers because. . .and usually what happens is they, they will not only do a plan review waiver, but then they'll do an owner-builder waiver which pretty much. . .*(cleared throat)*. . .excuse me, takes them out of the system entirely--no inspections, no nothing till it gets down to the wire, and then they have to have a certificate of occupancy. And, of course, by then many of the things that should've been inspected are already built over. But it

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seems to me that that's another way for them to avoid paying fees, and so if we could look at that because we may or may not have the votes to do away with the plan review waiver. Thank you.

CHAIR PONTANILLA: Thank you, Member Anderson. Members, any more questions in regards to the permits? Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Mike, what would happen if we just totally eliminated the after-the-fact permit fee? . . .I know now it's doubled basically when they have their building, and most of the people are using this as a way to just circumvent. . .I guess the time-consuming process of going through and getting these fees. So if we just completely eliminated that, what, how would you handle when somebody comes in with a nonconforming-type building?

MR. MIYAMOTO: Yeah. It . . .if it was something that wasn't permitted, I guess we go into enforcement action and then there's a fee schedule, if I'm not mistaken, on what, what the, the . . .penalties are.

COUNCILMEMBER JOHNSON: Yeah. But what I'm asking you is right now we have big companies, professional firms doing construction projects and just doing it and having the applicant come in for an after-the-fact building or after-the-fact permit fee. Everything's all inspected and I guess the stamp is affixed from somebody who has to certify that, you know, this electrician--all these guys are in on it because they know that it's taking far less time just to do it and then come in and pay double the fee. So, I think that's wrong and if we eliminate it, what will happen to those people that have now come in and done construction projects and just ignored all the rules, and then expect us to just rubberstamp everything after?

MR. MIYAMOTO: . . .Yeah.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Yeah. As I mentioned before we would, I guess we would have to go into enforcement, it's a violation, we would have to fine them--

COUNCILMEMBER JOHNSON: Make 'em tear it down.

MR. MIYAMOTO: Yeah. You know, they would have a chance to mitigate that by coming in for the plan. I guess it would be . . .there's a daily fine also that they're not in compliance. It's . . .I think. . .

MS. FUJITA VILLAROSA: It's \$1,000. . .*(inaudible)*. . .

MR. MIYAMOTO: . . .yeah, we're looking at administrative penalties of about \$1,000 a day. So, I guess that would be . . .there's an initial fine and then \$1,000 a day until they come into compliance and get their permit.

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COUNCILMEMBER JOHNSON: Okay. That, that's one of my considerations, Mr. Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Member Hokama, you had a question?

VICE-CHAIR HOKAMA: No. I would just say lien the property and turn in the, the licensed engineer or whatever to the licensing board for revocation.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: If we could maybe. . .if Mr. Miyamoto could maybe, since we're down to the wire here, we don't have time to write letters, if, if you could ask Mr. Nagamine to send us a note telling us-- 'cause I don't see anything under building and construction permit fees that addresses after-the-fact permits or anything of that nature. I don't even see anything in here that designates a fee for the plan review waiver, which I think is minimal. I can't remember what it is off the top of my head, but I know it was manini.

CHAIR PONTANILLA: Okay, thank you. We'll move on. Member Hokama?

VICE-CHAIR HOKAMA: Oh, Chairman, I'm, I was going to move to another subject, but I believe Mr. Molina--

CHAIR PONTANILLA: Mr. Molina?

VICE-CHAIR HOKAMA: --was in front of me.

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Chairman. Mr. Director, since we have you here, this matter deals with the proposed Baldwin Avenue Bike Path and I just wanted some clarification on the \$500,000 request. Is this for both plan and design as well as land acquisition?

MR. MIYAMOTO: The, the funds were for plan and design, and it's not for all of the land acquisition, but it was just to start the process of working towards.

COUNCILMEMBER MOLINA: What would you estimate the, the plan and design portion would cost, 75,000, 100,000?

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MR. MIYAMOTO: A little over 100,000.

COUNCILMEMBER MOLINA: Okay. The reason I ask is because we just recently talked to the, to Director, Director Arakawa, and I guess he's unable to be here, and he seemed to indicate that the land acquisition may be difficult to achieve before the end of the upcoming fiscal year. So would it be, would you agree to that and would you recommend we. . .I guess maybe reduce the appropriation to 100,000 because I know there's going to be some negotiation involved?

MR. MIYAMOTO: Yeah. It, it could take us awhile to identify exactly the amount to get the surveys out there and, and clearly identify what needs to be acquired. So. . .yes, I, I think it could be *(inaudible due to interruption)*--

COUNCILMEMBER MOLINA: So at the very, at the very least a minimum of 100, say 100,000. . .

MR. MIYAMOTO: Yes.

COUNCILMEMBER MOLINA: 'Cause the land acquisition, it would seem that it's going to be diff. . . , maybe difficult to achieve before the end of the fiscal year.

MR. MIYAMOTO: It could be, yeah.

COUNCILMEMBER MOLINA: Could be? Okay, thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. Thank you, Member Molina, for bringing this up. There was \$500,000 appropriated previously for the design. . . .Can someone give Mr. Miyamoto a copy of 24-6, which is the Six Year Capital Improvement Program for the Baldwin Avenue Bike Path so he can follow along? Members, I'm on 24-6. . . .He has it?

MR. MIYAMOTO: Yeah, I have it. Yeah.

COUNCILMEMBER ANDERSON: You have it? Okay, great. So can you see what we're looking at here?

MR. MIYAMOTO: Yes.

COUNCILMEMBER ANDERSON: It's very confusing because if you look at the prior appropriation of 500,000, you can see that's definitely in line with design. Then if you look at this year's appropriation of 500,000, it seems to be between land acquisition and design. . . .so. . .and it doesn't really tell us in the description what that money is for 'cause it says construct, but it's definitely not under construction. And then we have another 500,000 in '09 for acquisition and then the construction doesn't begin until 2010, and the thing that's confusing to me. . .do you

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know has--I mean, well, let's just go back. Can you answer what the 500,000 for this year's appropriation is really meant to do?

MR. MIYAMOTO: For this year?

COUNCILMEMBER ANDERSON: Yes.

MR. MIYAMOTO: The . . .in speaking with staff this morning, they indicated that roughly around one, a little over 100,000 would be the design and then the other amounts of money would be used to start the land acquisition process.

COUNCILMEMBER ANDERSON: And so the 500,000 that was appropriated previously has lapsed or was that encumbered? Do you know anything about that money?

MR. MIYAMOTO: No, I'd have to check with staff on that one.

COUNCILMEMBER ANDERSON: Because it's my understanding from the folks from Outdoor Circle who are proponents of this path mostly because they don't want the trees on Baldwin Avenue disturbed, which I support. . .and they said the plan has already been done. You know anything about that, anybody?

CHAIR PONTANILLA: I, I think the, their plan has been done, but I don't think Public Works' plan is completed. I don't know. Mr. Miyamoto?

MR. MIYAMOTO: Again, I'd have to check with staff. I can check with staff.

CHAIR PONTANILLA: Maybe Member Baisa can help.

COUNCILMEMBER BAISA: Chair, I've been researching this and what I had found out is that although there is a plan, that various groups do not agree with the plan, and so the additional 100,000 is to modify the plan to take into consideration the input from various groups. So the plan we have needs modification.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: And does anybody know if they spent this \$500,000 already?

CHAIR PONTANILLA: No, they haven't.

COUNCILMEMBER ANDERSON: They have not?

CHAIR PONTANILLA: I think it's new money.

COUNCILMEMBER ANDERSON: You mean the money from last year was not spent or encumbered?

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CHAIR PONTANILLA: I don't know if the money was encumbered, but there were previous dollars attached to this bikeway, but they haven't been spent.

COUNCILMEMBER ANDERSON: Would the Budget Director know if any of the prior appropriation has been encumbered or spent?

MR. PABLO: I don't have this information here, but I could, I could get information from the accounting section.

COUNCILMEMBER ANDERSON: And so has there been any effort by the Department? You know you're, you're asking us to commit. . .almost \$10 million to this bike path, which goes down a very steep road and personally, I don't see how any of our residents will use this as a recreational bike path unless you got somebody to pick you up at the end of Baldwin Avenue and Paia and drive you home because it's going to be quite an uphill ride to get home. Basically, I see this as \$10 million for a Mad Hatter ride and, and I'm just wondering if the Department has interfaced with the commercial bike tour industry to see if they are willing to put any money towards this.

MR. MIYAMOTO: Mr. Chair.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: We have not approached any of the bike tour companies to, to see if, well, talk about funding on this project. In looking, in reviewing the. . .that bikeway master plan, they identified this project as one that not only can serve regional, but could also serve the connection between small communities, adjacent communities, the recreational facilities along the corridor. And, and so it, it wasn't just a, a long-distance connection, it was something that could connect the small neighborhoods that were within the immediate areas also they identified it as.

COUNCILMEMBER ANDERSON: Who identified that?

MR. MIYAMOTO: It was part of the, the bike, bike path master plan--

COUNCILMEMBER ANDERSON: Connecting who? You mean the people that live on Baldwin Avenue?

MR. MIYAMOTO: Yes.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . . I don't know that we need to spend \$10 million to connect the people on Baldwin Avenue. We've got two bike plans that have been in the works for years and are sitting, stagnating while we're putting all our resources towards this bike path that's not going to benefit residents--a manini extreme cyclist, maybe. But your normal resident bicyclist, they want to bike on level, level roads. They don't want to bike on a road that they can't return on. And so we've got the, the North Shore Bikeway that has been languishing and

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as a matter of fact Phase III, the final phase, just their draft EA was just passed the public comment period on Monday. So all of the permitting--and they got an SMA permit for Phase II already. So why aren't we putting some of this money towards completing that, which is something our residents will use? And I recall last year when we put funding towards that, we put in a proviso that that bike path will not be utilized by commercial operators, which may be why all the money is coming on, on this bike path this year. You know, I just got a hard time with this, Mr. Chair, that we're putting taxpayer dollars towards, again, somebody who's going to profit. When our residents use a bike path, they don't use it for profit. They use it for recreational enjoyment. We have the Kihei Greenway Bike Path that also is languishing and has been waiting for years for funding to go forward. So, I'm really disappointed that nobody has even contacted the commercial operators to see if this is something of value to them. I guess they don't really care, they'll keep going down Baldwin Avenue if we don't, if we don't build this, unless, Mr. Chairman, we restrict 'em, this body here. Thank you.

CHAIR PONTANILLA: Yes, we can, Member Anderson.

COUNCILMEMBER ANDERSON: Yeah. Thank you.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Mr. Chairman. If I could just lend some insight on what, what I believe led to this proposal. Even before I was on the County Council this whole bike issue has been somewhat of a contentious issue in the Makawao, Paia, and as well as the Kula community. Part of the proposal may have been to get the bikers off the road, and that's been the biggest concern of the citizens in that area--get these guys off the road. So as a way to alleviate that concern, that might have been one of the reasons for this proposal of the bike path because if . . .for years there's been a lot of frustration about this, and you don't see a lot of Makawao residents and Paia residents coming out now. They've sort of given up hope. But there are folks in the community who still want to just get 'em off the road. That's the basic problem. And even though the bike tour industry, they've made, I guess, some improvements or . . .in terms of trying to let traffic through, I don't believe it's enough. And when I first came on the Council, I know Director Miyamoto wasn't with, with the County at the time, but the Apana Administration had pursued this bike path and then there was some disagreement, I guess it was with the Outdoor Circle, and quite possibly the Biker Alliance, there were some concerns about the design. So it got scrapped, they got put on hold and then when the new Admini..., the next Administration came in it was basically put on hold, and now we have a *new* Administration who's looking towards getting this project going again. So for the Members' insight on this, there are many folks in the community who would just like to get these guys off the road. Of course, the other alternative is, is if anyone of us would like to basically ban the bike tours. I mean I, I can tell you this. If this bike tour industry. . . --(end of tape 5A - 4:06 p.m.)-- . . .the representative, you would be hearing from the constituents. Could you imagine this thing going in through South Maui holding up traffic, West Maui? So, I would ask the Members to seriously consider at, at least the plan and design, you know, funding and it's basically, everything is still conceptual as well as the North Shore Greenway as well. So please

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keep in mind that the residents who have to deal with following this traffic day in and day out and, as well as Member Baisa, can definitely relate to the frustration of having to follow these bike tours. So I, I believe that was one of the impetus for the proposal for this Baldwin Avenue Bike Path. So it wasn't just about in the recreational biking and just to placate the commercial tour operators. It's to get them off the road and. . .I believe I have a proposal, which probably won't be able to be discussed during this session, but to make them pay. And I agree with many of the Members who say this industry, if they're going to be the ones using this bike path the majority of the time, they should do their fair share to help offset the maintenance cost of this bike path should, should it come to fruition. Thank you, Chairman.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: I would like to give my support to Member Molina's proposal, I totally agree, and he speaks well for the residents of Upcountry.

CHAIR PONTANILLA: Thank you. Okay. We killed that one. Members, we do have some items that we still need to clear with the Public Works Department. . . .Let's see. On page 5, somebody wanted to revisit, Provided, that disbursements for salaries and premium pay is limited to 42.8 equivalent personnel, Item 1, PWEM 19-13. . . .Any recollection [*sic*], recollection, Members? Still confused?

COUNCILMEMBER ANDERSON: 19-13?

CHAIR PONTANILLA: Yes, 19-13. . . .And this is the DSA Administration Program - General Fund.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member [*sic*] Taguchi?

MR. TAGUCHI: I, I believe the, the issue that wanted to be revisited was whether or not there are additional. . . positions that could be funded out of the Revolving Fund.

CHAIR PONTANILLA: Thank you, Staff member. Members, any questions?

COUNCILMEMBER ANDERSON: Who asked on this? I don't have any notes on mine that anybody said anything?

CHAIR PONTANILLA: No questions? So, I'm gonna just say that we all agree to this.

COUNCIL MEMBERS: . . .(*chuckle*). . .

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CHAIR PONTANILLA: Okay. Moving down to Road, Bridge and Drainage Management [*sic*] - Highway Fund. Again, Provided, that disbursements for salaries and premium pay is limited to 116 equivalent personnel.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I was the one that had a question on this, but it didn't have anything to do with the personnel. I think that was just carried over because that's the next line. . . .(*chuckle*). . . I don't, I don't really know that--well, I guess I'll, I'll say what I have to say now. I don't really have any questions for Mr. Miyamoto, but after I, I say what I have to say other Members may have questions. If I can pull my file. . . .Highways Division. . . .So, Mr. Miyamoto, if you have--I'm sorry that you have to take the brunt of this today because you weren't here when we, you were not representing the Department when we went through this. I guess. . .

VICE-CHAIR HOKAMA: Chairman, I have a question.

COUNCILMEMBER ANDERSON: . . .17-13 on the Operations Budget, if Mr. Miyamoto can find that. Did I say 13?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: I'm sorry, 17-33. My mouth and my eyes are working so good. . . .(*chuckle*). . . Have you found it, Mr. Miyamoto?

MR. MIYAMOTO: Yes, I have.

COUNCILMEMBER ANDERSON: So. . .item. . .under Services: Road Maintenance Wailuku, under Services: Sub-details 6112, Contractual Service. . .there's \$100,000, and we were told that this is to contract out maintenance for the Palama Drive drainage system, drainage pump. And, and were also told that the \$100,000 is to only service that portion of the drainage system that the County is--this is a drainage system for, for. . .Site I-D of the Maui Lani project which abuts Palama Drive where the 20-foot fill was put and. . .we were told that this \$100,000 is only to maintain pumps that will benefit the County because this is a system that. . .and that the system only benefits the County. But I have to beg to disagree because when the drainage system for the subdivision was reviewed by Brian Hashiro, Highway Divisions Chief--and that's the Division that does all the maintenance of our drainage systems--he had 16 very critical comments to make about the design of the drainage system, including the fact that the County would not accept the drainage pumps because the electrical systems that they proposed to use in the sump pumps would require us "the County" to have to hire specialized personnel to maintain them. He also says that. . .to clarify maintenance responsibilities, we would propose that everything from the drainage pump discharge piping back towards the pump shall remain

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privately owned and maintained. The County's maintenance responsibility should only be for the catch basins receiving runoff from the roadway and the connecting culvert between the two catch basins.

To kind of cut this short because...we have so many other things to deal with, it's my understanding from all of the information that I have on this project and, and the...mind you the drainage plans, Members, are for the, the, the subdivision and we're only being allowed to discharge 23 cfc's off the drywell on Palama Drive into their sump, that's all, and in fact we had a requirement for 32 cfc's. And despite Brian Hashiro's complaints about the design of this, this drainage system and the County's desire not to participate in maintaining the whole system because it's very, it's a very odd system. They've got...um...they're using pumps that we wouldn't normally use, they're using electrical generators that we wouldn't normally use...despite his problem with the whole system. His letter was written October of '04. In February of '05 the Public Works Department agreed to their proposal, which puts the maintenance of this whole system on us. And, you know, we have not yet seen these plans, seen what the--you know, this body is gonna have to accept this, the easements and accept this drainage system, and we haven't done that yet. And I'm also looking at the agreement regarding the construction of the drainage easement between the County and the subdivider, and it is still not signed yet. There's no, there's no signatures on any of this. It's between VP and PK, LLC and Maui Lani Golf Investors and the County of Maui.

So, I got a real big problem for us spending \$100,000 of taxpayer money to maintain this system for one year. What kind of long-term commitment is the Department committing us and taxpayers to for this system that looked like the County initially didn't want to be involved in? So, Mr. Chair, my question is why are we setting aside money to maintain a system that we don't have a signed agreement on, that has not come to this body for acceptance?

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Mr. Chair, if I may provide some information regarding that, that drainage basin. You're correct, the drainage basin will serve not only the Site I-D, but it'll also serve the community of Palama. Our Engineering Division has, had...project to go ahead and connect the drainage system along Palama to try and relieve some of the flooding that has historically plagued that area. We're trying to work out a, an agreement with the property owner to go ahead and connect the Palama Street drainage to this, this storage basin and the, work out that agreement also to make sure that we can build, construct that line.

COUNCILMEMBER ANDERSON: Okay. Wait, wait just there, Mr. Miyamoto. Are you saying that you still need to get an easement from the property owner on Palama Drive in order to discharge the drywell on Palama Drive into their system?

MR. MIYAMOTO: Yes. We had been in conversations and we're in the process of working on that easement with the, the property owner at this point. Yeah. He was very agreeable and then we were trying to work out some of the legal, the legal terms of that easement agreement. And the,

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the maintenance of the basin, the monies will be used to maintain that basin that will help serve not only Site I-D, but also to help relieve some of the, the flooding problems we've been having on Palama Drive. As the . . . based on Mr. Hashiro's comments, we did make modifications to the design of this, this facility. We likened it to . . . similar to like a wastewater pump station. We looked at, you know, how do we maintain. As a matter of fact, we coordinated with our Wastewater Division Chief to, to give us ideas how can we make this the, the . . . a very low maintenance type facility. We wanted to make sure that in the event that there was a power outage that there would be an additional backup power supply so that this pump could go ahead and keep pumping out this rain water and not . . . and, and try to minimize the impact to the adjacent properties. So a lot of that is also included. There's also a force main, as you take water from a lower level to a higher level, you, you have this pressurized pipe that then dumps into the drainage facility at the Maui Lani Golf Course. So that maintenance of that pipe is also going to be part of the County's responsibility. Given that this system is gonna be relatively new in this first year, do we really need all of the 100,000? That's gonna be . . . we're hoping that it can be reduced, kept to a minimum. We likened it to what would happen if Mr. Hashiro had to hire someone, what would that cost be if he had to hire someone who would have to go out and maintain the pumps. The pumps obviously will only run when there's rain. But if you leave pumps to just sit idly, a lot of the seals and a lot of the bearings can freeze and then you can have more problems trying to, trying to maintain that system. So we're looking at some kind of a, a regular schedule on top of additional--given the, a rain event, we want to make sure that prior to the rain event that that system is tested and may ensure that it is workable, that the backup generator will have sufficient fuel and that it can run sufficiently long enough to, to power the system. So a lot of that was . . . gone into that price estimate.

And as far as the agreement goes, the original agreement had looked at trying to dedicate some, some drainage easements that were not quite up to County standards, and we've let the developer know that we would not accept those drainage easements that they were proposing that were 5 feet in width. And that you can imagine. . . Member Medeiros can, can probably testify as to the difficulties at maintaining a drainage easement along a 5-foot width and just trying to replace a pipe in that type of an easement, trying to be able to turn that piece of equipment around. So a lot of that has held up the, the agreement from coming to this body for acceptance.

COUNCILMEMBER ANDERSON: And so of the whole system how much is the--I hate to say Maui Lani 'cause it really isn't Maui Lani; it's VP and PK, LLC. . . um. . . Site I-D at Maui Lani--how much are they contributing to the maintenance of their drainage system?

MR. MIYAMOTO: From what I understand, they will dedicate the entire system to the County, then we will maintain the system. They are funding the full cost of this system right now. They're putting in the . . . they're excavating the basin, putting in the, the well where the pumps will be, they're putting in--we required them to put in more pumps than they originally wanted. Like in a wastewater system you always want to have backup systems that can handle 100 percent. So actually there's going to be three submersible pumps in, in a pit that where the water will be to backup just in case, and we are also requiring an additional motor to be housed in the electronic

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control building so that in the event we have to replace one immediately, that one will be available.

COUNCILMEMBER ANDERSON: So do you know how many cfc's--and, Members, cfc's are. . .

MR. MIYAMOTO: Do you mean cfs, cubic feet per second?

COUNCILMEMBER ANDERSON: Yeah. Yeah, yeah. Cubic feet per. . .

MR. MIYAMOTO: Second.

COUNCILMEMBER ANDERSON: . . .second. That is the measurement they use for the amount of runoff, cubic feet per second. So how many cfc's in this drainage system will be. . .oh, let's see. . .of this drainage system, how much capacity does it have in cfc's for the actual subdivision?

MR. MIYAMOTO: I don't have that information readily available. I imagine our Development Services will probably have that information. But we require them to build this, this basin to handle what comes off of Site I-D. I think there's some additional runoff from an adjacent development that previously fed into this area, and then we required them to add on sufficient capacity for the Palama Street area.

COUNCILMEMBER ANDERSON: So from the drainage report it says that. . .um. . .that the, the volume, the surface runoff volume generated from Maui Lani Site I-D is 22 cfc's. And I don't know, you sound like you know something about this, Mr. Miyamoto, so can you tell me are they going to accept more than--their original agreement with the County was to accept 23 cfc's from Palama Drive--are they going to accept any more than that since these letters were written and since whatever changes have been made?

MR. MIYAMOTO: I think those, those numbers were used to design the facility of the basins and its capacity. Once it becomes. . .you know, if the County accepts this facility, then it will accept whatever we need to accept off the Palama Street, and we have the pumps designed. . .sufficient capacity, the force main should have sufficient capacity to, to go ahead and process this water out of that basin into the Maui Lani storage basin.

COUNCILMEMBER ANDERSON: Okay. Well, I just don't understand why, you know, this drainage system is going to benefit them at least 50 percent. So why are we paying all of the maintenance? And I mean I just cannot fathom \$100,000, even \$50,000 a year to maintain a drainage system just because of its exotic design in order to fit the needs of the development, not to fit our needs. And so those are my questions and that's my concern, Mr. Chair. If anybody else has any other questions, I'll yield.

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CHAIR PONTANILLA: Thank you, Member Anderson. Members, any more questions? Thank you. Members, if you can page, turn to page 2 of your handout last night, 2 of 9. This is in regards to EM 7-3 [*sic*]. Someone had the, a question in regards to a rewards program. Member Baisa?

COUNCILMEMBER BAISA: Yes, Chair. We were suggesting, Mr. Miyamoto, that we might want to establish a pilot rewards program that would give a reimbursement or a reward for citizens who were to deliver their abandoned car to the place where these are accepted or white goods themselves. . .um. . .to help, you know, bring this stuff in and get it off the roads and serve as an incentive program so that people would, might want to participate rather than dumping it on the side of the road or hauling the car out and leaving it on the side of the road, making everything ugly. We'd like to know your thoughts.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Mr. Chairman. I'll break this up into two sections, the white goods versus the abandoned vehicles. Currently with the white goods, we do have an agreement with the, our current contractor that he will accept white goods from residents, they can bring it into the, the facility, but they have to fill out a form 'cause we don't want this facility to be accepting commercial because commercial is receiving money for their disposal of those equip..., those white goods. So we have setup the program where residents can go ahead and bring in their appliances and fill out the form just to get the name, phone number, some kind of information to confirm that they're not a commercial business and--

COUNCILMEMBER BAISA: Could I. . .just, just a second. They are not charged anything for that--

MR. MIYAMOTO: Correct.

COUNCILMEMBER BAISA: --vis-à-vis the cars which you do charge?

MR. MIYAMOTO: Yes, correct. And so that program has, has been in place. We're processing somewhere between. . .anywhere from 900 to 1,200 appliances per month at this time.

COUNCILMEMBER BAISA: How much?

MR. MIYAMOTO: It's 900 to 1,200.

COUNCILMEMBER BAISA: Wow.

MR. MIYAMOTO: And currently, you know, we do have a contract with Community Work Day that if, if someone is dumping it--we, we called it a. . .this body approved a grant to them for, to help us with the, the so-called hot spots where people dump. So we also have an agreement that when Community Work Day brings it in, we don't charge Community Work Day. The County also picks up that (*inaudible*) currently for the white goods.

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COUNCILMEMBER BAISA: Okay.

MR. MIYAMOTO: Now for the appliance, the abandoned vehicles, that's a little bit different. We do not accept it from the public at the current time and, you know, the, the public would have to pay for the towing of the vehicle to the facility and, and the processing of that, that vehicle. Currently, if I'm not mistaken, I think the previous vendor also is matching the current vendor's price. So there's sort of additional services there. Right now what the County does is we, we pretty much once the police tags a vehicle, we go out and we have four towing contracts that go ahead and pickup these vehicles, deliver it to the--if it's determined by the police as to be abandoned, it goes to an abandoned lot where we have to give the owner the opportunity to come and pick it up and pay the fees that are associated with collecting that vehicle or if the owner does not do that, we then go to auction with the vehicle. The vehicles that are not auctioned off then go to the, the processor and so do the derelict vehicles at this time.

COUNCILMEMBER BAISA: If I as a private citizen have a junk car, what are my options to get rid of that car?

MR. MIYAMOTO: Currently the, the. . .the legal option is to have it towed to the, the. . .one of the two processors that's currently on the island, either our, the County's current processor or the one that was previous.

COUNCILMEMBER BAISA: And what is the average cost of that tow?

MR. MIYAMOTO: I guess if from Central Maui, if you were within Central Maui, it would somewhere be around \$100, if I'm not mistaken, and I think the, the processing fee is 100 and--

UNIDENTIFIED SPEAKER: Sixty-nine.

MR. MIYAMOTO: No, I think it's \$121 for the County, that would be the County rate. I'm not sure what the private rate would be.

COUNCILMEMBER BAISA: Do you think that's a factor in why people--'cause, you know, we see cars on the side of the road that we know well were not driven there because they all no more wheels or they all bashed up, or they even look like wrecks that were apparently towed and left because somebody didn't want to pay or maybe could not pay the amount that the towing company wanted to tow it to the, you know, where it can be accepted, and that's what we were hoping we could help. Because if I knew that if I took my car a little further and took it to the scrap metal place instead of leaving it on the side of the road and I could collect 50 bucks or whatever, I might want to do that rather than dumping it on the side of the road, and it might help this problem.

CHAIR PONTANILLA: Mr. Miyamoto, comments?

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MR. MIYAMOTO: That would, that could end up being, bringing the, the cost of processing the vehicles very similar to what we had in the previous vendor, I think it was over \$300 per unit, and that really escalated the price at that, at that time. It was rather high compared to the current price that the County pays, which is like 121. But with like you said, you know. . .if they were to bring it in, yes that could save us the towing cost and the contract and--

COUNCILMEMBER BAISA: I think for us we're thinking about the aesthetic value. You know, we all hate looking at that rubbish all over the place, it just makes our island look ugly and, you know, if it would be an incentive to people, they might want to do it. I mean, you know, to people who need money, 50 bucks is 50 bucks. It's better than a sharp poke in the eye.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

COUNCILMEMBER BAISA: Thank you. Thank you, Mr. Miyamoto.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Yes, you know, and, and Ms. Baisa and I share same the sentiment, and I'm looking if we were to say maybe not a reward now--let's leave the reward out--but say if we were to take care of the towing and the processing, in other words instead of somebody abandoning their car, they could call us, call the County and say I've got this car. 'Cause about six months ago we had the same problem, we wanted to get rid of an old van. I had a 1989 Aerostar that literally was falling apart, and actually somebody actually came up and took it, I gave it to 'em, went down and had them change the registration, and he's driven it around and fixed it up and spent some money. But we didn't feel like we wanted to do that, so we called and they told my wife. . .I was told by Kitagawa at that time was 169 to pick it up--that's why I said the 169, that was the quote my wife was given--and that there would be a processing fee and all that. So, I mean that's why we gave it to the guy who was painting our house because he needed a car and he felt like he could fix it up. But let's say I didn't have that option. What if I, you know, we were to say, general public, you've got a car that you don't want, call me up, we'll come up, pick it up and process it. Maybe not give 'em a reward, but get 'em to the point where they don't have to pay anything. How much would you estimate that would cost, the 300-something dollars you just mentioned earlier or. . .? 'Cause you just said \$121 was the towing, towing fee, right, or the processing--that's what I mean--and about 100 bucks if you're talking Central Maui. Okay. If you're talking neighbor. . .like Kihei, West Maui, Upcountry, obviously it'd be a, a lot more. But I mean even if we're talking \$250, let's use it on an average, don't you think it's better than having them dumping it all over the place? Hey, we gotta go pick it up anyhow. If we can track down the owners, that's one issue, but if we can't, we're stuck paying

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for it, we still process it, but then we have it laying around our roadways. I, I mean I'm asking you, what do you think?

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: Mr. Chair. I guess that's part of the, the impetus for, I guess, in the State Legislature--it's still alive--that this advance disposal fee for vehicles. It's still alive. I guess it's in a combined committee to, to go ahead and discuss that advance disposal fee. I don't know exactly what the exact amount that they're looking for, but this advance disposal could assist in generating the revenue to, to go ahead and have that ability to just go ahead and accept the, a vehicle for disposal.

COUNCILMEMBER VICTORINO: And, and I'm, and I'm grateful for that idea. . .you know, I, I would look for ideas to raise money to do this, if that's what you're asking. If, if the County could put some kind of fee on the registration to raise money to do these things, that's fine. I'm just tired of giving the working people and, and others the responsibility that maybe in this case the County should be taking on and saying hey, we want to keep our roads clear and free, we want to keep 'em clean, got those vehicles off of there, clean 'em up, protect the. . . --(end of tape 5B - 4:37 p.m.)-- . . .we can see. We're not talking the vehicles that are littered, littered all over our cane fields, pasture land, wasteland, forestry that, that they dump all over the place. So with, with that being said, you know, I would, we were trying to put some money aside so that we could have a program that we would--first, we were thinking about rewarding. But now, you know, if you're saying what the cost is, maybe just saying no cost to you, general public, call us, we'll come pick it up and we keep it clean. I think that may be more important.

COUNCILMEMBER BAISA: Yeah. Mr. Chair.

CHAIR PONTANILLA: Wait.

COUNCILMEMBER VICTORINO: Yeah, I yield to my colleague.

CHAIR PONTANILLA: You, you're done?

COUNCILMEMBER VICTORINO: Yeah. I, I yield.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: I think that we want to keep our eye on the prize, and the prize that Member Victorino and I are looking for is a clean environment without ugly, ugly stuff on our roads. You know, we talk a whole lot about how our environment is our economy. And so if this would not be a huge financial strain, it might work and whether we give them something, don't give something, but eliminate the barrier to bringing in the, the vehicle, that we might accomplish what we want to accomplish. The other thing is. . .(cleared throat). . .I think that, you know, we're spending an awful lot of money going out to recover junk that's, you know, left

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all over the place and it's not going to get any better and it really, it really bothers me. I think it makes our whole island look ugly. There's, you know, you see these--I, I drive up and down Haleakala Highway everyday and *everyday* there's two or three of those. And I also heard, Mr. Miyamoto, and this really bothers me and maybe it's an enforcement issue, I don't really know, but there are moonlighting tow companies that will offer to take your car in for you, charge you and then dump it on the side of the road in the middle of the night, and then the County has to come get it. And that's really bad.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Sorry, Mike, yeah, putting you on the spot.

MR. MIYAMOTO: No.

COUNCILMEMBER BAISA: Anyway, Chair, we might be open to a suggestion from Mr. Miyamoto and if he thinks that this is not a, you know, a viable idea, then maybe we can tuck it away for future reference, but we wanted to raise it if there was a possibility. Thank you.

CHAIR PONTANILLA: Okay. Thank you. Mr. Miyamoto, I got a question in regards to. . .as we go into automation the possibility of creating a crew, I guess as you can call it, maybe to pickup white goods as well as abandoned vehicles. It may not be tomorrow or next year, but in the future as we automate, is there a possibility in regards to we doing the work as far as picking up those abandoned vehicles on the side of the road and, and taking it to the processing company?

MR. MIYAMOTO: Mr. Chair, currently we are working, trying to--as, you know, as we move to automation as you mentioned, there, the staff becomes available to do other duties, and given the current union contract those other duties have to be within that section. So we are going to begin the negotiation for the next section of automation, and as part of that the union wants to discuss this idea of establishing a white, white goods pickup crew. And currently, the current contract calls for them to do it on Saturdays, on overtime, but as the staff becomes idle we are looking to trying to make that a formal group, and basically they just need a, you know, they just need primarily a flatbed truck with a good lift gate that could help them lift the, the appliances up to the platform. So that's something that we're working on in the future. With regards to the towing of abandoned vehicles, that's a little bit more specialized and requires. . .possibly, the possibility of a tow truck and it's. . .as this program evolves I think we can start looking at that aspect. And even with, you know, the. . .what. . .the other suggestions that Member Baisa and Victorino have said about possibly accepting it for free, curr..., we have current contracts that sort of hinders that, that situation right at this point, but if it's something that we're looking forward to down the road, we can certainly try and look to, how to work towards it.

CHAIR PONTANILLA: Thank you. Thank you. It seems like you got already some alternatives that you can work on. Members, if you can turn to page 8 of 9. . .Members, I'm, I'm jumping all over the place because this is a good time for us to ask Mr. Miyamoto, you know, questions before he disappears. Members, I, I have here we need to revisit Maui Meadows as well as

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Makawao in regards to speed tables. This is CIP 31-20. Questions for Mr. Miyamoto in this case here? Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chair. Not so much a question for Mr. Miyamoto, but based on requests that came out of those communities, there was I guess the rationale for making this proposal and I, I believe the Department did a traffic count study in Maui Meadows. I think Mr., Mr. Yagin, I think was the. . .is the person that normally does the traffic counts, and there were some constituents in Makawao that had requested the speed table and, and there, there is, there are some speeding issues as you come down Kealahoa Avenue. So, I guess wherever the Department feels it is appropriate to place that particular speed table, I'll leave it to the Department. So that was the rationale for, you know--

CHAIR PONTANILLA: Okay. And part of the question that we had, Mr. Miyamoto, is that when do we, I guess, put up speed tables and when do we construct speed humps. . .bumps, humps, whatever?

MR. MIYAMOTO: Mr. Chair.

CHAIR PONTANILLA: Mr. Miyamoto?

MR. MIYAMOTO: It primarily depends on the roadway classification. Obviously the higher the classification, we, we don't want to have speed, sharp speed bumps on those types of roadways. They are going to have the speed humps which allows a little bit faster traversing of that, that type of corridor and the higher classifications. . .sort of you, you require more, a little bit more capacity of those roadways. They serve a bigger function than maybe like a local collector. So that's really where the, the break is and the, the classification of the roadway.

CHAIR PONTANILLA: And, and the speed humps you would require 80 percent of the resident in a block area?

MR. MIYAMOTO: The surrounding area, yes.

CHAIR PONTANILLA: Okay, fine. Members, any more questions in regards to that?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: The other one is the. . .let's see. . .CIP 30-11. This is in regards to Molokai Landfill Left-Turn Lane.

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COUNCILMEMBER VICTORINO: Yeah. . . Mr. Mateo, I'm the one that when. . . *(inaudible)*. . . said I like see it so. . .

COUNCILMEMBER MATEO: Lucky you at that end.

COUNCIL MEMBERS: . . . *(Chuckle)*. . .

CHAIR PONTANILLA: Mr., Mr. Miyamoto, I understand that the requirements for this left-turn lane is very critical so that we can subdivide, I think, in the area of the landfill so that we can create a Humane Society pound--

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: No?

COUNCILMEMBER MATEO: Chairman--

CHAIR PONTANILLA: Go ahead.

COUNCILMEMBER MATEO: --Chairman, if, if I may. . . and, and, you know, like it's, it's been provided to us, yeah, so we all read it in, in the, in the justification seat [*sic*], sheets. Chairman, July 16, 1993 when the County of Maui purchased from Cooke Land 37-plus acres of land for 303,400 somewhat dollars, the title of that purchase cannot be conveyed to the County until this parcel is subdivided. The. . . in the, in the I guess the review process at the time, the Hawaii Department of Transportation requires a left-turn storage lane as well as the right-turn deceler. . . , decelerization [*sic*], deceleration lane, and that was required on June 21st, 1993. R.T. Tanaka Engineers designed the improvements and it was approved by the Hawaii Department of Transportation on September 10th, 2001 at the cost of 23,400-plus dollars. The failure to subdivide affects both the operating permit issued by DOH as well as the State Special Use Permit. This issue has been in the hands, and now with this Administration, four mayors. It started with Lingle, it continued under Apana, nothing was done with Arakawa, and this Administration is trying to correct this and get this done after almost 14 years of waiting. The, the urgency or, or the importance of this, one, is just to comply with the actual purchase agreement and the conditions set forth by the, by the terms of the sale and meeting the operational and special use requirements that was set by DOH as well as land use requirements as well. But at this particular point we are, we are continuing to move with Cell 3, which is really a project that is in, in dire need because of--and I'm going to just term it what it is--blatant neglect of a landfill. So, you know, the urgency of this is getting it done so we can meet the terms of the sale. We've waited for almost 14 years. And, and yes, Mr. Chair, your reference to the Humane Society, that was one of the issues that we were dealing with because we do, we only have access to the drive part, the drive-in part to get to the landfill. There, there are additional areas that Molokai Ranch at this point has in discussion been look, looking at a parcel for the potential Humane Society for Molokai. We cannot even engage in the continued discussion because the, the property has not been subdivided. So there are multiple components

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that are linked and connected to this left-hand turn, and I will gladly turn, turn it over to the Department so you can give us whatever additional or updated information you may have.

CHAIR PONTANILLA: Thank you. Thank you, Member Mateo. Last year we . . .utilized the 17. . .oh, \$1.7 million with your concurrence to purchase the land for the Public Works baseyard, and that was the reason why the left turn wasn't done last year. Going forward, though, we're gonna reinstate the \$1.7 million to create the left turn and to I guess complete that agreement that was set forth four mayors ago. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yes, Mr. Chair. Since my colleague from Molokai has explained it so eloquently and has convinced not only myself but the public at large, including the fam..., the, the people of Molokai, the necessitation of this left turn, which was termed to me in the beginning as the most expensive left turn in the State of Hawaii. Now that I fully understand--not only reading it over, but the passion and the years of waiting and frustration on the island of Molokai--I withdraw my objection and I will support it wholeheartedly. Thank you--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: --Mr. Chair.

CHAIR PONTANILLA: Thank you, Mr. Victorino--

COUNCILMEMBER VICTORINO: Okay.

CHAIR PONTANILLA: --for keeping us here long.

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

COUNCILMEMBER VICTORINO: Okay. So we can move on now.

CHAIR PONTANILLA: Okay, moving on to page 9 of 9--

COUNCILMEMBER VICTORINO: Nine of nine.

CHAIR PONTANILLA: --we do have on the sanitation side the Central Maui Landfill area and the Wailuku Baseyard Refuse Office. Going to the Item No. 5 first, Members, any questions to that in regards to the Wind Barrier Design/Construction?

COUNCILMEMBER VICTORINO: I think you, Mr. Medeiros?

CHAIR PONTANILLA: Mr. Medeiros?

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COUNCILMEMBER MEDEIROS: Yeah. I, I didn't bring that up. It was another Member. But what I did do was I, I made sketch of the baseyard and where that new facility will be and I passed it out to all the Members, and also attached to that was the estimate of the cost that was submitted to me. So those two documents should be at every Members' desk. Thank you, Chair.

CHAIR PONTANILLA: Thank you. So--

COUNCILMEMBER VICTORINO: Point of order, Mr. Chair.

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Aren't we talking about the wind barrier?

CHAIR PONTANILLA: Well, we're talking about the wind barrier, but the information that Mr. Medeiros gave us is the second item, Item 7.

COUNCILMEMBER VICTORINO: The second item. But just so that we're not moving ahead--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: --because the wind barrier. . .I, I. . .I had put in my notes Mr. Medeiros had asked about the wind barrier. So that, that. . .you asked about that. That's what I was referring to.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MEDEIROS: Okay. Chair, since Member Victorino wants me to continue, I shall continue--

COUNCILMEMBER VICTORINO: Thank you, Mr. Medeiros.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR PONTANILLA: Thank you. Make it fast.

COUNCILMEMBER MEDEIROS: --and we don't have too much opportunity to continue here. So, yeah, on the wind barrier. . .when the Department made the presentation about the wind barrier for the landfill, the Department did mention that because of the elevation that the, the landfill is reaching and because the wind is taking the plastic bags and very light materials, from that elevation the wind barrier is not effective. It, it's blowing over the wind barrier. So my question is why are we considering a wind barrier if everything, most of the stuff is going over that wind barrier because of the height, I mean the elevation of the landfill right now?

CHAIR PONTANILLA: Mr. Miyamoto?

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COUNCILMEMBER MEDEIROS: So, I don't know if the Department has any further information on that.

MR. MIYAMOTO: Not, not being here present at the time when the presentation was done, from what I understand is that, you know, initially we had some wind barriers that were very close to the face of, of the landfill and as you mentioned as it gets higher and higher it's gonna overtop the, those barriers. I think the, the proposal is for additional barriers that would be closer to the roadway 'cause as you, you go up through the, the landfill site it does get higher. The roadway is the high point pretty much, Pulehu Road is the high point, and I think there is some thought of putting some additional barriers, a higher fence at that point that could possibly catch it before it leaves the property, and that was, from my understanding, what the plan was.

COUNCILMEMBER MEDEIROS: Okay. Because, you know, if, if you're at that landfill and you observe how the wind is down there and how plastic bags become like a kite because, you know, they get filled with air and they don't go horizontally, they go vertically, you know, they go straight up and like a balloon. So I, I have a hard time seeing how the wind barrier would capture those kind of items. It would seem to be the items that are the most troublesome at landfills, and most of that will reach across the road into the cane fields. So, I'm just wondering if the cost is justified or should we be looking at some alternative in decreasing that from happening. I don't know if a watering system would decrease that, but of course you can't pour water on a landfill because you're trying to keep water out of the landfill. . . .(chuckle). . . But I, I know because those things just go straight up like a balloon, so I don't know what the wind barrier. . .it, it may capture some of it, but seem like a lot of it--I don't know if it's just to meet maybe the requirements, you know, of EPA or DOH that say, okay, we put something up, you know, and hopefully it'll work. And, and that was just my concern to the Department, Chair.

CHAIR PONTANILLA: Thank you. And I understand that when Mr. Takamine was here. . .his concern is also that vertical flight by that plastic bag, and, and then the reason to that when he explained--when you have, whenever you have a brand-new landfill, you know, the. . .well, it's not blowing across actually, you know, you have those sides of the, the landfill and you create like a vacuum going up. So he kind of explained that. Mr. Miyamoto, if you have any comments to that?

MR. MIYAMOTO: Yeah. Initially right now, you know, the way the new phases of the landfills are being developed, they're digging a hole basically, the, the mining action digs the hole, we line it and then we go ahead and put the, the trash inside that area. And as, you know, Mr. Takamine said, you know, right now the, the way the wind pattern is coming across, yes it is coming across the trash, it's hitting the upper portion and then going vertical, and then as you say jump over. But as we fill the landfill, as the landfill does rise in elevation, you know, essentially the, the winds will come hit the land, the landfill's face, go over the top and then it'll create this downward force on the back side, and then hopefully in that area, you know, when we, we can place the barriers to capture that when it goes 'cause it. . .generally the wind will come over and then come back down as you, you know, just like in an airplane you have that, you had that

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vacuum behind where it will suck the bags down. So hopefully, you know, if we can get the, the barricade, barriers up to capture this trash, we hope we can get it. Hopefully the other program of, you know, trying to convince people to go ahead and tie these plastic bags in a knot before they throw it away to try and eliminate that parachuting effect is also something our landfill diversion people are trying to work on.

CHAIR PONTANILLA: Thank you, Mr. Miyamoto. Members, that's all the questions that we had discussed last night that, you know, that brought the Department of Public Works and Environmental Management here.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Again, I just want to thank Mr. Miyamoto for being here this afternoon to answer some of our questions. Members, I did call or had the Budget Director call Vanessa Medeiros. I still have a question and. . .

. . .On April the 20th, we, I received a memo from the Office of the Mayor--this is in regards to Meals on Wheels--and, Members, if you look through your Budget, it's not in there.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: So, Vanessa, can you provide us with some comments in regards to the Meals on Wheels?

MS. MEDEIROS: Okay. I don't have it in front of me, but I will use my photographic memory.

CHAIR PONTANILLA: I know you have one.

MS. MEDEIROS: . . .*(chuckle)*. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

MS. MEDEIROS: If I remember I think on the chart that we provided to you--and we did, we had discussed this in our, in our presentation that the DOE was going to be raising. . .we already received their verbal notification that they were going to raise the, the meals by 90 cents. So it was going to go from \$3.10 to \$4, and what we were asked to do was to provide the breakdown to you folks, and in, in our breakdown we, we bold those meals that were provided by DOE. So in the Meals on Wheels Program--oh, thank you. Was I doing a good job of remembering?

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR PONTANILLA: Terrific job.

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MS. MEDEIROS: In, in the Meals on Wheels Program there's two areas, Lanai and Maui, that receive DOE meals and it tells you exactly what the number is, and then in the congregate dining for Maui County, there's a number, that's 95,000. So the total number of meals provided by DOE is 125,710. And then we calculated for the additional increase, the 90 cents increase, the anticipated increase for the meal cost for the DOE, only the DOE meals, would be \$113,139. Now what we wanted to make sure to clarify is that in our Budget Detail already on that particular line item dealing with elderly lunch, we had included a \$16,000 increase, which I'm noting there just so that we don't get confused, and that increase was for the Molokai, Maunaloa meal site. So we, we want to make sure that you did not get confused. The 16,000 increase was for the Molokai meals, which was a separate item, and then there's an additional \$113,139 that would be required to meet the increase specifically for the DOE meals.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. What is the DOE meals?

MS. MEDEIROS: These are the meals that are provided from the Department of Education, so it's by their, their cafeterias.

COUNCILMEMBER MEDEIROS: Oh, so they prepare it?

MS. MEDEIROS: They prepare and then we buy it from them.

COUNCILMEMBER MEDEIROS: For the program?

MS. MEDEIROS: Right.

COUNCILMEMBER MEDEIROS: I see.

MS. MEDEIROS: And, and the DOE is not the only site, but D..., the DOE is one of the sites that provides meals.

COUNCILMEMBER MEDEIROS: Now does this--because, you know, I, I got the questions from the seniors, the kupuna in Hana--does this program extend to Hana?

MS. MEDEIROS: At this time I do not believe it extends to Hana.

COUNCILMEMBER MEDEIROS: And how would we extend it to Hana?

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MS. MEDEIROS: I think we would have to go back to our Senior Services Division and we would look at, we would have to look at, at a needs assessment. Number one, do we have a sufficient amount of elderly that are in, interested in the program, do we have a place to, to have the program, and then we would certainly have to work with either, either Hana School or a vendor to provide the lunches. But we can certainly look into it.

COUNCILMEMBER MEDEIROS: Yeah. Would you, please, and--

MS. MEDEIROS: Sure.

COUNCILMEMBER MEDEIROS: --because I, I think we have the site for it. Now Meals on Wheels, does that also include delivery to homes or just to a site?

MS. MEDEIROS: Some of it is to the homes, yes.

COUNCILMEMBER MEDEIROS: Okay. So I'd appreciate it if I could get more information on that, if you could check on that.

MS. MEDEIROS: Sure.

COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: Thank you, Member Medeiros. And you should try those meals, they're top shape.

COUNCIL MEMBERS: . . .(*chuckle*). . .

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Oh, no. . .I, I did find it. I was trying to find the page and I did find it, and I did have a question. Vanessa, you know this, this increase by the Department of Education--you know, I understand the costs going up, but it seems kind of unfair every time they turn around they raise what they charge and when they decide to do something, they don't, they don't give us anything more. Is there something that we could work out as far as some kind of cost sharing because it benefits everybody, 'cause they make it for the schools and all that, right? They, when they're cooking these meals, they're actually preparing meals for not only the kupunas but also the lunch program and all that. Is there some kind of way we could negotiate or is this kind of like this is it, set, that's it?

MS. MEDEIROS: I, I think from my understanding is that, you know, it's, it's sort of dictatorial. . .(*chuckle*). . . The DOE says, you know, this is how much we're going to raise it and that's what happens. You know, the options to the County, of course, are to go to other vendors. The, the only other vendor that I'm aware of right now is Hale Mahaolu, but at the same time it would not be in the County's interest to go to only one vendor because in case something happened that

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prevented the lunches from being prepared, you don't want to be, you know, stuck in, in a difficult situation.

COUNCILMEMBER VICTORINO: No, understood, understood. And then I just, I just feel like, you know, sometimes we held hostage by the State in many areas, and here's one of the areas that I feel that they can help us. . .you know, when I say help us, in helping our community, and then they turn around and continuously raising the cost.

MS. MEDEIROS: Uh-huh.

COUNCILMEMBER VICTORINO: And I understand costs go up--that's not a question in my mind--but the number of meals we provide during the course of a year, I would think we could keep it a little lower, like maybe 3.50 or something 'cause then we can provide more meals, you know. Again, the key is providing not only for Hana, but every senior that needs and, and desires a meal. The Meals on Wheels is truly a, really a godsend 'cause I've heard many people from Kihei to West Maui tell me great stories about Meals on Wheels, and I'd like to see it continue and enhance wherever we could. So thank you, Vanessa, and thank you, Mr. Chair.

MS. MEDEIROS: If, if--

CHAIR PONTANILLA: Thank you, Mr. Victorino.

MS. MEDEIROS: --I could respond to that.

CHAIR PONTANILLA: Okay, go ahead.

MS. MEDEIROS: You know, we could certainly ask our Senior Services Division to, to look into it. I, I can't speak for the DOE, but I, I'm pretty sure that the meals that they prepare for the students. . .

COUNCILMEMBER VICTORINO: Uh-huh.

MS. MEDEIROS: . . .have some form of subsidy and, and there may be some form of subsidy through the Federal government.

COUNCILMEMBER VICTORINO: Yeah.

MS. MEDEIROS: Now whether or not that subsidy can be applied to the elder lunches, we would, you know, we need to look at that. But like I said, we can certainly ask our Senior Services Division to at least look into the matter and see. . .what kind of options that we may have.

COUNCILMEMBER VICTORINO: Well, I can answer the question as far as lunch program. Yes, there is Federal subsidies and depending on the income levels, the economic zone that you might be in, the subsidies get larger. I know some schools where there's as much as 80 percent

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Federally subsidized for meals, for lunch for their students and also their snack break in the morning. So depending on the area. And this is all--unless they have changed it in the last four or five years after I left the DOE, the Board of Education--this is, this is mandated by Federal law. But I don't know about the connection, but ask, you know, and I'd like to know and if I can help, I will contact some of my people in the Department of Education and see what we can do from this end. But let me know and I'll do what I can from my, our end.

MS. MEDEIROS: Certainly. And, and I think the concern that, that we all have to look at is again as the . . .as, as our aging population increases, that there may be a possibility of more elderly participating in these programs, and so these numbers, you know, may start to increase and as the cost increase we may, you know, again be, be seeing these, these dollar amounts going up.

COUNCILMEMBER VICTORINO: Well, the report that we were given, the tidal wave of seniors is coming, the tsunami is right around the corner. So obviously with the, with the reports that we got today, that's it. So thank you.

MS. MEDEIROS: Thank you.

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

COUNCILMEMBER JOHNSON: Yes, Vanessa, because a lot of these meals that are provided, there is some payment involved. That goes back to the program or does it go to the DOE or if somebody's paying for a meal, how does that get back to whatever Department and where does it go to?

MS. MEDEIROS: Yeah. I believe if you recall in our Budget Detail in the Special Revenue section. . .

COUNCILMEMBER JOHNSON: Uh-huh.

MS. MEDEIROS: . . .and I think it was under the lunch program, that is the area where any monies that are paid by the seniors for the lunches, like they may be \$1 for their lunch. . .

COUNCILMEMBER JOHNSON: Uh-huh.

MS. MEDEIROS: . . .the money goes back, you know, through--

COUNCILMEMBER JOHNSON: Revolving.

MS. MEDEIROS: --yeah, through that.

COUNCILMEMBER JOHNSON: Okay. And this is the cost after that payment or this is the cost prior to that payment?

MS. MEDEIROS: To be honest with you I, I don't know the answer to that.

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COUNCILMEMBER JOHNSON: Okay.

MS. MEDEIROS: I don't know if, if they have a cost share on these particular items.

COUNCILMEMBER JOHNSON: Yeah, 'cause I'd be really interested to know. I was visiting with Councilmember Baisa and she said that even like the U.S. Department of Agriculture subsidizes because then whatever subsidies are given to the Department of Education or whoever provides this at the State level, they then get reimbursed. So now if we're paying this and that's their actual cost and then they're filing for reimbursement, it seems very inequitable if we're actually, number one, collecting from our seniors or from people that are recipients of the meals or even from our students. And then the second thing is that if we're paying compensation and then they're also being compensated back from the U.S. Department of Agriculture, that's pretty much double dipping. So, I would really love to follow up on this to see where their little fingers are going. Thank you.

CHAIR PONTANILLA: Thank you, Member Johnson. Member Baisa, quick.

COUNCILMEMBER BAISA: I'll try to make it as quick as I can. USDA has a similar program that we used at MEO for Head Start. So, I'm kind of familiar with the nutrition program. There's income qualifications in order to qualify for USDA reimbursement and if you're low income, you qualify probably for a free lunch, and a free lunch is totally reimbursed by USDA. If you're little over income, you qualify for a reduced price lunch and then the reimbursement is a little bit less. But how it happens in the case of like MEO pays for, pays the DOE the, the straight price. If it's a dollar half a meal, we pay dollar half a meal, and then USDA would give some back for the free and reduced, and that's a credit to what MEO spends, but it's usually never a total reimbursement. And I think what we're looking at is that difference between what is reimbursed and what is not reimbursed so that we can provide the food to the seniors and. . . --(end of tape 6A - 5:08 p.m.)-- . . . a share based on their income.

CHAIR PONTANILLA: Thank you, Member Baisa. Thank you, Vanessa, for being here. Members, the Chair is going to include the \$113,139 into the Operating Budget. No, Fiscal Year 2008 Budget. Thank you, Vanessa, again.

Members, the Chair is going to call a ten-minute, ten-minute. . .ten-minute break. We'll return at 5:20. This meeting is in recess. . . .(gavel). . .

RECESS: 5:09 p.m.
RECONVENE: 5:25 p.m.

CHAIR PONTANILLA: . . .(gavel). . . Thank you, Members. The Budget and Finance Committee meeting is now reconvened. Members, yester. . . , last night we. . . had some questions in regards to the Department of Water Supply, and at your request we do have Mr. Jeff Eng, the Director of

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the Water Supply. Mr. Eng, one of the questions that we had was in regards to water rates. . . .If you have some comments to make before we start?

MR. ENG: Well, Ms. Holly Perdido, our Chief Fiscal Officer, and myself are available for any, to address any questions you might have. I don't have any notes or anything from your last night's meeting, so if you can just kind of like fire away, we'll be ready.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR PONTANILLA: Okay. We're going to be looking at Appendix B, Members, page 39. . .and I think our discussion last night was how do we get the hotel to, to pay their share in regards to usage over 1 million gallons. Member Anderson, question?

COUNCILMEMBER ANDERSON: Thank you, Chair. Yeah. The, the idea is that for the single family consumer, anybody that uses over 100,000 gallons for a two-month period is going to be charged the higher, additional higher rate of \$4.20 per 1,000 gallons. In the general water consumer category, which includes hotels. . .um. . .your proposal, the Department's proposal is that anything over 30,000 gallons is going to be charged \$3.40. What I'd like to see us do is spread the pain and if we're really, if we're really trying to--you know, you kept saying that the reason that this higher rate was for people who use higher amounts of water is to encourage conservation, and I agree with that, although I do think there's other ways to conserve, to force people to conserve that I'd like to see us institute. And hopefully when the Board of Water Supply sends us their conservation plan we can move on that. But in the meantime. . .um. . .I'd like to see in the general water consumer class, classification any hotel that uses over 100,000 gallons bi-monthly, the way you charge, that they, too, have to pay the \$4. . .the increased \$4.20 rate so that. . .so that we're fair in how we apply this water rate. It shouldn't be our residents that bear the brunt. It should be shared. And I understand that you still need to work on breaking down who all these general water consumers are because it includes businesses that may have the need for a larger consumption of water. But until we can do that, I think it'd be easy for us to find and identify those properties that are hotel properties and charge them the \$4.20 rate. Would you have a problem with that?

MR. ENG: Member Anderson--

COUNCILMEMBER ANDERSON: I guess I have to ask a question. . . .*(chuckle)*. . .

MR. ENG: --yeah, if I may comment. Sure. Again, you and I have pretty much been in agreement in regard to having a separate class, a hotel class or whatever you want to include with the hotels, and I, I've. . .as I pointed out recently, you know, there is some difficulties trying to get that created so in such short amount of time. Basically we want to identify the right properties and there's probably other decisions we need to make as to who we might want to also include. We were able to identify the hotels, the pure hotels, and there are really literally only about 15 that we could find. But what makes it complicated is like, like I started by going just through the yellow pages, and there's many in there because a lot of condominiums now because they're

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now, they go. . .they'll, they'll be listed under hotels, but because they might be like so-called, what, vacation resort properties or--so they're kind of a mix, you know, of a transient accommodation as well as maybe some full-time residents, too. And, and even timeshares are included as hotels. And, and what other thing? Even small bed and breakfasts, they'll call themselves hotels. So we, we try to just identify what we really would, would define as a pure hotel, so we ended up with around 15. But again, you know, there are these other properties like the timeshares that are using as much water per unit as, as the, as the hotels, and so, you know, it just would be an effort to really identify all those customers that we would, might want to include into this class. . .those that we feel are large water users, those that maybe can take the hit on the rates. So that's the only, what I wanted to point out is that it's not a complete list, and, and even if we were just to identify to the 15 hotels that we have kind of come up with, some of these hotels are very small and maybe we don't want to burden them with this higher rate. For instance like the Heavenly Hana Inn, I, I don't have how many units they have, but obviously they don't have very many there.

COUNCILMEMBER ANDERSON: Do you think the Heavenly Hana Inn is going to be using 100,000 gallons of water when they live in Hana?

COUNCILMEMBER MEDEIROS: No.

COUNCILMEMBER ANDERSON: I don't think so.

MR. ENG: . . .(*chuckle*). . . Yeah.

COUNCILMEMBER MEDEIROS: I don't think they even have a sprinkler system.

COUNCILMEMBER ANDERSON: They probably have no irrigation system at all.

MR. ENG: Yeah. Given the list that we have of the 15 or so, everyone but Heavenly Hana Inn would qualify for the greater than 100,000 gallons per bi-monthly period.

COUNCILMEMBER ANDERSON: Do you have figures there of, of what they're using?

MR. ENG: Yeah. In fact, we forwarded them to the Committee. They might have just been hand-delivered either yesterday or today. But we made you a spreadsheet. We, we didn't include the whole specific hotel name just for security reasons, but we can always provide that with you if you need it.

COUNCILMEMBER ANDERSON: Security reasons? Can you explain that?

MR. ENG: You know, competitive. . .you know, we call them Brand X and Brand Y.

COUNCILMEMBER ANDERSON: You know, I don't think there's anything confidential or secure about anybody who is using a public resource. They're taking a public resource and they're

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getting a, a bill from a public agency. Then, you know, why should they be confidential? I'm trying to--I have two. . .submittals from you. Would it be one of these?

MR. ENG: I, I have a copy here if you would like to see it.

COUNCILMEMBER ANDERSON: Yeah, that would be helpful.

MR. ENG: Okay. Excuse me.

COUNCILMEMBER ANDERSON: Do we. . .Staff, do we have a copy of what he's telling, telling us?

MR. ENG: They wouldn't have it yet, I don't think. Do you want to make copies or. . .?

CHAIR PONTANILLA: Yeah. I think, I think so, so we'll all be on the same page.

MR. ENG: It might have just been hand-delivered this morning, I think.

COUNCILMEMBER ANDERSON: While that's, while that's happening. . .you know, eventually. . .the way I look at our real property tax breakdown for the hotel/resort class, it does include timeshares, but what happens with timeshares is that they break each unit down to a, a separate TMK number. So when they get their tax bill, it goes directly to each unit. It doesn't go to the property itself. Whereas with a water bill, you don't send a bill to each individual timeshare unit owner, do you?

MR. ENG: No, I think we would send it to the, probably the management company.

COUNCILMEMBER ANDERSON: You'll send it to the management company and then they bill each separate timeshare owner, whatever.

MR. ENG: Or they build it into their, their maintenance fees.

COUNCILMEMBER ANDERSON: Yeah, however.

MR. ENG: If I may add something. There could be some difficulties, too, even in determining timeshares because a lot of properties that once was let's say a condo or a hotel/condo, some of them have converted I think partially to timeshare. One that comes to mind is the Whaler Condominium at Kaanapali. As I remember, there were full-time residents there, some units were in the hotel pool, and I think some were timeshare even from way back. So, yeah, I don't know how, you know, in properties like that we want to classify them, if we want to include them, or not include them because there are some full-time owner/occupants also. So again that's my only concern is are we. . .you know, identifying everyone that we want to appropriately.

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COUNCILMEMBER ANDERSON: Well, the idea is that those who are the greater consumers pay the higher rate. That's what you're asking us to do for the homeowners, the residents of the County. And so, you know, for now I'm satisfied to just apply that same rate to the hotels and then later down the road if you guys can do more studies and give us more information on timeshares. I mean, you know, it used to be timeshares were condominiums and now timeshares are interval-owned hotels also. So, I don't know how we can make a distinction right now because there's too many properties involved. But for the hotels it's very easy to make that distinction, and they are the ones who. . . I mean when you send--we'll wait and see what this is--but when you send a bill to the hotel, the hotel pays the bill. They don't tax. . . put an extra, you know, water tax on, on all their visitors and all their rooms. So it's one lump sum, it's one lump. . . it's one meter. So, I think it'd be a fairly easy thing for us to do, not any huge bookkeeping effort. And whether or not it--I haven't seen your handout--but maybe you could start with me since. . . I'm taking up all the time here, Lance. . . Oh, you gotta find the one with my name on it?

COUNCILMEMBER MEDEIROS: That's right.

COUNCILMEMBER ANDERSON: I don't think anybody will care if they get mine and I get theirs. It's all the same. Thank you. So. . . oh, you used these things, consumption per thousand gallons.

CHAIR PONTANILLA: Member Anderson, can I interrupt?

COUNCILMEMBER ANDERSON: Sure.

CHAIR PONTANILLA: Mr. Eng, if, if you could explain the columns so that we can understand more clearly?

MR. ENG: Certainly I can.

CHAIR PONTANILLA: Thank you.

MR. ENG: Premise ID is just the hotel with a number.

CHAIR PONTANILLA: Uh-huh.

MR. ENG: Next column would be our internal meter number to identify how many meters they have, and also you can see the number of rooms on, for the property.

CHAIR PONTANILLA: Uh-huh.

MR. ENG: Then the other is just the bi-monthly periods as you can see, and that was their actual consumption during those two-month periods.

CHAIR PONTANILLA: That's per 1,000 gallons?

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MR. ENG: Correct. And then we have the 2006 total consumption, and then we divide it by that total, by 12 to get an average bi-monthly consumption.

CHAIR PONTANILLA: So when I look at the first line there, it's 3,864,000 gallons for that Hotel #01?

MR. ENG: That's correct for, for the year.

CHAIR PONTANILLA: For the year?

MR. ENG: Uh-huh.

CHAIR PONTANILLA: Okay. Thank you.

MR. ENG: But it is 3.8 million gallons.

COUNCILMEMBER ANDERSON: But, but the bi-monthly average is 644,000 gallons.

MR. ENG: Uh-huh. So they would have exceeded that 100,000 gallons and but pay the higher rate. So as you can see there's only one property, and I already gave away the name of that one.

COUNCILMEMBER JOHNSON: Yeah.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

COUNCILMEMBER ANDERSON: What property is closed for renovations?

MR. ENG: Oh, that was the one, the name I gave away, the Heavenly Hana Inn.

COUNCILMEMBER ANDERSON: Okay. So, Chair, may I? Are you pau?

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Yeah. Are you pau? Can I go ahead?

CHAIR PONTANILLA: Oh, yeah.

COUNCILMEMBER ANDERSON: Okay. So on the second one we have here, the bi-monthly average--please tell me if I'm reading this right--9,229,000 gallons, is that correct?

MR. ENG: That is correct.

COUNCILMEMBER ANDERSON: And that's for 72 rooms.

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MR. ENG: Uh-huh.

COUNCILMEMBER ANDERSON: I want to ask you who it is?

MR. ENG: That one is really an anomaly. It seems like when I saw that, too, for those few rooms. . .because I, we didn't add a column for you to see which is a gallon--I'd like to see gallons per day per, per unit--and so. . .and that had a tremendous, the highest gallons per day per unit.

COUNCILMEMBER ANDERSON: You know what, wait a minute. I just want to make something clear. It's not per unit. We're not, we're not--

MR. ENG: Right, right.

COUNCILMEMBER ANDERSON: --comparing apples--

MR. ENG: That's right.

COUNCILMEMBER ANDERSON: --and apples. We're--

MR. ENG: Yeah. I just pointed out some personal information.

COUNCILMEMBER ANDERSON: Okay, I know. . . .*(chuckle)*. . . But, but it isn't per unit because hotel properties use probably the lion's share of their water to irrigate their property.

MR. ENG: That's correct.

COUNCILMEMBER ANDERSON: And so there's no comparison between their per unit use and a residential use. So you want to continue explaining why that's an anomaly?

MR. ENG: Well, basically 'cause it has few rooms, only 72 rooms, and I sense it has a whole lot of landscape irrigation going on, too, to compound that.

COUNCILMEMBER ANDERSON: It must or else quite a spa.

MR. ENG: Uh-huh. Probably has that, too.

COUNCILMEMBER ANDERSON: You know, I have friends that are massage therapists and work at various hotels and they tell me that it's not unusual for a guest at the spa to use, you know, seven towels in one day. . . .Think about what that costs to wash in water. So that's why I want to, I want us to single these out because, you know, mind you, all of these properties are making profit. At the end of the month they have money in their pocket, and part of the reason they're making a profit is because they're using this resource. Now our residents don't make profit off of using the resource. So, I'm just going to read these down because I think the, the people

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listening might be quite interested in hearing this. We have one hotel with 44 rooms, they're using 514,000 per billing period. Here's a hotel with 152 rooms using 1,420,000 per bi-monthly period. A room, a hotel with 40 rooms using 578,000 gallons per bi-monthly period. Here's a hotel with 120 rooms, 2,848,000 gallons per bi-monthly period; 265 rooms, 2,023,000 gallons. They must be doing some kind of conservation program. . . .(chuckle). . . They got twice the number of rooms and they're using less.

MR. ENG: Yeah. I think this one has very little landscape.

COUNCILMEMBER ANDERSON: And then here's one--everybody hang on to your hats--310 rooms, 12,029,000 gallons. . .whoosh; 335 rooms, 15,900 and--

COUNCILMEMBER JOHNSON: No.

COUNCILMEMBER ANDERSON: --15,923,000 gallons; 345 rooms, 9,809,000; 546 rooms, 9,134,000; 780 rooms, 40,872,000--this probably got a lot of water features; 450 rooms, 22,880,000 gallons. This is no small water consumption. This is *huge* and why don't we charge them the accelerated rate that we're charging our residents? Give me a good reason now, if you can.

MR. ENG: Well, I'm in, I'm in total agreement. Again, I just wanted to defer here so we could really create a good list and hit whatever, whatever--

COUNCILMEMBER ANDERSON: I think we've got a good list right here.

MR. ENG: --the other properties. But if you're willing to stick with just this. . .what we're certain are hotel by definition and maybe later on incorporate the other types of properties, we can do so.

COUNCILMEMBER ANDERSON: Has anyone taken the, the next step and done a calculation to see what the increased revenues would be at 400 or \$4.20?

MR. ENG: Well, what we'll do--obviously there will be additional revenue--and, and what we need to do, and I mentioned it to our consultants this morning--again, they're in Seattle--'cause they'd have to crunch the numbers for us because we have basically a balanced budget, we're self-sufficient financially. What I can see resulting is in the, in the other classes some of their rates should be going down, obviously, 'cause we will definitely be able to meet our revenue requirement with this additional revenue. So we can reduce some rates elsewhere. So that's why it's not that simple even developing either a new class or even adding another tier because--

COUNCILMEMBER ANDERSON: Well, Mr. Director--

MR. ENG: --so many things are impacted.

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COUNCILMEMBER ANDERSON: --I mean we can balance the budget. It's just a matter of, you know, if you got more revenue, then let's allocate the money for a use.

COUNCILMEMBER VICTORINO: Ms. Anderson, can I give you some figures that I've sat down and figured out right now?

COUNCILMEMBER ANDERSON: Sure.

COUNCILMEMBER VICTORINO: If you don't mind. Okay?

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Hang on. I, I did some fast calculation on just one property, and the difference of that property for a bi-monthly average is about \$7,000, and that's Hotel #11, second page.

COUNCILMEMBER ANDERSON: And that's not even one of the bigger users.

CHAIR PONTANILLA: Yeah. That's based on \$3.42 and also based on 4.20 after 100,000 gallons, and the other one is based on after 30,000 or utilizing 30,000 gallons going forward.

COUNCILMEMBER ANDERSON: Well, you know, Chair, we, we do have to give them the break that they only pay \$1.55 for the first 10,000, 2.60 for the next. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: . . .20,000, and then. . .anything over that. So. . .yeah, I think it's fair to just use the 4.20, \$4.20 because they're so far over that.

CHAIR PONTANILLA: Yeah. It's not that much actually.

COUNCILMEMBER ANDERSON: Yeah, it's a manini thing, but just for a broad figure. So if, Mr. Molina. . .I mean, Mr. Victorino, did you do this for all these classes, all these hotels?

COUNCILMEMBER VICTORINO: No, I just picked random the large one and a small one and--

COUNCILMEMBER ANDERSON: Yeah.

COUNCILMEMBER VICTORINO: --number, I used #09, since was 310, and I came out on the bi-monthly average \$196,000 difference between what we charge, if we were just charging the 3.40 versus the 4.20. And then I did one other one with the. . .I went to #12 and the difference was 57,000. . .I mean, yeah, bi-monthly was 570,000 difference. So--

COUNCILMEMBER ANDERSON: So this--

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COUNCILMEMBER VICTORINO: --there's sizable differences.

COUNCILMEMBER ANDERSON: --this will be a substantial revenue increase and, you know, they have benefited from this resource all these years. They need to contribute to all the upgrades that we need to do, and that's what this money will be. It will be Unrestricted Funds that is meant to upgrade a . . . an aged system, and we certainly need that because we haven't spent much time or money doing that over the years and, you know, these hotels have a new influx of visitors every week, every two weeks that contribute to their cash flow, contribute to their profit. And as I said before, they're recog . . . , recognizing unprecedented profits, and so I think it's only fair that they help contribute to the need we have to upgrade our water system.

MR. ENG: Member Anderson, if, may I ask a question. With this additional revenue then that we could anticipate receiving, would you like it to go toward more unrestricted CIP projects or would you like us to look at adjusting downward the rates for the other classes of customers?

COUNCILMEMBER ANDERSON: Well, Mr. Director, I don't know if you know this answer, maybe Holly knows this answer 'cause I don't, and I'm sorry I don't, but it appears to me that the Restricted and Unrestricted Funds are an ongoing fund. I mean we don't take whatever's left in those funds and throw them into the General Fund for carryover savings. Those funds don't terminate. They either build up or diminish as we use them.

MS. PERDIDO: Let me clarify. The Unrestricted Funds is what's our Revenue Fund. They do not keep building up. Whatever is, whatever we transfer for CIP, that's what that fund is for. In the past we had balances, now we're down to no balances. Whatever's left like the Lapsed Funds for '06 are going to go back to the General Fund. And so for '07 or--yeah, for '06--so we have '07's Budget covered. Now this is Unrestricted--

COUNCILMEMBER ANDERSON: I know--

MS. PERDIDO: --not the water system fee--

COUNCILMEMBER ANDERSON: --I know--

MS. PERDIDO: Okay.

COUNCILMEMBER ANDERSON: --I know, but I mean if, if we're trying to make the system self-sustaining and we're, we're collecting these water fees, these water use fees on a monthly basis and at the end of the year we have more in this Unrestricted Fund than we have appropriated for use, why would we throw it into the General Fund?

MS. PERDIDO: Well, it's the General Water Fund, not the General Fund, the, the Water. I'm, I'm . . . I consider our General Fund the Water Fund, not the General Fund for the County. All water revenues stay in the Water Fund, our Revenue Fund. So no, it doesn't go back to the General, it

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stays with our fund. But whatever's leftover is our carryover balance for the following year, correct, you know, whatever is in excess--

COUNCILMEMBER ANDERSON: Is your carryover balance in your General Fund?

MS. PERDIDO: In our, yeah, our General or our Revenue Fund. Maybe that, maybe I'll use our Revenue Fund and make it a little clearer so I don't say General Fund. So basically the money for our unrestricted CIP comes from our revenues, our Revenue Fund. So the, for '08 we're proposing to transfer 3 million plus 1.2 million maybe that is lapsed funds from '06.

COUNCILMEMBER ANDERSON: Lapsed Unrestricted Funds--

MS. PERDIDO: Unrestricted Funds, correct.

COUNCILMEMBER ANDERSON: --that were not utilized--

MS. PERDIDO: Right.

COUNCILMEMBER ANDERSON: --encumbered?

MS. PERDIDO: So basically we only have pretty much now two funds, the Water System Development Fund and then our Revenue Fund, which is our, like our General Fund. And there's two other small amounts, the source and storage which are leftover from those that were prior to.

COUNCILMEMBER ANDERSON: So now let me ask you this. When you put something into your General Revenue Fund whether it--well, the only place you can get it is from user payments. So basically your General Revenue Fund is, consists of. . .rate payer fees. So, I don't know why you have, why you don't leave that as unrestricted because what we're trying to show is what it takes, you know, in rates.

MR. ENG: Member Anderson, you're probably right and, and Ms. Perdido pointed out something earlier is that, okay, with this additional Revenue Funds which are, can be utilized for Unrestricted Funds, but I'm sure Mr. Young will be happy to hear that it'll, we may be able to potentially utilize fewer GO bonds, too.

COUNCILMEMBER ANDERSON: Yeah.

MR. ENG: So its, it makes sense maybe not to adjust the other rates, but with the additional revenue utilize it somehow and, of course, it'll help us 'cause I think for '08 we we're looking at \$8 million in GO bonds. So maybe we can reduce that amount.

COUNCILMEMBER ANDERSON: . . .You got about 6, 6,500 in bonds for '08. . .uh. . .6,500,000. . .So, yeah, I mean how would, how would you like that, not have to do any bonds at all?

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MR. ENG: That'd be great.

COUNCILMEMBER ANDERSON: Sure it would. So thank you so much for doing this. I'm sorry I had to twist your arm, but I think it was certainly worth it because. . .*(chuckle)*. . .you know, it's one of our most precious and valuable resources, and we certainly want those who are using it to pay their fair share. Thank you.

CHAIR PONTANILLA: Thank you, Member Anderson. I got a fast question for the Director. If we were to go ahead and move towards what is being proposed, can the Department come up with a proposal based on that so that we can include it in the water rates as far as. . . --*(end of tape 6B - 5:55 p.m.)*-- . . .anything used more than 100, 100,000 gallons by hotels, they would be assessed the \$4.20 rate?

MR. ENG: Yeah. We certainly can, Mr. Chair. One question I would have is, as we know there's one property that will use less than 100,000 gallons per month, I was wondering if we should use, utilize our standard general rate for that property or does anyone have any other thing in mind?

COUNCILMEMBER ANDERSON: Well, yeah. I'm only looking--

MR. ENG: . . .*(inaudible)*. . .

COUNCILMEMBER ANDERSON: --at hotels who use--

COUNCILMEMBER JOHNSON: High end.

COUNCILMEMBER VICTORINO: High use.

COUNCILMEMBER ANDERSON: --100,000 or more.

COUNCILMEMBER MEDEIROS: And higher.

COUNCILMEMBER VICTORINO: Yeah, the higher use. Mr. Chair--

MR. ENG: Okay. Then otherwise--excuse me, Member Victorino--

COUNCILMEMBER VICTORINO: Yeah.

MR. ENG: --then, then any other hotel that's less than 100,000 would just be a general rate customer--

COUNCILMEMBER ANDERSON: Yeah. And, and--

MR. ENG: --not even include them in the hotels if they're less than--

CHAIR PONTANILLA: Excuse me.

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COUNCILMEMBER ANDERSON: So the hotels are still a general rate. It's just we're, we're putting in another tier--

COUNCILMEMBER MEDEIROS: Yeah.

COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER ANDERSON: --for the hotels.

CHAIR PONTANILLA: Right.

COUNCILMEMBER VICTORINO: That's all.

COUNCILMEMBER ANDERSON: That's all.

MR. ENG: Okay.

COUNCILMEMBER VICTORINO: That's all.

MS. PERDIDO: Can I make a . . .? I just want to make a clarification 'cause, you know, in the past the hotels have always paid the highest block, you know--

COUNCILMEMBER VICTORINO: Right.

MS. PERDIDO: --from all our. . .so we have always collected more revenues from them. But I just want to make clear that the hotels are the ones that we have identified, that we've checked with them and, you know, we've called and found rooms and everything. Those are the hotels, not all the other businesses. So there's like 15, maybe 16 hotels.

COUNCILMEMBER ANDERSON: Yeah, just the hotels.

MS. PERDIDO: Okay, just the ones (*inaudible due to interruption*)--

COUNCILMEMBER ANDERSON: And, and, and we would, I think we would like you to, you know, next year try to further break this down so that we could maybe apply this rate to the timeshare condominiums, the . . .you know, all the other big users. But, you know, that's a little difficult to do in the timeframe we're, we're at right now, and that's why I think, you know, hotels. . .is a good starting point.

CHAIR PONTANILLA: . . .(*cleared throat*). . . I've got a question for Corporation Counsel. If we were to identify all of the hotels in regards to a new water rate tier, is it going to cause a problem for the County of Maui?

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MS. FUJITA VILLAROSA: I don't understand your question.

CHAIR PONTANILLA: Well, for hotels that utilize more than 100,000 gallons a month. . .that we charge 'em the higher rate, is it something that we need to be aware as far as the County in regards to potential liabilities?

MS. FUJITA VILLAROSA: No, I don't, I don't believe so. It sounds like the Council is just creating another class--

CHAIR PONTANILLA: Yes.

MS. FUJITA VILLAROSA: --you know, another class of water fee and, and assigning a separate rate to that class. So, I don't see a problem with that.

CHAIR PONTANILLA: And do we need to identify all of the hotels in Maui County?

MS. FUJITA VILLAROSA: I'm not sure how the Water Department will identify this other class or, or if there is some way that they can identify the class without having to name each hotel. I would, I would think that it would be better to somehow, you know, create a, a description and then, you know, make sure that these hotels would fall within that description, only because if you start naming each hotel, then, you know, what happens when there's changes. . .

CHAIR PONTANILLA: Uh-huh.

MS. FUJITA VILLAROSA: . . .you know, new hotels come up. So it would be better to create a separate, right, a separate description.

CHAIR PONTANILLA: Okay, fine. Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Mr. Eng?

MR. ENG: Oh, Mr. Chair, I, I guess something that kind of silly came to mind just now, but I can just see some of these properties, you know, kind of identify, identifying themselves as something else, not hotel. . .like, you know, short-term resort, something, and then come to us saying we're not a hotel. So we'll, we'll stick to our guns, though, if it looks and smells like a hotel, it'll be a hotel.

CHAIR PONTANILLA: Okay, fine. Okay. Member Anderson, you. . .more questions?

COUNCILMEMBER ANDERSON: Let's see, how does a hotel smell? . . .*(chuckle)*. . .

CHAIR PONTANILLA: Smells good back there. . .*(chuckle)*. . .

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COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . . Like good food? I'm real pleased with this, Mr. Chair, and I thank the Department, we're looking at some, I think, long overdue revenue.

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

CHAIR PONTANILLA: . . .Go ahead.

COUNCILMEMBER ANDERSON: Oh, you know, we're looking at some long overdue revenue that's going to help us take care of our aging system and, you know, why should we go out and spend bond money to take care of maintenance of our system when we can use revenues from the users?

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: At this point if we do put this rate into effect, first of all, I wouldn't see any challenge because we do have it under our single family rate consumers, that rate is in there. So it's not like we're creating, creating an arbitrary or capricious rate out of the blue skies. So that being said, your bond of 6 million some-odd, 600, I mean 6 million something. . .800,000 dollars or something like that for this year?

MR. ENG: Actually, Member Victorino, I have on my records 8.5 million.

COUNCILMEMBER VICTORINO: 8.5. We could take care with just this rate increase based upon the monthly average versus the actual rate increase, \$7,168,000 would be created just on that alone. Now these are just rough calculations and, you know, obviously it's going to be a little different. But, you know, some of this stuff could change and maybe cons..., when they conserve, you know, go into the conservation mode, they'll lessen their usage. Maybe that will also change. But I think I agree with my colleague Anderson, we just want it to be fair, and I said that when I was on the Water Board, to be fair and equitable to all large users that are non-agricultural. So then we have to look into other areas, too, but that was my main concern back then and it's still my concern now, that we be fair to all. If we're going to make sure our regular single family residence have to do that, then I say then we should make all the large users, such as hotels, resorts, others--you know, for right now I think we're going to stick with hotels, but eventually I'd like you guys to break it down to all of 'em. Okay? So thank you. Thank you, Mr. Chair.

CHAIR PONTANILLA: Member Medeiros, followed by Member Johnson.

COUNCILMEMBER MEDEIROS: Thank you, Chair. Director Eng, thank you for this information.

MR. ENG: You're welcome.

COUNCILMEMBER MEDEIROS: I know it's not easy to come up with this kind specialized information. But what I'm interested in is how does a hotel or what determines how many water

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meters a hotel property gets? Because Hotel #13, does that mean they have 12 water meters?
. . .How do they qualify for that many water meters or what determines--

MR. ENG: Yeah, there is a couple of things. One is, you know, just the amount of flow and peak flow and you, and there is a maximum for each size meter.

COUNCILMEMBER MEDEIROS: Uh-huh.

MR. ENG: Sometimes it's also based on, you know, the, the size of the property, you know, they might need a meter over here, a meter over there. We try to discourage that because we wouldn't want our water meter readers having to, you know, climb everywhere to, to find the meter. But basically based on, you know, average flow and peak flows, those type of demands.

COUNCILMEMBER MEDEIROS: Okay. The second question I have is you expressed, you know, a challenge in identifying hotel properties. Just because, you know, some hotel properties are both hotel and timeshare and so forth, is there a relationship with how you define hotel properties and how real property tax defines hotels? Is there a difference?

MR. ENG: Actually, Ms. Villarosa kind of advised me to check the property tax records. I think that's a great idea--

COUNCILMEMBER MEDEIROS: Yeah.

MR. ENG: --for us to confirm what we're doing and maybe even find others. So, so we'll do so. Thank you.

COUNCILMEMBER MEDEIROS: Yeah. If, if real property is identifying these properties at hotels or timeshares, then I, I think that's a guide for you as far as, you know, what's a hotel.

MR. ENG: Yes. Yeah, we'll take advantage of that.

COUNCILMEMBER MEDEIROS: Right. Okay. Thank you, Mr. Eng. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Medeiros. Member Johnson, followed by Member Molina.

COUNCILMEMBER JOHNSON: Yes, Jeff, and thanks so much, too, for doing this. With regard to the Mayor's transmittal and I think I showed you this copy, it says--and this is from Mr. Pablo--in response to the attached request, the Budget Office did not include an 18 percent increase in the proposed budget amounts for water pending your Committee's deliberations. So now you explained to us you have a balanced budget. . .without any rate increase.

COUNCILMEMBER ANDERSON: No.

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MR. ENG: I'll let Mr. Pablo respond to that. Thank you.

COUNCILMEMBER JOHNSON: . . .(*chuckle*). . . Yes, 'cause I just need to understand what this means then.

MR. PABLO: Okay, let me explain this, is this came up several weeks ago when we were talking about the water rate increases, and the question came up was if the water rates are increased to 18 percent, will the departments be covered for their water utility expenses. We did a review of the 2007 expenses, projected it out, and they, they will be covered for any increase in the water rates of 18 percent. We are talking about the Department usage of water.

COUNCILMEMBER JOHNSON: Okay. And so. . .okay, so that's just the departments.

MR. PABLO: That's correct and, and they're covered. We, we looked at the larger departments, such as the Parks and Recreation--

COUNCILMEMBER JOHNSON: Oh, okay.

MR. PABLO: --and the Fire Department who uses a lot of water.

COUNCILMEMBER JOHNSON: Yeah. So you're talking Countywide, yeah. 'Cause--

MR. PABLO: We're, we're talking about--

COUNCILMEMBER JOHNSON: --the way that this question was worded, you know, in each department's budget appropriations, yeah.

MR. PABLO: Okay.

COUNCILMEMBER JOHNSON: Yeah, and that was from Mr. Pontanilla. Well, then your budget, though, does anticipate the full 18 percent rate increase?

MR. PABLO: That, that's correct.

COUNCILMEMBER JOHNSON: Okay. Having heard that, Mr. Chair, what I would look at is if we do go the route of adopting let's say or imposing these higher fees, my preference would be. . .because I was leaning more towards a lower rate increase for particularly like single, you know, well, households or whatever, but if we go with the slightly lowered amount, I would be real interested to know what revenue would be produced from that because it should still produce sufficient revenues to be able to come up with, you know, the capital that you need in order to do all of your projects. Maybe not as much of it would be able to be paid for with cash, you still might have to go to bond on some of it, but I think that because these properties would be now paying a greater proportion that would generate additional revenues, which then would not be

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needed from the other segment of your rate payers. So, I just would be real--I know it's complicated, but I'd be real interested in going that route.

CHAIR PONTANILLA: Thank you, Member Johnson. Members--

MR. ENG: Mr. Chair, Mr. Chair, if I may just comment--

CHAIR PONTANILLA: Mr. Eng.

MR. ENG: --on Member Johnson's response. Yeah, we could look at that route. . .you know, as I mentioned earlier, we could adjust all other rates downward. But again the single family is pretty well protected in our current rate design. Remember, the average single family customer user and the low water user is. . .will see probably an increase of only 3 to 5 percent in their water bill. So maybe we might not have to go that route and maybe we can use the additional revenue for CIP, less GO bond funding, and maybe that, that seems to make a lot of sense to me right now. Thank you.

COUNCILMEMBER JOHNSON: Okay. Thank you very much, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman.

CHAIR PONTANILLA: And, Members, Member Molina would be the last person to--

COUNCILMEMBER VICTORINO: Sorry.

CHAIR PONTANILLA: --ask question towards Mr. Eng. Thank you.

COUNCILMEMBER MOLINA: Thank you. And thank you, Chairman, I appreciate the honor. . . .(chuckle). . .

COUNCIL MEMBERS: . . .(chuckle). . .

COUNCILMEMBER MOLINA: It's a long day. Mr. Director, you, you know the issue here is being water conservation and is the Department, to your knowledge, do they network with the big water users, for example, with the hotels to promote conservation or, or would it seem to be the hotels are just pretty much acting on their own to promote conservation? 'Cause I've seen it, you know, when you go into the hotel rooms they have these little cards and notes that remind you to conserve water. Has the. . .and, and being that we're going to consider placing this extra charge to the large water users, I'm sure we're going to be hearing from them, but I can see the point of conserving water and we, we have to look at that, in that direction towards the big users. Do you have any comments in terms of I guess establishing, you know, a more direct link or, or I guess

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open line of communications with the big water users to, to emphasize conservation? Because I know that they're gonna probably pass this on to their customers. So any comments?

MR. ENG: Well, Member Molina, to address how we really direct our conservation efforts, it's really primarily to the, to the residential type of customer. I mean we do things as you can see in the newspapers, and we participate in public events. Like last weekend we were at the Maui Botanical Gardens and we had, we were given out those water conservation devices; we, we were at the County fair. We haven't really focused on the large resort/hotels. As you know when you are at hotels, they do try to send out the message, and I think with these new rates they're even going to be more serious about it yet. I'm certain, I'm, I'm certain they will have more serious conservation efforts. Where I see this impact, in just thinking right now, is it probably in, in the. . .*(cleared throat)*. . .excuse me, in the planning of future resorts and things like that. I'm sure the architects and owners will look a second time on their landscape treatment, maybe go toward native Hawaiian plants, which I would *love* to see at hotels and I haven't, you know, and getting away from the high water consumption tropical plants that we see everywhere. So maybe it'll just cause everyone to think, you know, more seriously about even planning their, their properties.

COUNCILMEMBER MOLINA: And, and I know that they try to promote conservation, but if I'm here in Maui paying 300, \$400 a night in a room, I might not think about conserving. I mean my feeling is I'm paying this amount of money for a room, I'm going to use water maybe without, without thinking because I'm paying that high price. So I, I would hope maybe the hotels consider some type of incentive. I mean they can track how many phone calls you make, they can track, you know, what, what kind of movies you're watching or whatever. I don't know if they have the technology to track how much water usage in your, you know, you're, you're using in your room, and to me the, the one way you can get someone to conserve is if there's, there's a carrot, a carrot stick approach--you save water, maybe we'll discount your room bill. Just *(inaudible due to interruption)*--

MR. ENG: Member Molina, but again I think, you know, even the in-room water consumption isn't really the cause of all that water. It's primarily irrigation and--

COUNCILMEMBER MOLINA: Irrigation.

MR. ENG: --secondly, would be excess water features that probably aren't really needed in Hawaii.

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

MR. ENG: So it may, it'll 'cause them to rethink their landscape treatment as well as the need for additional water features and larger swimming pools, and particularly those that are right on the shoreline at the beach.

COUNCILMEMBER MOLINA: From what you know, do many of the hotels have water efficient equipment implemented into their--

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MR. ENG: I think in the, in the rooms they do--

COUNCILMEMBER MOLINA: Okay.

MR. ENG: --you know, I think they have the, the low flush toilets. I imagine they would have restrictors on their shower heads. . . .*(cleared throat)*. . . Excuse me. But as far as water features and, and swimming pools, you know, there's no way to stop water from evaporating. So I think they'll have to, to take another look at that.

COUNCILMEMBER MOLINA: Okay. Thank you for your comments. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Member Molina. At this time, the Chair is going to call for our dinner break. Mr. Eng, if you can return because we do have more questions in regards to the CIP area that some of the Members had some problems with. So. . . Member Anderson?

COUNCILMEMBER ANDERSON: Yeah, before we break, I, I'd just like to thank Holly Perdido for putting this together for the Director and for us. We really appreciate it. Thank you, Chair.

CHAIR PONTANILLA: Thank you. So we'll return at about 7:30, Members. This meeting, meeting is in recess. . . .*(gavel)*. . .

RECESS: 6:13 p.m.
RECONVENE: 7:33 p.m.

CHAIR PONTANILLA: . . .*(gavel)*. . . Thank you, Members, for the dinner break. The Budget and Finance Committee meeting is now reconvened. Members, when we left off in regards to the added water rate tier for a hotel tier, the Chair would like to recommend that. . . I know we all agree to a water rate tier for hotel, but I, I want to make sure that, you know, we cover all basis in regards to, you know, what liability lies ahead of us. The other thing I'd like to know is, is the Department ready to go ahead and do this? You know, I hate to rush into something and later on find out that, you know, there's some liability issues because we're identifying individual properties and I don't know if it, that's discriminating against the other properties. At this time, I'd like to have Mr. Eng provide some comments.

COUNCILMEMBER VICTORINO: Mr. Chair, if I may. . . before we go to Mr. Eng, I'd like to make a correction on a mistake I made earlier, if I'm allowed.

CHAIR PONTANILLA: Oh, okay, Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair. I just want to make very quickly a correction. When calculating the difference, I said 7.1 million. I was wrong. The actual corrected figure would have been 3,223,000. I apologize, Mr. Chair, and to the public for that mistake.

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CHAIR PONTANILLA: Thank you. Mr. Eng.

MR. ENG: Thank you, Chairman Pontanilla and Committee Members. You know, I had an opportunity over this break to do a little bit of soul searching and thinking, 'cause we want to make certain that we do the right thing for the community. If we make any mistakes, we're going to pay the consequences. And, of course, as you know and you've heard me in the past, I'm fully supportive of a new hotel class rate, but I want to reiterate my feelings that, you know, we're not really prepared yet to establish it this fiscal year. With your approvals and blessings, I would like to do it the right way. I would like to also bring in our consultants. Because when you . . .when you create a new rate design, a new rate structure, there's a lot of factors involved. In this case we wanted to establish fairness in the community, we want to protect the single family class/customer, we had specific goals to achieve conservation in the community, and they're all great and those are the goals that we want to continue to strive for. I've always felt and as you probably heard me in the recent couple of meetings, is that I felt like we might be rushing with this new class. We, we cannot identify from our current customer base the customers, actually. We don't know the impacts to our revenues, and that's what this water business is all about is, is establishing and determining our revenue requirement and be able to properly set rates to, to match that revenue requirement. And the, the primary thing is, you know, we really haven't established--and it might be this body that should do so--a definition for the types of customers that we should be including in this class, and I have a bit of concern that we might be exposing the County to certain liabilities and legal issues by doing so. I know we've identified 15 or so customers and, and these are the easy ones, but they clearly would have a case that why are we being discriminated upon.

So these are just some points I'd like you to consider, but the primary thing that I'm concerned about is the abil..., the ability to operationally get this in place by July 1. You know, I've always wanted to really do one new class at a time. We're going to really be struggling just, just making sure that we establish this new single family class correctly and accurately, and for us to even think of another class in this short period of time. . .for me to really support and go forward at this time, it, it'd be really a foolish decision on my part, and I just don't want to really create a big mess for the County or for my Department. So those are my comments at this time. Thank you.

CHAIR PONTANILLA: Thank you. Corporation Counsel, comments?

MS. FUJITA VILLAROSA: Mr. Chair, as I had stated earlier, I didn't think it was appropriate to, you know, pick out certain properties to include in this class, but that we needed to find a class and define the class and establish the new rate for it. And in, during the break in speaking with the Water Department, you know, one of the suggestions that was thrown out there was to use the real property tax classification of hotel/resort, which seemed like a reasonable thing to do. But in talking to the Water Department staff, that is not really. . .I guess it wouldn't be possible to use just the hotel/resort, and this was the example that, that I was given. You have some properties that are classed as. . .I'm sorry they are, that they are classified as hotel/resort for real property

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tax purposes, but like in a condominium or a timeshare situation you might have homeowners mixed in there, mixed in the building and the building may only have one water meter. So in that instance, you know, how, how would you, I guess, how would you separate the. . .or how, with what rate, what class would this property belong in? So, I guess there are, are issues like that that the Department needs to think about when they're trying to define this, this group or this class. And my understanding that even for the single family consumers which is being proposed now, they're still trying to work on, you know, pulling that group together because it's not something that, I guess, is readily separated, I guess, from their account. So it's just. . .I. . .it's possible to do, it's just that the Department's gonna have to think about how, how to do it, how to create this class and how to define the class, and how to pull, you know, these accounts into this separate class. That's, that's where we're at right now.

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

COUNCILMEMBER JOHNSON: Yes. I, I can understand, you know, you wanting to support it and wanting to do it correctly. If let's say you entertain following, you know, Budget conclusion and you go through doing whatever work it is that you need to do in order to come up with the ordinance or methodology so that you're treating people fairly and you can come up with an established class and the definition for that, will you be able or would you be willing because--I mean, I guess, you can change rates anytime that you want as long as you come back to the Council. Would it be something that you're gonna put off till next year or is it something that you would be willing to come back midyear and just explain how you've come to this particular determination and then implement it at that time?

MR. ENG: Thank you, Member Johnson. I expect if for us to do it correctly and accurately, it could take an entire year. But if we could complete something beginning with the definition and the agreement of what we, who we want to include in that class, I definitely would come to this body with a new rate proposal. But I anticipate it'll be a full year because there's just a lot of manual effort to get into our database, get an idea of, of who the customers are, probably looking at even some financial projections and work with the consultants and, you know, making sure that we're on the same page as far as the objectives of our rates. Again, I like the conservation efforts, I like protecting the single family customer, you know, when you clearly know that there are some opportunities for, for additional revenue, and we want to make sure that it's, it's a balanced type of revenue generation for the community. Right now to me there's just too many unknowns, you know, we're kind of like a kid in the candy store, okay, the opportunities are there, but I just don't want to start grabbing for them, you know, I'd rather go in there with a certain amount of discipline.

COUNCILMEMBER JOHNSON: Yeah, and, and I respect that. I think what I'm looking at on the other side is that oftentimes the rate, once the people are aware of what the rate is going to be and the impact, you'll all of a sudden see conservation measures that were never implemented before and particularly because we have so many hotels, and I don't know because the properties aren't identified specifically in your handout. My concern would be that because we have such water problems and we're getting close to capacity with regard to issuing meters in West Maui, I

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would want to see conservation measures implemented yesterday because I think what's happening is you're seeing the impact particularly like the second phase of Villages of Leialii has no water, it's not been able to move forward. You have other affordable housing projects which really should be having County water at least. It's less, it's less expensive than going to Hawaii Water Company. So these are the opportunities that I would like to see and if conservation is going to achieve the additional capacity for water, freeing up some of the water, I'm, I'm all for it. So that's my approach to this and the urgency for it and, frankly, I guess from a fiscal standpoint when you are doing your budget, the way that I look at it is anything that we can keep out of long-term debt is fiscally sound because you do not want to saddle future generations or your ratepayers with carrying the debt load because that all adds on. And what I would like to see is as rapidly and as, I guess, efficiently as possible to have this come forward, I, Mr. Chair, I'd really like to see that because I think that then we can also have some idea of the conservation that will be achieved through this.

MR. ENG: Yes, I'm in total agreement, Member Johnson. And also, I will follow up on a comment I think Member Anderson mentioned earlier about. There was a conservation plan to be submitted to the Council from the Board last year. I happen to have a Board meeting tomorrow morning, so I'll, I'll follow up on that and see where that is and if, if it is available, then I'll forward it to this body.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina--

COUNCILMEMBER MOLINA: Thank you, Chairman.

CHAIR PONTANILLA: --followed by Member Anderson.

COUNCILMEMBER MOLINA: Mr. Director, the. . .you know the subject of water conservation for the big water users motivates me, but I can agree with you with giving you time to look at this. If you can help me with my memory, now the Beck Study. . .how long did, did that process take, you know, when they came up with this single family water rate? I. . .if my memory serves me correct, when was that? Was that commissioned last year? I know maybe Ms. Perdido could provide us some institutional knowledge on that.

MR. ENG: Yeah, that would help. Thank you.

COUNCILMEMBER MOLINA: And, and wait, Mr. Director, do you know how long, you know, it took for them to produce the draft, how. . .

MR. ENG: Would you like to address this? Okay.

COUNCILMEMBER MOLINA: Oh, Ms. Perdido?

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MS. PERDIDO: Yeah. As you know, we first did the 2004 Water Rate Study. . .

COUNCILMEMBER MOLINA: Right, uh-huh.

MS. PERDIDO: . . .and this was a supplement to come up with our. . . --(end of tape 7A - 7:45 p.m.)--
. . .and we basically started this. . .it took about. . .I'd say last, maybe March.

COUNCILMEMBER MOLINA: Okay.

MS. PERDIDO: So it's been about a year. . .

COUNCILMEMBER MOLINA: Okay.

MS. PERDIDO: . . .and the draft came out I think. . .December maybe. . .

COUNCILMEMBER MOLINA: Uh-huh.

MS. PERDIDO: . . .you know, what, that we started getting information back. We've been providing all this the whole time. And so we got this draft report March of 2007.

COUNCILMEMBER MOLINA: Okay. So, I think a year is fair and we'd want to make sure that whatever you recommend is well thought out. . .so. . .and at least just the discussion alone, Mr. Chairman, I think will. . .the word gets out that maybe it will motivate the hotels to do a little bit more to emphasize water conservation to their customers. But ultimately like any business should in the future this Council approve that type of classification in which the big water users have to pay more, ultimately they will pass it on to their customers. So it's. . .it will have some multiple effects, either way you look at it, but I'm all for the Department needing, giving them the time to take a look at what the pros and cons of this type of proposal will have.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Thank you.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Well, the pros and cons, I can tell what the pros are. . .(chuckle). . .right now, a fair distribution of the revenue collected. Everybody's so concerned about discrimination, aren't we discriminating against our residents by forcing them to bear the burden. . .without requiring the *biggest users* to ante up like we're asking our residents to do? That's discrimination. And if you're so worried about being discriminated or about being challenged from the hotels because we're not applying this to timeshare resorts or any other kind of combination thereof, here's the list, they're all classed under real property as hotel/resort. The printout's right here. So the work's done already. You know, how much work did it take for you to single out all the single family users so you can increase their rates? It

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doesn't seem to be a problem to do that. So why is it such a problem to apply the same rates to the *biggest users*, the hotel/resort, condominiums. We've already got a class, Mr. Chair. Real property tax classifies all of those properties as hotel/resort and they're already singled out. So, I don't know why we gotta *study* it for a year. We've already *studied* the fact that we need the rate increase. So let's *share it* across the board to everybody because. . .just from this discussion we've had and the numbers that we've said here and the people that are listening, I could, I could envision a class action lawsuit because we're charging the residents this rate increase and we aren't charging anybody else, and the premise on this is conservation. You want conservation, I don't care how many plans you have, people will conserve when it hits their pocketbook. . . .You know. . .I don't understand why everyone is so. . .reluctant to share the burden, Mr. Chairman. Nobody seems to be reluctant to add this burden to our residents, the working population who keep these resorts going. Are, are the resorts going to give them an increase in pay to offset this cost that we're, we're adding to their monthly expense? I don't think so. So where's the equity? These resorts are laughing all the way to the bank. . .because they got a pass. . .and we're giving it to 'em--not this Council Member. If we're going to be fair and equal in our application of the law, in our application of. . .increased expense and the cost of living on Maui, then we better damn well apply it across the board to everybody. We're all, you know, worried about having enough revenue to take care of our needs and, and all these, you know, burdens that we have coming forward with. . .retirement and all that, a billion dollars, yet everybody's reluctant to share the burden. I don't understand that one bit. Most of these hotel owners. . .they don't live here, their corporations aren't, aren't here. Their profits *leave Maui*. So let's get *our share* of it, Mr. Chair. I don't buy this, we need to study it. We're the authority that sets the rates. We have *full authority* to set a class. Ms. Traci Fujita Villarosa, before we had our break. . .the question was asked and she said no, I don't see any problem. . .and now all of a sudden there seems to be a problem. I don't have a problem. I think it's a fair and equitable thing to do, and if everybody is so concerned about singling out the hotels, then let's just apply it to every single class, every single property that already is classified hotel/resort. . .and let's get some real money to take care of our water problems, Mr. Chairman, because they're bigger than this increase to our resident population is ever going to be able to address. Thank you.

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

VICE-CHAIR HOKAMA: Let's get to work.

CHAIR PONTANILLA: Thank you. Moving on, Committee. Before I move on, the Chair would like to request that Mr. Mateo as well as Mr. Hokama, you may have to cancel your flight on Saturday. We may be working into Saturday.

Members, we're on page no. 9, CIP 25-21, Piiholo Water Treatment Plant Improvements. Any questions?

COUNCILMEMBER ANDERSON: Say it again, Chair?

COUNCILMEMBER JOHNSON: 25-21.

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CHAIR PONTANILLA: 25-21 on page no. 9, Piiholo Water Treatment Plant Improvements - Organic Carbon Reduction. The Chair's recommendation is \$5 million. Any objections to \$5 million?

COUNCILMEMBER ANDERSON: I'm still trying to find where you're at.

CHAIR PONTANILLA: Page 9 of 9.

COUNCILMEMBER ANDERSON: Oh, 25-19. That's Olinda, not Piiholo.

CHAIR PONTANILLA: 25-21, Member Anderson.

COUNCILMEMBER JOHNSON: It's the middle of the page.

COUNCILMEMBER ANDERSON: Oh, it's out of order. I see. . . I think that was probably mine.

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: As an opening question, this is . . . for a filt. . . , a new filtering system, right?

CHAIR PONTANILLA: Yes, it is.

MR. ENG: Chairman Pontanilla--

CHAIR PONTANILLA: Mr. Eng.

MR. ENG: --if I may make a comment. This was an organic carbon removal facility. The Upcountry water has, tends to have organic carbons, and we want to remove them with this process so that upon disinfection we would minimize the development of disinfection byproducts, such as trihalomethanes. And, Member Anderson, I believe earlier you had questioned the funding. We had indicated that it be a State Revolving Fund, and we did check again with the Department of Health and at this time they cannot give us a written commitment for the funding. They have given us assurances orally and through telephone discussions. They will, though, be publishing a, a State Revolving Fund list of candidate projects in mid-May and they have assured us also that because this is a water quality compliance project, most likely the Department of Health will assign this a very high priority.

COUNCILMEMBER ANDERSON: Yeah. I saw that in the letter that you sent us. . . I can't find it on my original notes. Can Staff tell me where it is in, in the Chair's proposal.

COUNCILMEMBER VICTORINO: 33, page 33 of 36.

COUNCILMEMBER ANDERSON: Page 33?

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COUNCILMEMBER VICTORINO: 33.

COUNCILMEMBER ANDERSON: Thank you, Mike. . . .You know, I was considering a proviso on this. . . .that because you did tell us, Mr. Director, that you were intending to go forward with the comprehensive performance evaluation for the Upcountry system.

MR. ENG: Yeah. We're still looking into that and we're still going to be talking to the EPA.

COUNCILMEMBER ANDERSON: And so I'm hoping that we can put in a proviso, that before you pick a system and, and a filtering system--and, and, you know, you're not real clear anyway on what you're going to use yet--that prior to that happening that we have this comprehensive performance evaluation done. Would you have any objection to that?

CHAIR PONTANILLA: Department?

MR. ENG: Thank you, Mr. Chair. Again, that would be depending on the ability of the EPA to, to send the staff member out. But as I pointed out earlier that this, whatever we're doing as far as any water treatment facility, we are getting approval from the State Department of Health and they have the powers to enforce all the EPA regulations in the State.

COUNCILMEMBER ANDERSON: That's not the point. The point is, is that we have the opportunity for EPA scientist to come here and give us a comprehensive performance evaluation for the whole system, and what's the point in doing that after the fact? I mean if we're going to do it, we might as well do it before you make any. . . .study of available technology ongoing to evaluate and select effective and efficient process. That's what it says in your description here. And so if, if it's already ongoing, then why not wait until the comprehensive performance evaluation is done and, you know, we're assured that we're making the right design choices? Because as I said, it's comprehensive. Would you have any objections to that?

MR. ENG: Well, again I feel that whatever we do and whatever is. . . .whatever we come up with as far as the treatment process will require the full approval and blessings of the Department of Health. And again, as I mentioned earlier, they have primacy, they have the authority to act in the role of the EPA within the State of Hawaii.

COUNCILMEMBER ANDERSON: Mr. Director, don't give me the same answer and cause me to have to ask you the same question again. The, the question is simple, the answer is simple. Yes, you'll, you would agree to have the comprehensive performance evaluation or not prior to making a design decision?

MR. ENG: Well, again let me coordinate that with the EPA because if we're looking at State Revolving Funds, you know, I don't want to jeopardize that ability, but I will be talking with the EPA again and seeing how we can coordinate whatever they can do to assist us. But I, I don't really want to let's say condition anything we do based on the timing of, of their ability to come out to Maui.

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COUNCILMEMBER ANDERSON: Well, you don't even have the money yet from State Revolving. That's going to take awhile. That, that was my point in holding this back, Mr. Chair, is I think there should be a proviso. This whole body last term voted to have this done. We voted to do this last summer, and the Department hasn't moved on it. It could've been done by now. In fact, the Council has the money to do this performance audit. It's not even, you know, money from your Department. We're paying the expense to bring the scientists here. And I think the public, the Upcountry public wants this, and in fact the Upcountry Oversight Water Advisory Committee wants it. So, you know, if we're going to restore trust in the Department, which I might add has been highly damaged from the last Administration in the way they dealt with the public over this issue, then let's be upfront and do the right thing and bring these people over and let them evaluate this system and give us expert advice. . .*above* and beyond what DOH can give us. We use 80 percent of all the surface water used in this State right here on Maui. That's high risk water. . .and we know we have problems in the system Upcountry, and yes we know we have to reduce the organ..., organic carbons. But, you know, let's do this in a comprehensive way. Let's do this in, in a manner that takes advantage of the expertise that we have. My God, they sent them down to *Guam* to straighten out their surface water system. . . .Don't our residents deserve the same consideration as the people of Guam?

VICE-CHAIR HOKAMA: Point of order, Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: We are in the second round.

CHAIR PONTANILLA: Yes, we are.

VICE-CHAIR HOKAMA: We are going through the same thing that we went through the first round.

CHAIR PONTANILLA: Yes, we are.

VICE-CHAIR HOKAMA: If the Members have strong feelings about a specific item, *propose* a proviso so we can take action and move on.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: I'm not going to spend my whole weekend here.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I'm perfectly willing to pro..., provide a proviso, but you asked the Director, you, you brought the Director here for. . .I mean. . .I'm willing to, to do the proviso, but you directed me to ask him a question because I earmarked this for the second round for some additions. He's here. . .you know. . .*(sigh)*. . .

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CHAIR PONTANILLA: It is your prero..., prerogative to add a proviso if you want to.

COUNCILMEMBER ANDERSON: That's right. So, I mean I really don't need to ask the, the Director any questions. I've asked the question, I got the same answer three times.

CHAIR PONTANILLA: Thank you. Moving on. Any questions to the Chair's proposal on the CIP 23-18, Hana Source Development - Hamoa Well?

COUNCILMEMBER ____: Can you give a reference?

CHAIR PONTANILLA: That's page 9 on the handout that we got last night.

COUNCILMEMBER MATEO: Chairman, may we ask who, who, who was identified as the individual with the questions so we can have them ask the question?

CHAIR PONTANILLA: Staff, you have that information for us?

COUNCILMEMBER ANDERSON: That's me.

COUNCILMEMBER MATEO: Can you ask your question?

COUNCILMEMBER ANDERSON: Yeah. If I get the opportunity, I'd be happy to ask the question.

CHAIR PONTANILLA: Okay. Go ahead, Member Anderson.

COUNCILMEMBER ANDERSON: You know, the, the money that you have here for Hamoa Well. . .23-18. . .we're using \$800,000 for a backup well. This well is not supposed to give us additional source, it's supposed to be backup, yet you're using Restricted Funds for it. You know, I'm not going to belabor the Restricted and Unrestricted Funds issue. I think that's something we need to straighten out after Budget where we have some time to, to delve into it. But my question is why are we spending \$800,000 for a backup well when we have people in Nahiku who are still waiting for their water system to be corrected to water quality standards? People are getting lep..., somebody tell me how to say it--leptospirosis. And I don't know if the Director's aware of this, as he's new, but this has been a long-time ongoing problem, and we were told last term that they would address the problem with the water system. They're using surface water with no filtra..., filtration at all, and, you know, we've got reports from Hana Health Center that go back ten years with people having health problems with this water. We were told last term that it would be addressed. We put money in for the roadway to improve the, the--

CHAIR PONTANILLA: Intersection.

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COUNCILMEMBER ANDERSON: --yes, thank you--the, the radius for the turn on that. And we were told that when they did that, they would be addressing the water issue with, I guess, pipes. So is, is there any, is there any reason why you folks have not addressed Nahiku? We're talking about health problems. This well is a backup well--not that we don't need it, certainly we do need it, but I think we need to address health issues before we start backing up water that we already have. So, I'm just wondering does the Director have any knowledge about what's going on in Nahiku and what the plans might be?

CHAIR PONTANILLA: Mr. Eng?

MR. ENG: Thank you, Mr. Chair. I have limited information of Nahiku 'cause I recall you mentioning some concerns about bacterial or, or protozoa, zoa contamination in the water. So I, I did check our water quality records in terms of that, and as far as the water coming off of our water system in Nahiku, it's fine bacteriologically. Some of the issues with water quality could be from people who are not connected to our water system. So that might be addressed by expanding the water system out there, which I'm not aware of any project. . .on the books right now. We can look into that. But as, in regard to the need for Hamoa Well No. 2 there is a serious need. You know, when you rely on that one well for a community, you know, it's, it's kind of like unfair, irresponsible to just continue with the one well without a backup. So that's all what the new well is providing. Of course, though, if there are a need for new hookups, if there is a certain amount of growth in Hana, and I don't think any of us anticipate any, any drastic amounts of growth, that well could accommodate it. But again it's, it's basically the, the primary need is for backup and I think that community deserves a backup.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Yeah. I mean I don't have any problem with that. But. . .well, I guess it's because there's just not enough people in Nahiku to warrant any kind of upgrades to their system.

CHAIR PONTANILLA: Thank you, Member Anderson. Next item, 25-15, CIP 25-15, Kamole Water Treatment Plant Improvements.

COUNCILMEMBER ANDERSON: Chair, that was me.

CHAIR PONTANILLA: And I think you wanted to add a proviso?

COUNCILMEMBER ANDERSON: Again, I want a proviso on all these upgrades that have to do with water treatment plant improvements for Upcountry so that we can get that comprehensive performance evaluation done before they make a commitment on, on a design. That's the reason I earmarked it, Chair.

CHAIR PONTANILLA: Thank you. Members, any. . .objections to the Chair's recommendation?

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VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: None.

CHAIR PONTANILLA: Thank you. Moving on. CIP 25-19, Olinda Water Treatment Plant Improvements. Members, any objections to the Chair's recommendation?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. Members, that concludes the Water Department at this time. I want to thank Mr. Jeff Eng in regards to you being here tonight and, Mr. Eng, you heard a lot of comments in regards to some of the issues that some of the Members have. So I, you know, it is my hope that you would take some actions in regards to those issues that were brought forward.

MR. ENG: Certainly.

CHAIR PONTANILLA: Thank you. Lance. . . Thank you. Well, Members. . .

COUNCILMEMBER VICTORINO: Mr. Chair, I humbly ask for--

CHAIR PONTANILLA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah. Could I, could we have a quick recess 'cause I have to bring something to your attention and it's very important.

CHAIR PONTANILLA: Okay, fine. Short recess. . . *(gavel)*. . .

RECESS: 8:13 p.m.
RECONVENE: 8:18 p.m.

CHAIR PONTANILLA: . . . *(gavel)*. . . The Budget and Finance Committee meeting is now reconvened. At this time, the Chair would like to recognize Mr. Victorino.

COUNCILMEMBER VICTORINO: Yes. Thank you, Mr. Chair. I apologize. I omitted to recognize the Department for the sake of adding in a line item for the continued study of the flow streams for Na Wai Eha, and at this time I would like to call upon the Director, Mr. Eng, to explain where we will get the monies from and how we will setup this line item. Mr. Eng?

MR. ENG: Thank you, Member Victorino. If I may pass the mic on to Holly.

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MS. PERDIDO: Okay. In one of our responses to the Council we had provided a breakdown of the professional services and one of the grants that we provide, and what we wanted to do is put Na Wai Eha as a separate line item. So we wanted to reduce the Planning Program by \$100,000; reduce No. 5, the grant to West Maui Partnership to \$100,000, which it should've been originally; and add another line item for the USGS Stream Monitoring Hydrological and Aquatic Ecology - Na Wai Eha for 150.

CHAIR PONTANILLA: Members, any objections to the added line item for Na Wai Eha for the U.S. Geologist Instream Flow Study?

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: It was my understanding that the money was in Economic Development. It was already funded for this year.

COUNCILMEMBER JOHNSON: Yeah. That's what I thought.

CHAIR PONTANILLA: We'll verify. Mr. Taguchi, if you can verify OED. The . . .

MR. TAGUCHI: Chair Pontanilla, we'll be looking into it.

Note: Short pause.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson? Page?

COUNCILMEMBER VICTORINO: Page?

COUNCILMEMBER ANDERSON: You know what--

COUNCILMEMBER VICTORINO: That was this year, huh?

COUNCILMEMBER ANDERSON: --it's not listed under O..., Economic Development. . . .75,000 in '06, 75,000 in '07, they have nothing in '08, but I know I asked some, I asked somebody in the Mayor's Office and they said it was funded, not 150, but 75. That's always been our share.

COUNCILMEMBER VICTORINO: Yeah. And I could not find it and that's why this was brought up because it could not be found. So, I had asked the Department with that letter to, to find it for us. So that's why they're adding it in. I did think it was in Economic Development, but in further searching I couldn't find it and neither could the Department. I asked the Department to look into it for me and they couldn't find it.

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CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: Mr. Taguchi, should that money go to Economic Development or stay in the Water Department area?

MR. TAGUCHI: Chair Pontanilla, if the Water Department believes that the appropriate use for the Water Fund to pay for this, then it should come out of the Water Fund. The Water Fund expenses, although could, although it could be paid by General Funds, theoretically it should be paid within the appropriate fund. So if the Department is stating that this is an appropriate use for Water Funds, then it should remain in this fund.

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

COUNCILMEMBER JOHNSON: Yeah. My only question was then the West Maui Partnership was always only funded at \$100,000. . . . 'Cause we, I, I just don't have the historical data in front of me, I'm just looking off the line item budget.

CHAIR PONTANILLA: Department?

MS. PERDIDO: I don't have my '07 Budget right in front of me, but it was my understanding that it was increased by 50, which it shouldn't have been. I think it was 100 for the, for '07 and then continued at 100 for '08, and I can verify if it's incorrect.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Yeah. I, I just appreciate that because I know with the problems that we're having and the inability to move the flood control project forward, that that particular conservation funding is really critical in case we have any kind of a storm event in Lahaina. So, I'd hate, you know, to drop it by 50,000 and then have insufficient money.

CHAIR PONTANILLA: Thank you. Members, any more comments on that? --(end of tape 7B - 8:25 p.m.)-- Any objections? . . . Seeing none, none, let's move forward. Thank you, Mr. Eng, Holly, for being here tonight. Thank you, Mr. Victorino. Members, going back to page 1 and we'll go real fast on this one here.

COUNCILMEMBER ANDERSON: Chair, just one quick question.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: We've been funding this at 75,000 and so I'm, I'm curious where Member Victorino got the \$150,000 figure because this was sort of set--

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CHAIR PONTANILLA: For a three-year period, yeah.

COUNCILMEMBER ANDERSON: --originally, yeah. 'Cause we are down to the wire counting pennies and I don't know why we would add an extra 75 if it's not needed.

CHAIR PONTANILLA: Mr. Victorino, please.

COUNCILMEMBER VICTORINO: I'm sorry. I was. . . (*inaudible*). . .

CHAIR PONTANILLA: Okay.

COUNCILMEMBER VICTORINO: Yes, sir. . . I did not hear the question.

CHAIR PONTANILLA: Okay. The question was that for the last two years we've been supporting Na Wai Eha with an appropriation of \$75,000 each year for the last two years, and this is the third year as far as our agreement of \$75,000 and today we have an amount of \$150,000.

COUNCILMEMBER ANDERSON: Where did, where did you get that figure?

CHAIR PONTANILLA: Where, where did you get the extra \$75,000?

COUNCILMEMBER VICTORINO: Well, the, the rationale for that was when looking into this and seeing this is the third year of the study which is really pivotal and the need for more money and was, I was able to find it by asking the Department to, to look in where I could find 150 instead of 75, because I really believe this program is so crucial, that's why I asked for 150. I, you know, it's like the same thing with. . . I was just showing Ms. Anderson [*sic*] that the--

COUNCILMEMBER JOHNSON: Johnson.

COUNCILMEMBER ANDERSON: Johnson.

COUNCILMEMBER VICTORINO: --I mean Johnson--excuse me, sorry--that the West Maui Partnership the last two years has gotten 75, 75, and this year we had increased it to 150 because we believe these projects are very important. So by reducing that to 100 and taking that 50, plus the other money from the professional services, I'm able to accomplish all of the things that I think were necessary for these very important studies. So that's why I did it. So if the Board or if the, the rest of you feel differently, then that's fine, but that's the. . . that I felt was very important, and they thought it was very important that we put extra money in. So if I could find it, I figured I did it. So sorry I did not consult you first.

CHAIR PONTANILLA: Oh--

COUNCILMEMBER ANDERSON: No, that's not the issue. The issue is that--

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CHAIR PONTANILLA: Member Anderson, can I have the Department answer that? Department?

MS. PERDIDO: Yeah, maybe I can clarify. Last year I think it was 7..., or this fiscal year 75 out of OED and the Department funded 75, and so I think for the Fiscal Year '08 Budget they wanted the Department to fund the full 150.

COUNCILMEMBER ANDERSON: I see.

COUNCILMEMBER JOHNSON: Oh.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you for that clarification.

COUNCILMEMBER ANDERSON: Thank you very much.

CHAIR PONTANILLA: Okay. Members, moving on. Looking at page 1 of 9, the Chair had recommended for License/Permits/Others. Any objections to the--

VICE-CHAIR HOKAMA: Chairman?

COUNCILMEMBER JOHNSON: Wait, where are you?

CHAIR PONTANILLA: Riki, Member Hokama?

COUNCILMEMBER JOHNSON: Where are you?

VICE-CHAIR HOKAMA: You know, my understanding, and, and correct me--

COUNCILMEMBER JOHNSON: We're going back again now?

VICE-CHAIR HOKAMA: Last night, I thought we ended at Parks and Recreation on page 5 of 9?

COUNCILMEMBER ANDERSON: Yeah, we did.

COUNCILMEMBER JOHNSON: Yeah, we did.

CHAIR PONTANILLA: Yes, but we had some questions that we needed to come to, and I just want to make a real fast through so that there's no more questions from you guys.

COUNCILMEMBER VICTORINO: . . .(*chuckle*). . .

COUNCILMEMBER JOHNSON: Not likely.

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CHAIR PONTANILLA: Okay. On page 1, License/Permits/Others, any objections to the Chair's numbers?

VICE-CHAIR HOKAMA: Where is that?

COUNCILMEMBER ____: No.

CHAIR PONTANILLA: Thank you. Bond/Lapsed Bond, any questions to the Chair's recommendation? Nope. Thank you.

COUNCILMEMBER ANDERSON: Yes.

COUNCILMEMBER JOHNSON: Well, yeah, that Baldwin Avenue Bike--

COUNCILMEMBER ANDERSON: The Baldwin Avenue Bike Path.

COUNCILMEMBER BAISA: The Baldwin Avenue--

COUNCILMEMBER JOHNSON: We went down to 100.

COUNCILMEMBER BAISA: We, we reduced it.

COUNCILMEMBER ANDERSON: When did we reduce it?

COUNCILMEMBER BAISA: Today.

COUNCILMEMBER JOHNSON: Today, we went down to 100,000.

VICE-CHAIR HOKAMA: We made no decisions, Chair.

COUNCILMEMBER JOHNSON: No, I know, but we talked about it.

CHAIR PONTANILLA: Wait, wait, wait.

VICE-CHAIR HOKAMA: That was it, we just talked about it.

CHAIR PONTANILLA: We just talked about it. We didn't take any action. We, we had the Department--

COUNCILMEMBER JOHNSON: Well, then we all didn't agree on it.

CHAIR PONTANILLA: --here. Okay.

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COUNCILMEMBER ANDERSON: No, nobody. . .we, we never made any consensus. People talked about it, but--

CHAIR PONTANILLA: Yeah, we just talked about it. So, Members, I'm going to go through this again.

COUNCILMEMBER JOHNSON: . . .*(sigh)*. . .

COUNCILMEMBER ANDERSON: So anyway, Chair, your--

CHAIR PONTANILLA: Okay. On, on Baldwin Avenue there was a, a recommendation to reduce that to \$100,000.

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER JOHNSON: Yeah.

COUNCILMEMBER ANDERSON: Whose recommendation?

CHAIR PONTANILLA: Recommendation was made by Member Molina.

COUNCILMEMBER ANDERSON: Well, I have a recommendation to make.

CHAIR PONTANILLA: State your recommendation.

COUNCILMEMBER ANDERSON: I'd like to take 250,000 and put it towards the North Shore Bike Path and \$250,000 to the Kihei Greenway, and if anybody from the tour company wants to see this happen, then let them step forward and we'll consider it.

CHAIR PONTANILLA: Members, let's take Members, Member Molina's consideration first, reducing the fund by \$400,000.

COUNCILMEMBER MOLINA: That's correct, Mr. Chair.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Any objections?

COUNCILMEMBER ANDERSON: Objection, Chair.

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

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CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: If I may make a statement.

COUNCILMEMBER MOLINA: Take a vote, Mr. Chair.

CHAIR PONTANILLA: I'm going to take a vote now. Member Victorino, to reduce by \$400,000?

COUNCILMEMBER VICTORINO: Yea.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Okay.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Aye.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Aye.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Aye.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Aye.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Mr. Chair, I don't see any point in putting \$100,000 towards the design of a \$10 million bike path if we're not going to go forward with the 10 million. By spending 100,000 we're making a commitment. No.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, I have, I believe the plan was already done. I would prefer seeing this study done in-house, but to expedite our process and listening to the Members--and I can count--aye.

COUNCIL MEMBERS: . . .(*chuckle*). . .

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CHAIR PONTANILLA: Thank you. So we'll reduce that amount by \$400,000. Moving on, Carryover/Savings. Members, any objects, objections to the number. . .as proposed?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER JOHNSON: No, I don't--

CHAIR PONTANILLA: No objections? Page 2, Office of Council Services. Any objections to--

COUNCILMEMBER BAISA: Chair.

COUNCILMEMBER JOHNSON: We already voted on this, didn't we?

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Just one brief correction in the description of what it's for. I want to make sure that it's not limited only to COLA for EAs. I'd rather that it was broader to say all allowable expenses of operating the offices.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: In this area I think there, there may need to be a decision whether or not money will be added or whether or not it's going to be taken out of the current appropriation.

CHAIR PONTANILLA: Thank you. Member Baisa--

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: --is, is it going to be added or taken out, out of the existing appropriation?

COUNCILMEMBER BAISA: To, to. . .this is to add because this is for '08.

CHAIR PONTANILLA: Thank you. The total amount to be added is \$99,423.

COUNCILMEMBER VICTORINO: But it doesn't reflect it here.

COUNCILMEMBER JOHNSON: Plus benefits--

CHAIR PONTANILLA: Members, any objections?

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VICE-CHAIR HOKAMA: Object.

COUNCILMEMBER JOHNSON: No objection.

CHAIR PONTANILLA: Thank you. Member Victorino, accept, object?

COUNCILMEMBER ANDERSON: Chair?

COUNCILMEMBER VICTORINO: Wait.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I'd like to hear Chair Hokama's explanation as to why he objects.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: I think he might have some. . .information to impart.

CHAIR PONTANILLA: Thank you. Member Hokama, please explain?

VICE-CHAIR HOKAMA: Chairman, I believe we have sufficient funds in our request for the upcoming year and this would be just an internal adjustment between sub-accounts, and we'll just add the 10 percent increase that the Members want for their individual offices from an, from an internal adjustment, but we don't need to add more money to the 4.8 million that we are budgeting for ourselves.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you, Chair.

CHAIR PONTANILLA: Any more discussion? Member Anderson?

COUNCILMEMBER ANDERSON: I support what the Chair just said.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: If Member Hokama assures us that we have money for. . .the adjustment we're talking about for this year and next year, I'm happy to withdraw it.

CHAIR PONTANILLA: Thank you. Member Johnson?

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COUNCILMEMBER JOHNSON: I would prefer that the proviso stay in so that, you know, in line with Member Baisa's recommendation: Provided, that monies are transferred from whatever account to this account to facilitate this. Then that way it's clear, it's stated very specifically.

CHAIR PONTANILLA: Thank you. Right now the recommendation by Member Johnson is to proviso that the amount will be coming out of the appropriations that you see here this evening for the Office of Council Services. Am I right?

COUNCILMEMBER JOHNSON: Yes.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: May, may I ask you. . .also this other one, to increase Council Member's account for cost of living increase for EAs, is that also--

COUNCILMEMBER JOHNSON: That's--

CHAIR PONTANILLA: That's what we're talking about right now.

COUNCILMEMBER JOHNSON: --that's what we're talking about.

COUNCILMEMBER VICTORINO: Wait, wait a minute. I'm asking does that proviso stay in there?

CHAIR PONTANILLA: The proviso will remain if everybody agrees.

COUNCILMEMBER JOHNSON: But not stated this way.

COUNCILMEMBER BAISA: Not stated--

COUNCILMEMBER MOLINA: Yeah, not stated. It has to be revised.

COUNCILMEMBER VICTORINO: Yeah, that's what I'm asking.

MR. TAGUCHI: Chair. Chair.

COUNCILMEMBER VICTORINO: That's what I'm asking. Sorry.

CHAIR PONTANILLA: Member [*sic*] Taguchi?

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MR. TAGUCHI: Chair, the language of the proviso--

CHAIR PONTANILLA: Oh, Mr. Taguchi.

MR. TAGUCHI: --the language of the proviso right now is: Provided, that 900. . .99,423 shall be for an increase in Council Member accounts for cost of living increases for EAs. Understand that if the provi..., proviso stands as is, then the monies going into the Members' account will only be for EAs.

COUNCILMEMBER BAISA: That, that is not our intent.

COUNCILMEMBER JOHNSON: That's not what, that's not what she--

MR. TAGUCHI: Then, then we need to restate the proviso.

VICE-CHAIR HOKAMA: Chairman. Mr. Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: . . .*(sigh)*. . . I would recommend that we just state, increase individual Members' accounts by 10 percent.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: Mr. Taguchi, got that? Thank you. Any objections to that language?

COUNCILMEMBER MOLINA: No objections.

COUNCILMEMBER JOHNSON: No.

COUNCILMEMBER VICTORINO: No objections.

CHAIR PONTANILLA: Thank you. Moving on.

COUNCILMEMBER VICTORINO: Thank you, Mr. Chair.

CHAIR PONTANILLA: EM 7-7, Abandoned Vehicle, Scrap Metal, and White Goods Program. We heard the Department in regards to that. Member Baisa, you want to withdraw the \$300,000 as appropriated that we talked about last night?

COUNCILMEMBER BAISA: It appears that it's a great idea but it needs more work, so it's okay.

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CHAIR PONTANILLA: Thank you. So remove...\$300,000 as we discussed last night. Okay, Members, moving on to page 3, Supplemental Transfer to the Golf Fund.

COUNCILMEMBER ANDERSON: Chair.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Anderson?

VICE-CHAIR HOKAMA: Are we--

COUNCILMEMBER ANDERSON: On the bottom of page 2, EM 7-24 regarding Ka Lima O Maui, I thought...didn't we make a decision to deduct 61,370 for those positions?

CHAIR PONTANILLA: Yes, those, those posi..., positions were removed last night.

COUNCILMEMBER ANDERSON: Okay. I just want to make sure that was a decision that was made and not just a note.

CHAIR PONTANILLA: Okay. Golf Fund, still have problems on that. We're still working on the numbers in regards to the Mayor's proposal in regards to that and, and the discussion that we have had this, this morning with the Parks and Recreation area. Any questions, Members, to...? Member Johnson?

COUNCILMEMBER JOHNSON: My...I guess my thought would be to...as far as I know and as far as what was said today to just make the rates at what the recommendations were, and then therefore it should not require a supplemental transfer from the General Fund.

CHAIR PONTANILLA: There was a new proposal that was presented to the Chair this afternoon.

COUNCILMEMBER JOHNSON: Oh.

CHAIR PONTANILLA: According to the Department, they wanted to make the rates more easy to administer...but we don't have the numbers for that at this time.

COUNCILMEMBER JOHNSON: Oh. And that's why you want to postpone it?

CHAIR PONTANILLA: Yeah. We need to look at the proposal as...with the new proposal being made by the Administration.

COUNCILMEMBER JOHNSON: Okay. Do you have any idea if it will still necessitate a transfer, though?

CHAIR PONTANILLA: If we go with the proposal, it may be less.

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COUNCILMEMBER JOHNSON: Okay.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I would ask that we return to this--

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: --because I am still going to advocate for the Junior Golf Program.

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

VICE-CHAIR HOKAMA: Chairman, one question, please.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Page 2, bottom. . .EM 7-24, the grayed language. I would ask that we, we. . .you, you consider allowing us to return to this. My understanding is it is still unresolved regarding. . .I believe it's Act 90 or Act 70 that allows us to use employees from organizations such as Ka Lima for certain current County contracts and that depending how Conference is going to end up, which needs to be settled by Monday morning. . .

CHAIR PONTANILLA: Uh-huh.

VICE-CHAIR HOKAMA: . . .we will have an answer on what will happen to our contract services.

CHAIR PONTANILLA: Thank you. I think the Chair as well as Mr. Hokama had indicated that if need to come back to this in a special session, that we should come back to this so that we correct whatever needs to be corrected.

VICE-CHAIR HOKAMA: Chair. And again, Chairman, it is the leader, leadership's intent of both houses at the Capital to try and get resolution by midnight Friday, one way or another.

CHAIR PONTANILLA: Tomorrow?

VICE-CHAIR HOKAMA: Friday.

COUNCILMEMBER VICTORINO: Friday.

VICE-CHAIR HOKAMA: So midnight will be Saturday morning really. It's Saturday morning.

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COUNCIL MEMBERS: . . .(chuckle). . .

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: And more than likely we'll be here Saturday morning, too. So, Chairman, you know, we, we should get an answer by then.

CHAIR PONTANILLA: . . .(chuckle). . . Oh, thank you. If you hear anything earlier, please let us know. So we'll leave this here until we have some resolution at the State Legislature. Okay, moving on. Page 3, adjustment to 1 percent of Net Real Property Tax revenue. The Chair's recommendation--

COUNCILMEMBER ANDERSON: Chair--

CHAIR PONTANILLA: --any objections?

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I'd like to add a proviso, to set aside 1 million. We currently have 5.8 million in the Open Space Fund with this addition. I'd like to add a proviso to set aside 1 million for Lipoa Point.

CHAIR PONTANILLA: Member Anderson, it, it is the Chair's intent to look at Park Assessment as an area that we put in the \$1 million if truly we want to create a park in that area.

COUNCILMEMBER JOHNSON: But we don't know.

COUNCILMEMBER ANDERSON: No, I don't think that's the intention is to create a park. I think the intention is to leave it in its natural state as an open space, scenic view preservation. . .Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation Fund. That's what the Open Space Fund is for. Park Assessment is for developing parks.

CHAIR PONTANILLA: Exactly. And I thought I heard developing a park at Lipoa Point. So there is, there is a recommendation on the floor right now to set aside 1 million, to add 1 million--

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: --oh, to set aside \$1 million for the Lipoa Point--

COUNCILMEMBER ANDERSON: Purchase.

CHAIR PONTANILLA: --purchase. Any objections?

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VICE-CHAIR HOKAMA: Object.

COUNCILMEMBER MOLINA: Object.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Support.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Object for. . .just based on the fact we haven't had the Committee discussions to find out the full details about where this, you know, how much acreage we're looking at, and I don't want to just act on this now.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah, I would need further information as far as exactly what it entails as far as the property. This is, is it just Lipoa Point or is it the perimeter buff over Honolua Bay? It's not clear, you know.

VICE-CHAIR HOKAMA: Let the Mayor do her job.

COUNCILMEMBER MEDEIROS: You know, I agree with open space, but I just want to know what it, it'll go to.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Mr. Chairman, if I could please speak to the proviso that I offered.

CHAIR PONTANILLA: Thank you. Member Anderson, we--

COUNCILMEMBER ANDERSON: Because basically what we're doing here is voting and without making motions, and so I think that, you know, any of us that are making a proposal should have the opportunity to state the case before we take a vote on it.

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CHAIR PONTANILLA: Thank you. State your case.

COUNCILMEMBER ANDERSON: Thank you. The purpose of setting aside \$1 million in the Open Space Fund is as seed money so that the, the folks on the west side, actually the folks all over this State and nationwide who are interested in preserving this very important site can then go forward because we've got seed money set aside. You know if it doesn't happen, it, the money is still in the Open Space Fund. We can always use it for something else down the road. It's not like we need any details to make this decision. Either we support the kids that came over here with tears in their eyes and asked us to save this or we don't, and here's our opportunity to set aside the money as, as a seed to begin that process. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, and I just want to add to that, that at this point we don't know if it would be developed as a park. That's why I thought about initially taking it from Park Assessment, but I don't think it's appropriate. My community contributes to this County to the well-being of *every district*. . .over \$80 million because the rates that we've got are only showing 77, but we've already gone (*inaudible*) on some of those. I think with what the community is receiving this year in terms of capital reinvestment, it's fine for water, it's fine for sewer, it's fine for some of the other infrastructure improvements, but I consider this an absolute necessity for my community. And I would ask that the Members please think about Muolea Point, we preserved money, Waihee. And where did that money come from? A good chunk of it came from West Maui. We lost North Beach. And *please*, do not disrespect my community by saying you don't have enough information. I'm, I'm just asking for a proviso. It's not for the expenditure of the money because anything that comes back has to come before us.

CHAIR PONTANILLA: Thank you, Member Johnson.

COUNCILMEMBER JOHNSON: So I'm definitely supporting.

CHAIR PONTANILLA: At this time, the Chair would like to call on Mr. Taguchi.

MR. TAGUCHI: Chair Pontanilla, the item we're on represents a transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund. It is a Charter requirement to transfer 1 percent of whatever real property revenues. The appropriate place for a proviso would be under Appendix A, under Special Funds where we have the fund balance and the anticipated revenues for the Open Space Fund. So just to be clear, the proviso being presented would be placed in, under that fund in Appendix A and not in the ordinance.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Yeah. Thank you, Chair. It's just that this is only, the only thing we have on the short list. . .(*chuckle*). . .that would allow me to bring it up.

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CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you.

CHAIR PONTANILLA: Any objections to the number you see there? Any objections, Members?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER BAISA: No.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Moving on.

COUNCILMEMBER ANDERSON: Wait a minute. Aren't we gonna finish on the proviso?

CHAIR PONTANILLA: We need to get to Appendix A as--

COUNCILMEMBER ANDERSON: Well, if we could, we could vote on it now and then, and then the Staff could transfer it to Appendix A.

CHAIR PONTANILLA: Member Anderson, we'll go through Appendix A and we'll take care that.

COUNCILMEMBER ANDERSON: Okay.

CHAIR PONTANILLA: Thank you. Item 8, Transfer to Affordable Housing Fund.

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: No objection.

CHAIR PONTANILLA: No objections? Thank you. Moving down, Department of Housing and Human Services [*sic*], Item 2, Grant for Affordable Rental Housing Program. Any objections to the recommendation?

COUNCILMEMBER VICTORINO: No objections.

CHAIR PONTANILLA: No objections. No. 3, Grants and disbursements for Affordable Housing and Supportive Living Housing. Any objections?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you.

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COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: There had been a request from Member Hokama regarding a proviso for. . .I'm just mentioning it in case--

VICE-CHAIR HOKAMA: Which one?

COUNCILMEMBER ANDERSON: A proviso regarding income limit. In other words, this program should be used for those who are in most need--

COUNCILMEMBER JOHNSON: I think it already is.

VICE-CHAIR HOKAMA: Thank you, Ms. Anderson.

CHAIR PONTANILLA: Which one, the bottom one?

COUNCILMEMBER ANDERSON: Yeah.

VICE-CHAIR HOKAMA: Grant No. 3, Chairman.

CHAIR PONTANILLA: Okay. Member Hokama?

VICE-CHAIR HOKAMA: I would ask that we would utilize our income guidelines, whether it be HUD or the Maui County's adjusted assessment study income levels and that this go to the, again, Staff. I would, Chairman, I would allow Staff the flexibility to craft it to, to focus on that it be used for the most needy.

CHAIR PONTANILLA: Thank you. Got it, Staff?

MR. TAGUCHI: All provisos will be reviewed by the Corporation. . .um. . .Corporation Counsel. . .*(chuckle)*. . . So the proviso I have currently is that: Provided, that participation will be based on economic need, and we will refine that proviso later.

CHAIR PONTANILLA: Thank you. Page 4. . .let's see. . .Item 3, Provided, that 50,000 shall be for immigration services for Molokai and Lanai; add .5 EP--

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member. . .Mr. Taguchi?

MR. TAGUCHI: Yes, if we can go back. We have one item to revisit regarding Grant No. 5 under the Housing Program. That was regarding a deletion of Hale Mahaolu, in the Grant for Hale

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Mahaolu Housing and Homeownership Counseling Program. There was a request by the Director of Housing and Human Concerns. I think Member Mateo brought it up.

CHAIR PONTANILLA: What is the number on that?

MR. TAGUCHI: It's Grant No. 5 in the Housing Program.

COUNCILMEMBER ANDERSON: Do we have the page number of the original proposal?

MR. TAGUCHI: We're looking for that right now.

COUNCILMEMBER VICTORINO: Original?

COUNCILMEMBER ANDERSON: It's not on our summary sheet, Members.

COUNCILMEMBER MEDEIROS: Yeah.

COUNCILMEMBER BAISA: Page 10 of 36.

CHAIR PONTANILLA: Page 7 of 36, is that the one?

COUNCILMEMBER JOHNSON: Page 7 of 36.

COUNCILMEMBER BAISA: Seven. Sorry, wrong one.

COUNCILMEMBER VICTORINO: Yeah, 7 of. . .yeah.

MR. TAGUCHI: Yes.

CHAIR PONTANILLA: Item 5, under Housing Program?

COUNCILMEMBER JOHNSON: There's an error.

MR. TAGUCHI: Yes.

CHAIR PONTANILLA: Okay. Members, deletion.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Yes. I had an opportunity to talk to Mr. Katsuda and what has happened. . .they have no contract on this. Corporation Counsel has not yet drafted a contract. So they still have the money. Even though they've been providing the services, they still have

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not been able obtain reimbursement. So Mr. Katsuda said that they still have money remaining in the current fiscal year, but this was an error.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: But I certainly hope that we would do a better job on executing our contracts.

CHAIR PONTANILLA: Thank you. Moving on, we're on page 5.

COUNCILMEMBER ANDERSON: No, we're on 4, Chair.

CHAIR PONTANILLA: I'm sorry, we're on page 4. . . .(chuckle). . .

COUNCILMEMBER ANDERSON: . . .(chuckle). . .

COUNCILMEMBER JOHNSON: Page 4.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: I was trying to locate an item and on the most recent Exhibit "1" it's not on there, but it would be line item for Housing and Human Concerns 10-7, which was where we put the money for the Senior Housing Feasibility Study. I'm trying to locate it. I don't want you to go past it so far that it'd be hard to go back.

CHAIR PONTANILLA: . . .(chuckle). . . I have here on page 4. . .

COUNCILMEMBER MEDEIROS: Page 4.

CHAIR PONTANILLA: . . .a proviso for feasible, feasibility study for senior affordable housing in Hana. . .

COUNCILMEMBER MEDEIROS: Okay.

CHAIR PONTANILLA: . . .\$50,000, and if I can recall, we were looking at Housing and Human Services [*sic*] in the professional services. . .

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: . . .area.

COUNCILMEMBER ANDERSON: And we were going to put it under 12, Mr. Chair, Item 12.

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CHAIR PONTANILLA: Item 12? Okay.

COUNCILMEMBER VICTORINO: Yeah, the grants and. . .yeah. Oh, yeah, I wen write 'em down.

COUNCILMEMBER JOHNSON: I didn't think we were going to do that 'cause--

COUNCILMEMBER ANDERSON: Grants and disbursements for Hana Human Services, an additional 50 grand.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you. Can, can we ask Staff, you know, if they can locate that for us where we decided on that?

COUNCILMEMBER JOHNSON: There was no money in professional services.

CHAIR PONTANILLA: There's no money. . .*(chuckle)*. . .I know there's no money in professional services.

COUNCILMEMBER MEDEIROS: Right. So we didn't go there.

CHAIR PONTANILLA: But I think we talked about putting in \$50,000.

COUNCILMEMBER MEDEIROS: Right.

COUNCILMEMBER BAISA: Yes.

MR. TAGUCHI: Chair.

CHAIR PONTANILLA: Member. . .Mr. Taguchi?

MR. TAGUCHI: Currently, under the Housing Program--it is not in your handout, it's in the. . .

COUNCILMEMBER JOHNSON: Detail.

MR. TAGUCHI: --it was a consensus item from the last round where Members agreed to put a provi..., proviso for \$50,000 for a feasibility study for senior housing in Hana. That was a proviso under the Housing Program. I believe that was funded with a consensus at 50,000. I believe what Member Medeiros wants to do is break that out into a separate grant. . .in the same program, but would be Grant No. 6, as a separate grant rather than a proviso.

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COUNCILMEMBER MEDEIROS: And, and, Chair, the reason I want to do that after researching it more is we wanted a grant to Hale Mahaolu who will be coordinating that feasibility study. And so if we can delete our previous proviso and add a grant to Hale Mahaolu, that would work better for us. And as far as the proposal, the balance, you know, will not change. We already fund, funded the proviso for 50,000. So it'll be the same money, just if we can make it a grant to Hale Mahaolu.

CHAIR PONTANILLA: Thank you. Mr. Taguchi, got it? Okay. Moving on--

COUNCILMEMBER MEDEIROS: Thank you, Chair.

CHAIR PONTANILLA: Let's see. . . Grant to Community Work Day Program.

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

CHAIR PONTANILLA: We indicated that we wanted to add \$10,000.

COUNCILMEMBER VICTORINO: That's correct.

COUNCILMEMBER JOHNSON: And we have that letter.

COUNCILMEMBER ANDERSON: From the Kidney, Kidney Foundation funding.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Thank you. Any objections to the addition?

COUNCIL MEMBERS: No objection.

CHAIR PONTANILLA: Thank you. Grants and disbursements for Hana Human Services, \$20,000. Objections?

COUNCIL MEMBERS: No objections.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. How come you guys didn't say last night? Gees.

VICE-CHAIR HOKAMA: . . . *(chuckle)* . . .

COUNCILMEMBER VICTORINO: No, because we wanted to--

COUNCILMEMBER ANDERSON: I think we did.

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COUNCILMEMBER BAISA: We did.

CHAIR PONTANILLA: Grants and disbursements for Youth Centers, we're going to add \$120,000--

VICE-CHAIR HOKAMA: Yeah.

CHAIR PONTANILLA: --and 120. . . --(end of tape 8A - 8:53 p.m.)-- . . .youth center for repair work.

COUNCILMEMBER MOLINA: No objections.

CHAIR PONTANILLA: Okay, no objections.

VICE-CHAIR HOKAMA: Where we're cutting, Chairman?

CHAIR PONTANILLA: Thank you. Where are we cutting?

VICE-CHAIR HOKAMA: I thought we were to add and balance.

CHAIR PONTANILLA: And. . .yeah, exactly. So there is a deletion of \$100,000 in Hale Mahaolu Homeownership.

COUNCILMEMBER VICTORINO: And 40,000 from the, that's still remaining on the kidney fund, Mr. Chair.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: The \$100,000. . .that was the item regarding the name change. So if we're going to delete that, then we would delete that 100,000. Then we would take out any grant for Housing and Homeownership Counseling.

CHAIR PONTANILLA: Oh, I'm sorry. The \$100,000 that you talked about earlier is, is in regards to what item?

MR. TAGUCHI: The, the. . .the Director of Housing and Human Concerns transmitted a document to us requesting that the Grant for Hale Mahaolu Homeownerhip Counseling Program be renamed to Grant for Housing and Homeownership Counseling Program. I believe that Member Mateo brought it up and then subsequent to that I believe this is the grant that you were talking about deleting because it wasn't used in Fiscal '07. And so the question now is are you going to appropri. . ., appropriate this in '08 or cut it?

CHAIR PONTANILLA: Uh. . .

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COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I think because Mr. Katsuda's coming tomorrow, he could address that. He's coming tomorrow morning. I really believe he'll be able to explain it better than I, but personally at this point in time he had, the reason he did not encumber the money was the contract was never executed on the part of the County. So, you know, that's why it wasn't there, but he has sufficient monies, that's why he said he did not need it in '08. We may want to put the line there and just show zero dollars.

COUNCILMEMBER MATEO: Chairman.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. And, and I think it is because of that reason that the Director of Housing and Human Concerns came to us and asked us to change the name of the line so it would not refer to Hale Mahaolu because they had, they already had the existing funds--

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MATEO: --and this were able to address it towards housing and, and homeownership and counseling, which when we had the discussion, the Members here thought that that was a needed component in the Housing Department.

CHAIR PONTANILLA: Okay. We'll leave it there. So we're in deficit \$120,000, Members.

VICE-CHAIR HOKAMA: Chairman.

COUNCILMEMBER JOHNSON: I'm confused.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I'm willing to cut it, Chairman.

CHAIR PONTANILLA: Good.

VICE-CHAIR HOKAMA: You know, the banks, the credit unions all provide homeownership counseling, especially now. . .you know, we've all got the news what's happening nationally on the downturn of the real estate market and basically the drying up of subprime funds, which means you need to go back and make the standards of income and everything else. And part of the fallout, shakedown and fallout of the subprime program is, has been the lack of homeownership counseling prior to execution of loans, and the financial institutions have been

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making adjustments so that, you know, whoever is trying to buy a home will go through the appropriate counseling income strategies of how they can adjust their cash flow to, one, secure a housing and then maintain the monthly payment to keep the housing. So, you know, at this point in time I think we got enough needs other places, Chair.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: So, I'm willing to cut it.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Yeah. I, I appreciate Chair Hokama's point of view, but in the 201H Program, which is a HUD program, if you look at the administrative rules and. . .administering this program, it is a requirement that all potential homeowners through this program attend a counseling program. And, and it's not just a matter of going to the bank and, and being counseled as to what it means to get a mortgage payment and all that. It, it, it's an extensive counseling program, and hopefully that we will be having more affordable housing opportunities coming online. And, you know, it'd be easy for me not to say anything and let this get cut so that I could use it for the Kihei Youth Center. . .but I don't think that's the right thing to do. I think we should leave the money in. We had our Housing and Human Services [*sic*] Director come down today and address us on this, and I think it's, it would be money well spent. And as far as finding 120,000, I'm hoping that we can make some adjustments when we get to the real property tax rates that would increase the revenues, that would more than take care of this. But if not, \$120,000 out of Self-Insurance Program. There's also the possibility that we can cut some vacant positions that have not been filled for *years* at the Police Department. So that's my recommendation, Mr. Chair, as long as--you know, I think it's going to be kind of hard for us to balance this until we actually address the revenue side.

CHAIR PONTANILLA: Okay. We're going to revisit here. Okay, moving down, 34, Grant for Hana Dialysis, 50,000.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I think we made a mistake last night, that should be 40,000 because we took 10 and gave it to the Community Work Day.

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER MEDEIROS: No.

COUNCILMEMBER JOHNSON: It was 40,000.

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COUNCILMEMBER ANDERSON: You follow me?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER MEDEIROS: Chair.

COUNCILMEMBER BAISA: Chair.

COUNCILMEMBER MEDEIROS: No.

VICE-CHAIR HOKAMA: No, the Hana Dialysis was 50.

CHAIR PONTANILLA: Wait, wait, wait.

COUNCILMEMBER MEDEIROS: Yeah, was 50 for Hana Dialysis. If you check with Staff--

COUNCILMEMBER ANDERSON: No, but--

COUNCILMEMBER JOHNSON: Where did we get 10--

COUNCILMEMBER MEDEIROS: --I, I think 10 came from the three Labor II positions that were cut, the total of 61,000.

CHAIR PONTANILLA: Yes, we got \$1,000 last night--

COUNCILMEMBER MEDEIROS: Right, 10,000 came from there.

COUNCILMEMBER ANDERSON: Ten thousand came from where?

COUNCILMEMBER MEDEIROS: The three Labor II positions.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: Where?

CHAIR PONTANILLA: On the--

COUNCILMEMBER BAISA: Ka Lima.

CHAIR PONTANILLA: --the area where you had Ka Lima O Maui--

COUNCILMEMBER MEDEIROS: Under, under Solid Waste. Yeah.

CHAIR PONTANILLA: --page 2.

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COUNCILMEMBER BAISA: Three laborers.

CHAIR PONTANILLA: Three laborers, 61,370.

COUNCILMEMBER JOHNSON: You're right.

COUNCILMEMBER MEDEIROS: Right.

CHAIR PONTANILLA: We cut that.

COUNCILMEMBER ANDERSON: And we took 10,000 from that?

COUNCILMEMBER JOHNSON: From that, yeah.

CHAIR PONTANILLA: Yes. And 50,000 to--

COUNCILMEMBER MEDEIROS: And 50,000.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Who we gave 50--

COUNCILMEMBER ANDERSON: Well, there's 41,000 right there towards Kihei Youth Center.

COUNCILMEMBER MEDEIROS: No, we used all that up.

CHAIR PONTANILLA: No, we used all except \$1,370. Member Baisa?

COUNCILMEMBER BAISA: Chair, for what it's worth, I had a conversation with Ms. Barron from the Kidney Foundation this morning and I guess she had heard what happened, and she called to try to explain what happened. You know, the sheet that she gave us was not well done, and I commented when I agreed on the deletion that I was making a decision based on what I could figure out from that sheet. That sheet had a lot of totals on it and it gave many of the Members the wrong impression, including myself, that they have a small, a director of a small agency making \$90,000. That is not the case. That covers several staff besides the director. She was not able to be here today, but will be in tomorrow morning to testify, and she would like if we could please, you know, listen to what she will present tomorrow morning before we make a final decision. So, I just want to give you that information and it's up to the Members what, you know, they want to do.

CHAIR PONTANILLA: Thank you. Coming back to Item 34, which is now Grant for Hana Dialysis, \$50,000. Grant 41, Members, any objections?

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COUNCILMEMBER JOHNSON: No objection.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Mr. Hokama wanted a proviso on this--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: --regarding income level.

CHAIR PONTANILLA: The lowest of the lowest.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: You know, if I . . .after listening to Ms. Medeiros. . .this afternoon, she gave a scenario where she showed some inequity in, in the system the way it's set up so that even with someone with that 20, I think she gave that 20-acre scenario with \$400--

COUNCILMEMBER ANDERSON: Yeah.

VICE-CHAIR HOKAMA: --a week or a month versus someone that had \$1,200 and no savings and how the one that had the greater asset and equity got the service and the one that had no savings but just so happen had a bigger pension from a deceased spouse would not get the service. So at this point in time I would ask the Committee to forego the proviso and, and wait to see if there's another way we can bring more fairness to the service levels. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Mr. Chair, both Chairs, I suggest that we might want to do what Chair Hokama was, and we may want to look at a sliding fee schedule which would really make it fairer so that those who have and can afford to pay would pay to help those who cannot pay.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: I would support that, Chairman.

CHAIR PONTANILLA: Thank you. Member Johnson?

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COUNCILMEMBER JOHNSON: Mr. Chair, I'd like to wait for Ms. Medeiros to look at all the options and look at the program because there were many things that she stated that she had to investigate before we do that, and we can revisit this later on in the year. But--

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: --I would prefer to do that.

CHAIR PONTANILLA: So that's only the proviso we're talking about, right?

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Okay. And the number is okay?

COUNCILMEMBER BAISA: Yeah.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Grant to Maui Y.M.C.A. Capital Campaign, the Chair recommended \$500,000. Any objections? Member Johnson?

COUNCILMEMBER JOHNSON: I still was trying to find an additional \$500,000 and because no one agreed from the place that I wanted to take it from, I made several suggestions. So at this point if you want to call for the vote, I, I still would like to support their capital campaign. I think they've done a great job and, you know, I would still be advocating for a million dollars, but, you know, it's, it's what the majority wants, it's not what I want.

CHAIR PONTANILLA: Okay. Members, any objection--well, let me vote.

COUNCILMEMBER JOHNSON: Slow down.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: What are we voting on, sir?

CHAIR PONTANILLA: The Chair's recommendation of \$500,000 to Maui Y.M.C.A.

COUNCILMEMBER VICTORINO: Agreed.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Agree.

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CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Support.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Support.

CHAIR PONTANILLA: I got yours.

COUNCILMEMBER JOHNSON: You know mine. . . .*(chuckle)*. . .

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Support.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: . . .Support.

CHAIR PONTANILLA: Thank you. So moving forward. . .let's see, Department of Management. We had a question on the. . .had 2 equivalent personnel for unfunded EA, the amount is 0, but I have a question mark on the proviso.

COUNCILMEMBER JOHNSON: That was the returning employees, and I think it was Mr. Hokama that had that issue.

CHAIR PONTANILLA: Member Hokama, comments on that?

VICE-CHAIR HOKAMA: Chairman, I apologize to you and the Committee. I, I did not carve out enough time today to provide the Committee with a consideration.

CHAIR PONTANILLA: Okay. We will come back again. There is a request, though, for two positions, a CIP Coordinator, Countywide CIP Coordinator and also an Administrative Assistant, and we're, we're having discussions in regards to a pilot program.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

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COUNCILMEMBER ANDERSON: Yesterday or last evening when we discussed this, I had requested it in the Department of Management, and Chair Hokama mentioned that if we put it in Department of Management, then it's civil service. If we put it in the Office of the Mayor, then it's not civil service and it gives us a chance to give it a look-see.

COUNCILMEMBER BAISA: Right.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: So that's a total of \$82,118 for the Office of the Mayor for those two.

CHAIR PONTANILLA: We're going to move it. . .well, I'm going to move it down for now.

COUNCILMEMBER JOHNSON: Uh-huh.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I would ask the Members consideration in allowing me to come up with a consideration for them--

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: --regarding the two items. I would just say that in the Department of Management Administration you already have an Executive Assistant and a First Assistant.

CHAIR PONTANILLA: Uh-huh. Thank you. . . .Okay, we'll come back to Department of Management in regards to the proviso. We'll go to the Office of the Mayor, the funding for Maui Electric Solar Water Heater Program, Initiatives. I understand that Maui Electric is going to be here tomorrow morning. The Chair would like to--

VICE-CHAIR HOKAMA: We received their letter, Chairman.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Oh, we received the letter? Okay, fine.

COUNCILMEMBER JOHNSON: Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

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COUNCILMEMBER JOHNSON: I looked at that letter and there's supposedly \$550,000 that has been contributed to this program, and when I looked at their report, there is absolutely no way when I look at the amounts that, in my mind, it accounts for the \$550,000. So, I hope they--let's put it this way, they have some explaining to do.

CHAIR PONTANILLA: Okay. Members, any more comments? The Chair will leave this item open.

VICE-CHAIR HOKAMA: Okay.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: If anyone can jog my memory, I have a note here on Kauaula Stream under the Office of the Mayor and, and we already have 25,000 under Economic Development in the Office of the Mayor. So, I don't know, I can't remember why I have this here.

COUNCILMEMBER JOHNSON: The reason, if I may, Mr. Chair, is that I'm, I'm trying to see if we have to re-title it. I know that I sent out an e-mail last night at just a little bit before 1 o'clock in the morning, so I'm sure people did not answer it right away.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

COUNCILMEMBER JOHNSON: So, I'm trying to get an answer from either U.S. Geological Survey or from the Mayor's Office, from Water. So I'll, I'll figure that out, but it's. . .it would be probably just a language change because the, as Council Chair Hokama stated, the money was encumbered--

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: --and I will get that and if it's to stay the same as Kauaula, perhaps the landowners had a change of heart.

CHAIR PONTANILLA: Thank you. Is that '07 appropriations?

COUNCILMEMBER JOHNSON: '07 was encumbered, yes. And so '08 is what I have to find out to either re-title it or just leave it at the current name.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: But the money is still needed.

CHAIR PONTANILLA: Okay.

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COUNCILMEMBER ANDERSON: So it's a title issue?

COUNCILMEMBER JOHNSON: Yes.

CHAIR PONTANILLA: Thank you. Moving on, page 5, Grant for Maui Community College Sustainability Program. Members, the recommendation is \$250,000. . .as is the Mayor. Any objections?

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Once again, on my April 23rd memorandum to you and the Committee, it was my recommendation for deletion to assist me in part of the funding for the master plan entitlements of the County-owned property in Lanai.

CHAIR PONTANILLA: Thank you. So the \$250,000 will go to. . .appropriation, half of the appropriation for master planning and entitlements for the 115-acre County-owned property in Lanai City?

COUNCILMEMBER JOHNSON: We did not decide that yet.

VICE-CHAIR HOKAMA: Yeah. That is my recommendation to the Committee, Chairman.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: . . .Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: My recommendation, and, and I gathered that you weren't accepting recommendations for the reallocation of the money, but my recommendation for that one was to take it and put it to the Maui Community College community care core program which was the long-term care component, which I personally felt. . .you know, I was sort of--I understand the sustainability part, but we've got big problems coming, and so that's why my request was. But wherever we get the money from I, I'm advocating for that.

CHAIR PONTANILLA: Okay, fine. So Member Hokama had provided this, his changes, addition as well as deletion, and part of his recommendation is to utilize that he deleted. . .the monies that he

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deleted to go to the master planning and the entitlements for the 115-acres County owned, and I think the intent is to create affordable housing on that island. Mr. Hokama?

VICE-CHAIR HOKAMA: That is correct, Chairman and Members. And, Members, I would just ask. . .you know, I, I'm sure you're thinking of adjustments, I would just ask if you would give the rest of the Committee and the Chairman the consideration of putting it in writing so we, we can look and see if there's duplications of either recommendations of add, adjustments, or deletions. I think that would be helpful, Chairman. I made this so that it's very clear to the Committee and you, exactly my proposal of what I would like for additions that did not make your. . .initial proposal and how I am asking the Members to fund my, my considerations.

CHAIR PONTANILLA: Thank you. Okay, moving on, Department of Parks and Recreation.

COUNCILMEMBER ANDERSON: Wait a minute, Chair.

CHAIR PONTANILLA: Oh, wait, I'm sorry.

COUNCILMEMBER ANDERSON: Hold it.

COUNCILMEMBER ____: Are we going to vote on this?

COUNCILMEMBER BAISA: Let's vote.

CHAIR PONTANILLA: No. 33.

COUNCILMEMBER ANDERSON: No, No. 32.

CHAIR PONTANILLA: No. 32.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

VICE-CHAIR HOKAMA: Twenty-eight.

COUNCILMEMBER ANDERSON: Oh, we still haven't voted on 28.

CHAIR PONTANILLA: Oh, No. 28.

VICE-CHAIR HOKAMA: Yeah, we haven't decided.

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

CHAIR PONTANILLA: Okay. Members, any more comments? Any objections to utilizing the \$250,000 to go to the Lanai master planning and entitlement of the 115 acres of the County-owned property in Lanai City to create affordable housing?

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COUNCILMEMBER JOHNSON: Yeah, I--

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Because. . .I mean, frankly, do we have to do this right now because basically is this where his grant is going to go? Shouldn't we deal with it in the component in which it comes up and just free up the money and then go down the list?

CHAIR PONTANILLA: I, I. . .as I indicated, if you're going to add, take a look at what you can remove--

COUNCILMEMBER JOHNSON: Well--

CHAIR PONTANILLA: --and you can come back to whatever you have once we go through this pass here because I think there's other Members that want to include their projects into the Budget.

COUNCILMEMBER JOHNSON: Uh-huh. And that's why I'm saying what I'm saying, don't reallocate it until we have an opportunity for each one of us to be treated equally. So, I'm just saying you can cut and make it free for other, but, you know, I just would prefer to do it the other way and then deal with revenues. Because if we have enough in revenues, then we're not going to be scrambling and going through this exercise in futility.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: You know, I don't consider that fair. It's so easy to add, Chairman. Okay. You want to add, be upfront and tell us how you want to pay for it, but don't wait for another Member to make the cut and then you're going to vulture in. . .

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

VICE-CHAIR HOKAMA: . . .and take that piece of the pie. That's the easy way, you know. I think, you know, if you look at how the Members did submittals, I appreciate Mr. Mateo's meticulous review of the initial Budget and the adjustments he recommended--very detailed adds, very detailed deletions. Okay. That's what we should be, how we should be dealing with the Budget, Chairman, not waiting for someone to makeup the, the cut because they don't want to propose it and then when it's accepted say, oh, that was my plan for use that fund. ***Be upfront.*** I'm being very upfront how I want to pay for my Lanai request. I'm all, all I'm asking is everybody do it the same way.

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CHAIR PONTANILLA: Thank you, Member Hokama. Members, any more comments? Moving forward.

COUNCILMEMBER ____: Are we going to vote on it, Mr. Chair?

COUNCILMEMBER ANDERSON: So what, what was the decision?

CHAIR PONTANILLA: Oh, the decision is to utilize \$250,000, to remove \$250,000 on Item 28 and to move the \$250,000 to the master planning and entitlements for the 115-acres County-owned property in Lanai City, and this is going towards for affordable housing.

COUNCILMEMBER ANDERSON: But you haven't asked, asked for consensus.

CHAIR PONTANILLA: Well, I'm going to do that right now.

COUNCILMEMBER ANDERSON: Okay. . . .*(chuckle)*. . .

CHAIR PONTANILLA: Thank you. Any objections to the Chair's recommendation?

COUNCILMEMBER JOHNSON: Object.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: No objections.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Support.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Support.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Support.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Support.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Support.

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CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Support.

CHAIR PONTANILLA: Thank you. Grant to M..., Maui Economic Development Board for American Ingenuity Alliance.

COUNCILMEMBER ANDERSON: Chair, you're, you're skipping 32.

COUNCILMEMBER JOHNSON: Which was a proviso.

CHAIR PONTANILLA: I thought we had consensus.

COUNCILMEMBER VICTORINO: We got consensus.

COUNCILMEMBER ANDERSON: No.

COUNCILMEMBER JOHNSON: Proviso.

COUNCILMEMBER ANDERSON: We had provisos, it's still on the agenda, and I'd like to propose cutting--

CHAIR PONTANILLA: Hang on. Grant to Maui Arts and Cultural Center for Pundy Yokouchi Pavilion: Provided, that the grantee raises matching funds from the County source, from non-County sources. The Chair's recommendation is \$400,000.

COUNCILMEMBER ANDERSON: Chair, I'd like to cut this by 200,000 and use the 200,000 towards the Kihei Youth Center, 120,000 and 80,000 for the Mayor's CIP Coordinator and Administrative Assistant--

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: --and the reason I'm requesting this, Mr. Chairman, is that the folks at the MACC in their request to us actually said \$200,000 this year. . .

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: . . .\$200,000 next year.

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: So why are we giving it all this year when they're not going to be utilizing it? Let's use that money for something that. . .

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COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: . . .we really need this year.

CHAIR PONTANILLA: Thank you. Members, you heard the recommendation. . .

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: . . .by Member Anderson that we utilize, that we reduce the funding for the MACC from \$400,000 to \$200,000. . .84, what, thousand dollars go to the CIP Coordinator and the--

COUNCILMEMBER ANDERSON: Eighty thousand.

CHAIR PONTANILLA: Oh, \$80,000.

COUNCILMEMBER ANDERSON: That leaves me 2,000--

CHAIR PONTANILLA: Wait, wait, 80,000--

COUNCILMEMBER ANDERSON: --short for that, but I'll find that, and then 120 towards the Kihei Youth Center.

CHAIR PONTANILLA: Thank you. Members. . .Member Victorino, support?

COUNCILMEMBER VICTORINO: No.

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: Support.

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CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: I, I'm not clear. Is it true that they only want 200 this year?

COUNCILMEMBER ANDERSON: *Yes.*

COUNCILMEMBER JOHNSON: Yes.

COUNCILMEMBER ANDERSON: It's in their letter to us.

COUNCILMEMBER JOHNSON: It's in their letter.

CHAIR PONTANILLA: The recommendation by the Chair is 400.

COUNCILMEMBER ANDERSON: They want 400, but they said 200 this year and 200 next year would fit their program.

COUNCILMEMBER BAISA: If that's the case, I can support the recommendation.

CHAIR PONTANILLA: Okay. Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Support.

CHAIR PONTANILLA: Thank you. And the Chair's recommendation is \$400,000. We got five supporting the 4, 400,000, four supporting the 200,000. Moving forward--

COUNCILMEMBER MATEO: Chairman, just a comment.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. Chairman, my vote does not mean I vote against the 400,000. My vote means I still vote for 400,000, but according to their, their letter to us--

CHAIR PONTANILLA: Oh, I'm sorry.

COUNCILMEMBER MATEO: --two and two.

CHAIR PONTANILLA: So it's six votes to three?

COUNCILMEMBER ANDERSON: I think we better clarify this.

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CHAIR PONTANILLA: Okay. Okay, we're voting on the recommendation by Member Anderson--

COUNCILMEMBER ANDERSON: To reduce it 200,000 this year--

CHAIR PONTANILLA: --to reduce it by 200,000--

COUNCILMEMBER ANDERSON: --and fund them the extra 200,000 next year--

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: --as they requested.

CHAIR PONTANILLA: Okay. Thank you. And the money that's going to be utilized from the \$200,000, as stated earlier, would be as such. Member Victorino, reducing by \$200,000?

COUNCILMEMBER VICTORINO: No.

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: Let me clarify something. They're voting against the position, is that correct, the use of the money against the position?

CHAIR PONTANILLA: No, against the--

COUNCILMEMBER ANDERSON: Reduction.

CHAIR PONTANILLA: --reduction of \$200,000.

COUNCILMEMBER JOHNSON: Yeah. But I just asked one of the Members and they said no, it's because of the reallocation of the money that they have the problem--

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CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: --because there's 200,000 in each of two years. That's what the proposal said. So if they're objecting to the reallocation of the money in the Mayor's Budget, then they should *say so*.

CHAIR PONTANILLA: Okay. Let me restate the motion again--

COUNCILMEMBER ANDERSON: Wait a minute It's not a motion, Mr. Chair--

CHAIR PONTANILLA: --oh, the recommendation. Okay.

COUNCILMEMBER ANDERSON: --it's my, it's my request, and I will restate it, to reduce the 400,000 allocated this year to 200,000, with the understanding that they will get the additional 200,000 next year as requested, and that 120,000 of that 200,000 will go to the Kihei Youth Center, and I'll drop the CIP until we revisit it, the CIP Coordinator position.

COUNCILMEMBER JOHNSON: Okay.

COUNCILMEMBER ANDERSON: People asked for that to be revisited. So. . .

CHAIR PONTANILLA: Okay. Members. . .

COUNCILMEMBER JOHNSON: . . .(*chuckle*). . .

CHAIR PONTANILLA: . . .you heard the recommendation. Member Victorino?

COUNCILMEMBER VICTORINO: I'm more confused than I was when I started.

COUNCIL MEMBERS: . . .(*chuckle*). . .

COUNCILMEMBER MOLINA: Recess, Chairman.

COUNCILMEMBER MEDEIROS: Yeah.

COUNCILMEMBER VICTORINO: Yeah. I need a recess 'cause I, I am just confused. We have had so many change, changes, I'm not sure in my mind already. I'm sorry.

CHAIR PONTANILLA: Okay. The Chair will call for a five-minute recess. We'll be returning at 9:30. . . .(*gavel*). . .

RECESS: 9:25 p.m.
RECONVENE: 9:38 p.m.

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CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. Members, where we left off was at. . .

COUNCILMEMBER VICTORINO: No. 32.

CHAIR PONTANILLA: . . .No. 32. . . --*(end of tape 8B - 9:39 p.m.)*--

COUNCILMEMBER MOLINA: Before we begin, can I ask what is the intentions for the rest of the evening, how much are we going to cover?

CHAIR PONTANILLA: I want to cover as much as I can so that, you know, we, we at least try to get back on schedule--

COUNCILMEMBER VICTORINO: The rates.

CHAIR PONTANILLA: --because tomorrow we got the rates to, to look at.

COUNCILMEMBER MOLINA: So can I ask specifically what time? You know, we've been working all day and--

CHAIR PONTANILLA: Well, my--

COUNCILMEMBER MOLINA: --Members on edge.

CHAIR PONTANILLA: --yeah, my intentions is to go through this pass--

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: --and once we got some agreements, I want to have Staff to reconcile. And, Members, whatever request that you have, you know, just don't--

COUNCILMEMBER VICTORINO: Put 'em in writing.

CHAIR PONTANILLA: --just don't say that the Chair is not recognizing those items. We're gonna come back to the ones that you want to add and see where we can find the money. But I, I need to move forward, Members, and right now we're at the. . .I guess Maui Arts and Cult..., Cultural Center, which is on--

COUNCILMEMBER VICTORINO: Page 5 of 9.

CHAIR PONTANILLA: --page 5 of 9. The second item, 32--

COUNCILMEMBER VICTORINO: Yeah.

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CHAIR PONTANILLA: --and Member Anderson had a recommendation that we delete \$200,000 from the recommendation of \$400,000. Members, any questions to that?

COUNCILMEMBER ANDERSON: Chair, if I might.

CHAIR PONTANILLA: Sure, Member Anderson.

COUNCILMEMBER ANDERSON: The April 4th letter from the Maui Arts and Cultural Center states, we are asking the County to assist with the commitment of 400,000 which, at the County's discretion, can be allocated between this year and next year's Budget. The MACC will match the County's investment ten to one. So, you know, it's going to be some time before they can collect all the funding for this. So, I don't know why we're giving them the whole 400,000 upfront. Let's use that 200,000 extra this year for things that we really need. And the Kihei Youth Center, they need their air conditioning, and this is a building that the County owns. . .that the Kihei Youth Center leases from the County. They need their air conditioning repaired, their floors, they need security addressed, plumbing, and some electrical needs; gutters, gutters and fencing also need repairs. So. . .you know, this is an immediate need, and I would like to remind, Members, how much money we have put towards the Boys & Girls Club, towards the Y.M.C.A. So let's help the kids in Kihei.

CHAIR PONTANILLA: Thank you. Members. . .Member Johnson?

COUNCILMEMBER JOHNSON: I, I think to make others more comfortable, I, I would offer that this one also have a proviso, not for the one to one match or whatever, but that. . .so that no one forgets that this is provided that an additional 200,000 is made available, you know, in, in a subsequent year.

CHAIR PONTANILLA: Thank you. Members, the recommendation--Member Hokama?

VICE-CHAIR HOKAMA: Chairman, that proviso would not stand. This is an annual budget.

CHAIR PONTANILLA: Thank you. The proposal at this time is to remove \$200,000 from the Chair's recommendation of \$400,000. Comments? Member Victorino?

COUNCILMEMBER VICTORINO: Yeah. I will still support the original plan with the, with the opportunity I'm going to help her find that money 'cause the kids of Kihei will not suffer. Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Your recommendation, Chairman.

CHAIR PONTANILLA: Thank you. Member Molina?

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COUNCILMEMBER MOLINA: Your recommendation.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Your recommendation.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: The recommendation from Member Anderson.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Member Anderson's recommendation.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: . . .*(inaudible)*. . .

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Reduce.

CHAIR PONTANILLA: Thank you. The Chair's recommendation stands at \$400,000. Moving on to Grant to . . .PR 14-1, Item 2, Grant to the Lahaina Restoration Foundation. The Chair's recommendation is \$245,000. Members, any objections?

COUNCILMEMBER JOHNSON: Um. . .

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Johnson, followed by Member Anderson.

COUNCILMEMBER ANDERSON: You skipped two.

COUNCILMEMBER JOHNSON: Are we. . .well, no, I think we already--

CHAIR PONTANILLA: I'm sorry. We got one more up on the top.

COUNCILMEMBER JOHNSON: American Ingenuity Alliance--

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: --I was just going to say that.

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CHAIR PONTANILLA: Yes. Right now I'm going to go back to that one, but right now we're on Item 2--

COUNCILMEMBER JOHNSON: Oh.

CHAIR PONTANILLA: --Grant to Lahaina Restoration Foundation.

COUNCILMEMBER JOHNSON: Okay. And my proviso I, I think Staff has it, but I wrote in the provision that: Provided, that expend..., expenditures by Lahaina Restoration Foundation are eligible for reimbursement after review by the Parks Director.

CHAIR PONTANILLA: Thank you. Members, any objections to the proviso?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Thank you. Any objections to the Chair's recommendation?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Thank you. Going back to Item 33, Grant to Maui Economic Development Board, Inc. for American Ingenuity Alliance. The Chair recommended \$100,000. Any objections?

VICE-CHAIR HOKAMA: Object.

COUNCILMEMBER MOLINA: Object.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Object.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Object.

CHAIR PONTANILLA: Member Medeiros?

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COUNCILMEMBER MEDEIROS: I'm supporting your recommendation.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: I support your recommendation.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: I support your recommendation.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. There is...the Chair's recommendation stands. Thank you, Members. Grant to Maui Community Correctional Center for Working Program, Workline. The Chair's recommendation is \$130,000. Any objections?

COUNCILMEMBER BAISA: No.

COUNCILMEMBER JOHNSON: No.

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: Thank you. Member Victorino?

COUNCILMEMBER VICTORINO: Support.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Support.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Support.

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CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Support.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Support.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Support.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair, did you purposely pass up the Grant for Maui Fest?

CHAIR PONTANILLA: Oh, I'm sorry.

COUNCILMEMBER ANDERSON: 'Cause there was a revisit on there.

CHAIR PONTANILLA: I, I thought we agreed last night.

COUNCILMEMBER JOHNSON: No, we agreed last night.

COUNCILMEMBER ANDERSON: Okay, great.

COUNCILMEMBER JOHNSON: We voted on that.

CHAIR PONTANILLA: Okay. Moving on, Aquatics Program. Delete 3 Pool Managers plus salary adjustments of \$2,163. The Chair's recommendation is to remove \$74,259. Any objections?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER JOHNSON: No.

VICE-CHAIR HOKAMA: No.

COUNCIL MEMBER ____: No. objections.

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CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I would ask that we revisit this. I have asked Tamara Horcajo or Marian Feenstra to come because this is a, an employee retention issue, and it involves the ability to actually keep our pools open. So, I would just like to revisit this one.

CHAIR PONTANILLA: Thank you. We'll come back to that. Planning and Development Program, the Chair's recommendation is \$491,127. Any objections?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER ____: No.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Thank you. Department of Planning--

COUNCILMEMBER JOHNSON: Oh, Mr. Chair.

CHAIR PONTANILLA: Member And..., Johnson.

COUNCILMEMBER JOHNSON: I just have a question for our individual proposals, 'cause I had I think in this particular area monies that I wanted to put in for site evaluation. Should we give you those in separate written form at a later time?

CHAIR PONTANILLA: Which item?

COUNCILMEMBER JOHNSON: 'Cause I don't want to get into it now.

CHAIR PONTANILLA: Yeah, which item is that?

COUNCILMEMBER JOHNSON: Well, it's, it's an item that was 100,000 in my request and I think Mr. Taguchi had suggested that I put in for 100,000 for West Maui Emergency Shelter Site Evaluation, and he suggested Parks' Planning because this. . .that would be one of the things that they could do, 'cause most of the public buildings in West Maui are under Parks.

CHAIR PONTANILLA: Yeah. If the Chair can get that, please.

COUNCILMEMBER JOHNSON: Yeah. I, I will. . .I'll just resubmit the things that are remaining on my list and I just don't want to get into my stuff now.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Okay, thank you.

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CHAIR PONTANILLA: We're in Department of Planning, Zone [sic] Code Comprehensive Update. The recommendation is \$200,000. Any objections?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER BAISA: No.

COUNCILMEMBER VICTORINO: None.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Excuse me, Chairman, one second.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Again I'm sorry, I just wanted to be, get, get a point of reference, Chairman.

COUNCILMEMBER ANDERSON: Page 5, PLN.

CHAIR PONTANILLA: Page 5 of 9.

COUNCILMEMBER VICTORINO: PLN 1, 16-1.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Item 3.

VICE-CHAIR HOKAMA: I support your recommendation.

CHAIR PONTANILLA: Thank you. Grant to Kihei Community Association developing Open Space Guidelines for South Maui.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. I actually spoke to the Planning Director about this yesterday. This was actually funding that I put in the Budget last year and it wasn't to development open space guidelines. It was to develop a cultural overlay for Kihei, a cultural overlay map, to actually finish the cultural overlay map. This is a community plan implementing action. I wonder how many are in here. Here's one, and I see it says rename to cultural overlay. So that \$15,000 from last year. . .they could still encumber that by December, and so I would request that we keep that in and. . .so basically--

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COUNCILMEMBER JOHNSON: Well, if it's still in there--

COUNCILMEMBER ANDERSON: It's still in there and--

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

COUNCILMEMBER ANDERSON: Well, the Director said they really need about 25,000 to do it. So if, if we reduced the 15,000 in this year's Budget to 10,000 rather than reducing it by 15,000, then they'd have the 25,000 to do it.

CHAIR PONTANILLA: Member Anderson, did the Planning Department take a look at their carryover sayings, if they could come out with the other \$10,000 so that. . .since. . .you know, they might have carryover savings? Budget Director, you got any information in regards to--

MR. PABLO: I don't have that information.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

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

COUNCILMEMBER ANDERSON: So the request then would be to reduce your cut, your proposed cut--

CHAIR PONTANILLA: To 10,000 or 5,000.

COUNCILMEMBER ANDERSON: No, to 5,000. Reduce your cut to 5,000, leaving 10,000. Matching that up with last year's 15,000, that would give 'em the 25,000 to do the mapping.

COUNCILMEMBER JOHNSON: And rename it.

COUNCILMEMBER ANDERSON: And, and we've got that already name, renamed to cultural overlay. It's already listed.

CHAIR PONTANILLA: Okay. In the meantime the Budget Director is going to check with the Planning Director to see if there's carryover savings that can continue, provide the 10,000 to the existing 15,000 in '07.

COUNCILMEMBER ANDERSON: Thank you, Chair.

CHAIR PONTANILLA: Thank you. Moving on. Department of Public Works. . .page 6, Department of Transportation, Transportation 20-1, Item 16, Grants and disbursement for Air Ambulance Program. Any objections?

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COUNCILMEMBER JOHNSON: No objection.

COUNCILMEMBER ____: No.

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: Member. . .Mr. Victorino?

COUNCILMEMBER VICTORINO: . . .For the, for the sake of not understanding this totally, I'm going to. . .Jesus, I don't know.

VICE-CHAIR HOKAMA: Chairman, just let me--

CHAIR PONTANILLA: Member--

COUNCILMEMBER VICTORINO: Yeah, let, let. . .please. . .

CHAIR PONTANILLA: --Hokama, could you explain your objections?

VICE-CHAIR HOKAMA: Chairman, it is a very good program and, once again, we were asked two, four--what is that?--four, five years ago to assist the State in startup and I think we gave 60, a little over \$60,000 for the initial startup. It's grown over ten fold, and I'm wondering when is the State going to read their, our own State constitution so they can understand what is their clear responsibilities regarding public, health, and safety to the residents of the State. I'm just making a point for myself, Chairman, that, you know, here we are being very. . .determined and, you know, the Members are very strong in their positions, which I don't have a problem, and I appreciate how we've been approaching it, you know. We have shown some great emotion to some of the issues, and that's fine 'cause these are County issues that we're dealing with. Here's a State responsibility again and we continue to pay half the bill, half the bill. I'm wondering what the other counties are paying or if they pay at all. But here we are, we just. . .you know, it's just assumed from the State, Maui's going to pay. . .and I'm just making a stance on my part, Chairman..

CHAIR PONTANILLA: Thank you. Hearing that, Members, again. . .Member Anderson?

COUNCILMEMBER ANDERSON: Mr. Chair, I just request that you go back after we deal with this to the two items that you skipped under Public Works.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Just to. . .sorry. . .because, you know, I'm not sure of the history of this, my, my concern would be that if we don't fund our portion and it's eliminated, how does it affect outlying areas like Hana? And that would be my concern, Chair.

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CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes. This is. . .it should actually be re-titled because this is more than just the Air Ambulance. This funds other ambulance services, I believe the Upcountry and. . .the. . .I think it was Kula and one other ambulance program. At. . .this. . .at the State level there was more than just the Air Ambulance Program. This may be covering a portion of the money that's related directly to Air Ambulance, but in order for the whole package to work, my understanding was always this was one of the components. So until we can get a hospital in West Maui and until we can get some roadway improvements, I'm going to continue to support this because this is our lifeline and I'm tired of getting cutoff. So if you don't want to fund it, don't fund it, but I'm, I'm sure that the State will. . .reconsider whether it's going to support the program or not, and I'm not going to jeopardize it.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chair. You know, the State coffers are full, they got a lot of revenue. So has the Committee received any statement from whomever from the State trying to justify why they need this funding now? You know, I was, you know, on the Council back when we gave the first appropriations for this and here we go, 600,000 again, and I can understand if revenues were, were, you know, deficient, but they're not. So, I'm like Chairman Hokama, I vote no.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Chairman, thank you. Mr. Hokama's position is a position that, that I, too, would like to stand on because I think, you know, we, we are gotten by the `olos and there's certain. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

COUNCILMEMBER MATEO: . . .projects that we need to look beyond, yeah. The ambulance services for my community is dependent on life and death. Unfortunately, that's the reality. When planes can't come in, we require helicopter services and, and until we deal with the State issue directly myself, Chairman, I will support, I will support this.

CHAIR PONTANILLA: Thank you. Members, any more comments? Member Victorino supports the Chair's recommendation?

COUNCILMEMBER VICTORINO: I'll support it--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: --with reservations, but I'll support it.

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CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: A \$700 million no.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: No.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: I'll support your recommendation.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Support.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Support with ser..., serious reservations.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: Support.

CHAIR PONTANILLA: Okay. Thank you, Members. Going back to page no. 5, Public Works item PWEM 19-13, No. 1. Member Anderson?

COUNCILMEMBER ANDERSON: My concern was the, the Road, Bridge and Drainage Maintenance - Highway Fund.

CHAIR PONTANILLA: Okay. Members, the next one down, 19-22. Member Anderson?

COUNCILMEMBER ANDERSON: Chairman, regarding the \$100,000 in their operating budget for contract services to maintain a drainage system that we have not even had brought to this Council for acceptance concerns me greatly. And so, I would like to put a proviso or actually reduce the 100,000 to 50,000 so that at least the money is there should there be a rainstorm. None of the agreements are even signed yet. So, I don't know. I think this is a little premature, but, you know, I'd like to reduce the 100,000 to 50,000 with a proviso that--

CHAIR PONTANILLA: You're looking at the B Account, right?

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COUNCILMEMBER ANDERSON: Yes, Chair. It's under Operations - Contractual Services. You want me to give you a line item?

CHAIR PONTANILLA: 17-35, something like that?

COUNCILMEMBER ANDERSON: It's difficult when we go through this Details and then to . . . make our review and then when we get down to the nitty-gritty, we're dealing with summary totals. It is . . . it's page 17-33, under Road Maintenance. . . sub, subitem 6112, Contractual Service, they have \$100,000. I'd like to reduce that to \$50,000 with a proviso, that they bring the drainage plan and the agreement to the Council for review and approval before they get the additional 50,000. I want to make sure that the taxpayer is not paying to maintain the drainage system of the developer's subdivision. We should only be paying for the amount of runoff that we put into their system. So, I want to make sure that we're, it's fair share. . . . \$100,000 a year to maintain a drainage system. Can you imagine if we had to do that for every drainage system in the County?

CHAIR PONTANILLA: Thank you, Member Anderson. We'll include that.

VICE-CHAIR HOKAMA: Chairman, point of information, please.

CHAIR PONTANILLA: Sure. Member Hokama?

VICE-CHAIR HOKAMA: I believe I heard some of the points that Ms. Anderson made in specific to that Wailuku drainage project. Is it your understanding that, that would need to come before Council for any type of agreement prior to execution?

CHAIR PONTANILLA: If the agreements are not signed, that's the way I understand it.

COUNCILMEMBER ANDERSON: The agreements are not signed, first of all.

VICE-CHAIR HOKAMA: Okay. No, I understand that part. I'm just asking are we aware whether it's just a departmental approval or does this need for Council to authorize the Mayor to enter into this agreement is, is what my question is, Chairman.

CHAIR PONTANILLA: I think we need more clarification on that.

COUNCILMEMBER ANDERSON: Before we can accept, they're asking us to accept this drainage system. . . .

VICE-CHAIR HOKAMA: Uh-huh.

COUNCILMEMBER ANDERSON: . . . as a County system and so there's easements involved, and, and so they have to get acceptance--

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VICE-CHAIR HOKAMA: So the, the documents would need to come before Council to--

COUNCILMEMBER ANDERSON: Yes.

VICE-CHAIR HOKAMA: --to accept and authorize the Mayor to enter into an agreement then, is
would be my understanding?

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: Is that a good understanding, Corporation Counsel?

MS. FUJITA VILLAROSA: I don't have any information on this project.

VICE-CHAIR HOKAMA: Okay.

COUNCILMEMBER ANDERSON: I'm looking at the construct..., the agreement regarding
construction of drainage easement between the County of Maui and. . .well, they, they're herein
after referring to themselves as Maui Lani, but it isn't the Maui Lani that we know of. It's VP
and PKML [*sic*], LLC and Maui Lani Golf Investors, and it's for the subdivision that abuts up
against Palama Drive.

VICE-CHAIR HOKAMA: Okay. Thank you, Ms. Anderson. I think we need to craft--if, if
Ms. Anderson would like a proviso, I think we need to be cautious how we craft it, Chairman, so
that we don't tie up the whole fund, but address her concern.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: So, I would ask that the, the Staff work, work with the Committee.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, I need a little information for some clarification. Is it that we are
decreasing \$50,000 from this fund, from this appropriation or is it that we're proviso-ing that
\$50,000 shall be for this drainage, provided that approval from the Council or something?

COUNCILMEMBER ANDERSON: Let me clarify that.

MR. TAGUCHI: I'm, I'm not quite sure if we can do that.

COUNCILMEMBER ANDERSON: And if, and if I could before I do that, all I'm asking is that we
reduce the 100,000 by 50,000, so we give them half of what they're asking for because I don't
want there to be any issue should there be a rainstorm that there isn't money available to turn on
the sump pumps or whatever they have to do. But I will--and this is the latest information,
Members, that we got, and it's December 11, '06 from DSA to the engineering firm on behalf of

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this subdivision. . .regarding this agreement that has not yet been signed, Members. On September 8, '06 you transmitted an agreement regarding construction of drainage easement for our review and approval, we have the following comments. The indemnica. . ., indemnification provision can only be approved by the Maui County Council--

VICE-CHAIR HOKAMA: Okay.

COUNCILMEMBER ANDERSON: Is that enough?

VICE-CHAIR HOKAMA: Yeah, that's enough.

COUNCILMEMBER ANDERSON: Alright.

VICE-CHAIR HOKAMA: Chairman, I would ask that if you'd allow us to revisit this so that we can. . .as a Committee work on structuring appropriate language.

CHAIR PONTANILLA: Okay. Thank you.

COUNCILMEMBER ANDERSON: But in the meantime, Mr. Chair, I'm asking for a \$50,000 reduction.

COUNCILMEMBER JOHNSON: Support.

CHAIR PONTANILLA: From the B Account?

COUNCILMEMBER ANDERSON: Yes, sir.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Support.

CHAIR PONTANILLA: Any objections?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Moving on.

VICE-CHAIR HOKAMA: Highway Fund now, Staff.

COUNCILMEMBER VICTORINO: Where?

VICE-CHAIR HOKAMA: No, no, I'm just saying it comes, this is coming from Special Funds. This is not the General Fund.

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CHAIR PONTANILLA: Special Funds, right.

COUNCILMEMBER VICTORINO: Oh, okay.

CHAIR PONTANILLA: On page 6, Grants and disbursements for Public Transit Program - Highway Funds, and we have a proviso over here, that \$200,000 shall be for Upcountry transit routes. And then I see a note here, proviso for Lahaina.

COUNCILMEMBER VICTORINO: Is that the 480,000?

COUNCILMEMBER JOHNSON: Yeah. Mr. Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Yes, and because I'm not sure about the total amount and how it would actually be structured even for the Upcountry transit routes because I, what I don't want to have happen is that--I am putting in a request for 480,000, which is Lahaina Bypass Now recommendation, somebody else is putting in a request for 200,000. But if that's going to cannibalize the rest of their program, then it's. . .and it's going to compromise other routes, then we're not really achieving the goal and objective. So perhaps either ask the Department or my recommendation is. . .and, and again because we're going to revisit revenues, I have an item which is. . .CIP 25-6 which I would like to move to bond, freeing up 1.120 million of cash, and then take the 200 and the 480,000, if we have to, out of that. But my reason for moving CIP 25-6 to bond is because there's issues regarding it.

CHAIR PONTANILLA: You got a reference point, Member Johnson?

COUNCILMEMBER JOHNSON: Yeah. Yes, Kula Tennis Courts. There are issues with the landownership, and what we have done in the past is we move things to bond and then we don't issue the bond. We just, you know, don't float it or put a proviso in that prior to bond issuance the issues have to be resolved and you come back to Council. So. . .and that's coming out of General Fund. So, I would be moving the Kula Tennis Courts, moving it from cash to bond.

CHAIR PONTANILLA: Hang on.

COUNCILMEMBER JOHNSON: It's right on the same page, down a little farther.

COUNCILMEMBER VICTORINO: . . .22 of 36, yeah?

COUNCILMEMBER JOHNSON: CIP 25-6.

COUNCILMEMBER VICTORINO: 25-6.

CHAIR PONTANILLA: Oh, 25-6. Okay, got it.

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COUNCILMEMBER JOHNSON: But you see what I'm saying?

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: Can you please. . .run that one more time please, Chairman, so we're very clear. 'Cause I don't want General Funds and Highway Funds mixed up.

CHAIR PONTANILLA: Okay. Thank you. This is actually in the Parks and Recreation area, that from the General Fund. . . --(end of tape 9A - 10:11 p.m.)-- . . .\$1.120 million, the Kula Tennis Courts--

COUNCILMEMBER JOHNSON: To bond.

CHAIR PONTANILLA: --from General Fund to Bond Fund.

VICE-CHAIR HOKAMA: And then?

CHAIR PONTANILLA: And, and then take that \$1,120,000--

COUNCILMEMBER JOHNSON: And subtract--

CHAIR PONTANILLA: --and appropriate part of that money to--

COUNCILMEMBER JOHNSON: --680, is it? But see I'm not sure, Mr. Chair, about the 200. I know that there's not enough for. . .in the fund for the 480,000 for the West Maui expanded routes. So it would be a General Fund transfer to supplement the Highway Fund so that we can expand the routes.

CHAIR PONTANILLA: So. . .the \$480,000 is to expand the. . .?

COUNCILMEMBER JOHNSON: It would be the West Maui rights, routes based. . .the bus routes based on the proposal by Lahaina Bypass Now. . .and I think we need to get clarification to see if the 200,000 is able to be accommodated from within existing funds, but I'm not even sure about that.

CHAIR PONTANILLA: And then the--

COUNCILMEMBER JOHNSON: So it's not my issue.

CHAIR PONTANILLA: Okay. That's. . .and that's. . .the \$480,000 would expand routes in Lahaina or West Maui--

COUNCILMEMBER JOHNSON: For West Maui as per the Lahaina Bypass Now proposal.

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CHAIR PONTANILLA: And then the . . .difference 640,000. . .

COUNCILMEMBER JOHNSON: Is just open.

CHAIR PONTANILLA: Okay. Thank you.

MR. TAGUCHI: Chair Pontanilla.

VICE-CHAIR HOKAMA: Chairman, point of information.

CHAIR PONTANILLA: Member Hokama. Oh, Mr. Taguchi?

MR. TAGUCHI: The, the deletion of the proviso for 200,000 for an Upcountry transit route--

CHAIR PONTANILLA: Yes.

MR. TAGUCHI: --I believe that was in the current proposal, but I believe that that was a proviso from a prior year.

COUNCILMEMBER JOHNSON: Oh.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: That's the reason for the deletion.

COUNCILMEMBER JOHNSON: Oh. Oh, okay.

VICE-CHAIR HOKAMA: Point of information, Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I believe in the Lahaina Bypass part, the 480 was the high end of the request. I think they gave us a range. I would just recommend we proviso the existing 4.5 million to, to try and accomplish what the, the report was because we are increasing that, this amount, Chairman, from 3.7 million to 4.5 million, and I'm not too sure what was the additional funds for route expansion was from the Department, I don't recall. But I would say I don't have a problem proviso-ing it to take care that West Maui component because I read that report--

CHAIR PONTANILLA: Okay, fine.

VICE-CHAIR HOKAMA: --and I think it was something between employees and employers for the west side.

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CHAIR PONTANILLA: Okay. So you're saying that the exist, we, we proviso an amount to the existing--

VICE-CHAIR HOKAMA: 4.5 million--

CHAIR PONTANILLA: --\$4.5 million for--

VICE-CHAIR HOKAMA: --and we're taking away the 200.

CHAIR PONTANILLA: --and we're taking away the 200. So. . .

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: . . .we assume additional funding.

COUNCILMEMBER JOHNSON: Yeah. And, and if we could get clarification then from the Department based on what Mr. Hokama is stating, 'cause I mean I'm not in favor of necessarily moving, you know, money into Highway Funds either, but I think that that's where the principal amount of this funding comes from. But given that we're also taking out 508,000 from West Maui for. . .I guess the little accessway onto the highway, I, I just want to make sure that, that they get the full funding so that it reduces the load on Honoapiilani Highway and it buys us a little bit of time to accomplish what we've got to accomplish. So. . .

CHAIR PONTANILLA: Thank you. So the proviso would be. . .provided, that \$480,000 be used for--

COUNCILMEMBER JOHNSON: The Lahaina Bypass Now proposal--

CHAIR PONTANILLA: --the expanded routes in--yeah, okay.

COUNCILMEMBER BAISA: Chair.

COUNCILMEMBER JOHNSON: --to expand West Maui bus routes.

CHAIR PONTANILLA: Okay. Member Baisa?

COUNCILMEMBER BAISA: Yes. I want to understand this moving the tennis courts--

VICE-CHAIR HOKAMA: No, we're not touching--

CHAIR PONTANILLA: We, we're not touching that.

VICE-CHAIR HOKAMA: --the tennis courts.

COUNCILMEMBER BAISA: Okay. We, we forgot that for now?

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CHAIR PONTANILLA: Oh--

VICE-CHAIR HOKAMA: Yes, yes.

CHAIR PONTANILLA: --yeah, yes. Yes.

COUNCILMEMBER BAISA: Okay.

VICE-CHAIR HOKAMA: We're working--Chairman, if I may?

COUNCILMEMBER BAISA: 'Cause it was mentioned.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Okay. Let's start from a, the blank page.

COUNCILMEMBER BAISA: Alright.

VICE-CHAIR HOKAMA: We're just looking at the 4.5 million under Grants and disbursements for Public Transit - Highway Funds, and I am supporting and asking the Members to support Ms. Johnson's proviso recommendation that we earmark 400, up to \$480,000 to implement the LBN--

CHAIR PONTANILLA: Recommendation.

VICE-CHAIR HOKAMA: --recommendation for route expansion.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER BAISA: Okay.

COUNCILMEMBER ANDERSON: Chair.

VICE-CHAIR HOKAMA: And then we'll have--

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: --and, and then the Department will come back and give us comments on the impact of that language.

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER JOHNSON: Yeah.

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CHAIR PONTANILLA: Thank you. And the other thing, we are removing the proviso for \$200,000 that was put in there--

VICE-CHAIR HOKAMA: For this year.

CHAIR PONTANILLA: --last year.

COUNCILMEMBER MOLINA: Yeah.

COUNCILMEMBER BAISA: Okay. Alright.

COUNCILMEMBER JOHNSON: 'Cause it's just a repeat.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I want some assurance that this is not robbing Peter to pay Paul.

VICE-CHAIR HOKAMA: That's why we're having the Department come back.

COUNCILMEMBER JOHNSON: That's what we're going to find out.

COUNCILMEMBER ANDERSON: I want to make sure that this, you know--

COUNCILMEMBER JOHNSON: I already said that.

COUNCILMEMBER ANDERSON: --doesn't reduce the plans for expansion in South Kihei. I mean I don't--

CHAIR PONTANILLA: South Kihei? Yeah.

COUNCILMEMBER ANDERSON: --I don't know that they, you know, put an extra \$480,000 in this program. As I recall when it was reviewed, the monies were very specific as to where they were going to put them. So, I don't know how we're going to squeeze out another half a million dollars without affecting somebody.

COUNCILMEMBER JOHNSON: That was my point.

COUNCILMEMBER ANDERSON: Yeah.

CHAIR PONTANILLA: And remember, Members, we also deleted \$200,000 from that particular item.

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COUNCILMEMBER JOHNSON: Oh, right, so it's 280.

CHAIR PONTANILLA: So we're looking at 280.

COUNCILMEMBER ANDERSON: You mean there's 200,000 already reduced off the 4.5 million?

CHAIR PONTANILLA: No. You, you see the proviso there?

COUNCILMEMBER ANDERSON: Oh, that proviso for Upcountry?

CHAIR PONTANILLA: Yeah, it's gone.

COUNCILMEMBER ANDERSON: It's gone?

COUNCILMEMBER BAISA: Yeah. It's last year's. It shouldn't be there.

COUNCILMEMBER ANDERSON: Yeah, but--

COUNCILMEMBER MOLINA: The money's earmarked already for the routes.

COUNCILMEMBER ANDERSON: --it, it still was an add-on to the original proposal.

COUNCILMEMBER JOHNSON: But it might not be real money.

VICE-CHAIR HOKAMA: For last, for the current year's--

COUNCILMEMBER JOHNSON: Not real money, Mr. Chair.

VICE-CHAIR HOKAMA: --3.7 appropriated.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Anyway, we'll get clarification, right?

VICE-CHAIR HOKAMA: Correct.

CHAIR PONTANILLA: Thank you. Moving on. . . .*(chuckle)*. . .

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

CHAIR PONTANILLA: We'll spend all night here. Down to Government Facilities, CIP 23-6, Hana Police Cottage.

COUNCILMEMBER MEDEIROS: No objection.

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CHAIR PONTANILLA: Any objections to the Chair's recommendation?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: How come you guys never tell me that last night?

COUNCILMEMBER VICTORINO: Yeah, I thought we did.

COUNCILMEMBER JOHNSON: I, I said no revision.

CHAIR PONTANILLA: No, no, no, no.

VICE-CHAIR HOKAMA: We didn't reach this (*inaudible due to interruption*)--

CHAIR PONTANILLA: Okay. Dialysis renovation funds, question mark.

COUNCILMEMBER JOHNSON: No, we already resolved that in another grant.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: We gave them that 40,000.

COUNCILMEMBER JOHNSON: We gave you that open in the other area--

VICE-CHAIR HOKAMA: No, we provided the dialysis transportation, right, Mr. Medeiros? I think that the--Chairman, I'm sorry. Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I believe the question was whether or not the Council, which is, which is the succeeding entity from the Board of Supervisors, still has jurisdiction over the Executive Order by Governor Farrington or has the Administration the oversight of that State property, and we had asked for some comment from legal counsel so that we can, would assist us in making a final determination of how to approach this issue. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Chair.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Medeiros--

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COUNCILMEMBER MEDEIROS: Yeah. And additionally--

CHAIR PONTANILLA: --followed by Member Anderson.

COUNCILMEMBER MEDEIROS: --I, I think that note was placed because for the goodness of Member Anderson, she wanted to add some funds in order to renovate the building to bring it up to standards so we could use it as a dialysis treatment center.

CHAIR PONTANILLA: Thank you. And I understand there was like a \$5,000 as a number?

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER MEDEIROS: Yeah.

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER ANDERSON: Right. So it was item--Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: It was Item 3, under Government Facilities, we added Item 3, County physician's house, long-term lease, a proviso for a long-term lease for the dialysis center with \$5,000.

MR. TAGUCHI: Chair.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Is that for renovations or for a long-term lease? I, I'm not quite sure.

CHAIR PONTANILLA: Member Medeiros or Member Anderson?

COUNCILMEMBER ANDERSON: It was, it was. . .you know, to tell you the truth it was not so much renovation, it was to provide them funds to do whatever kind of reconfiguration they need to do to set it up as a dialysis center.

VICE-CHAIR HOKAMA: Renovation.

COUNCILMEMBER ANDERSON: Alright, renovation. Whatever. . . .*(chuckle)*. . .

VICE-CHAIR HOKAMA: Just mark it as renovation.

CHAIR PONTANILLA: Renovation.

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COUNCILMEMBER ANDERSON: I mean does it matter if, if it's renovation money?

COUNCILMEMBER JOHNSON: No.

MR. TAGUCHI: I, I believe if the money is used to, for example, improve fixtures, maybe electrical, things like that, then it would probably qualify for a CIP. The amount. . .I, I guess it's \$5,000--

COUNCILMEMBER ANDERSON: Yeah.

MR. TAGUCHI: --may be a little small in terms of its quantity, but the fact that it is, I guess, electrical improvements or that type of improvements, then I think it possibly could qualify. If it's purchasing tables, chairs, things like that--

COUNCILMEMBER ANDERSON: No, no.

MR. TAGUCHI: --then definitely it wouldn't qualify.

COUNCILMEMBER ANDERSON: No, it, it's to improve the structure.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you. Just to add to Member Anderson's description, yes it would be to upgrade electrical and water to meet the needs of dialysis machines.

COUNCILMEMBER BAISA: Right.

COUNCILMEMBER MEDEIROS: So. . .and Staff said that would qualify.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Improvements, improvements.

COUNCILMEMBER MEDEIROS: Thank you, Chair.

COUNCILMEMBER ANDERSON: Thank you, Member Medeiros.

CHAIR PONTANILLA: Improvements. Thank you.

VICE-CHAIR HOKAMA: Make sure it's not a renovation, it's an improvement.

COUNCILMEMBER ANDERSON: And, and, Chair, I think that, that if we could put a proviso, that was the intention. . . 'cause the house is currently being leased month to month. So if we can put

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a proviso in as a directive from this body to the Administration that a long-term lease for the purpose of housing the dialysis center.

VICE-CHAIR HOKAMA: And, Chairman. . .

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: That's what we need to settle, Members.

CHAIR PONTANILLA: The agreement.

VICE-CHAIR HOKAMA: If it's still authorized to the Council, we're the one that gonna need, that needs to execute the lease.

COUNCILMEMBER JOHNSON: Uh-huh.

VICE-CHAIR HOKAMA: So if the case is true, then the current lease that is on that property should be null and voided.

COUNCILMEMBER ANDERSON: Maybe that's why it's currently month to month.

VICE-CHAIR HOKAMA: But how can they give her month to month if we never even authorized that? If the Council is the--

COUNCILMEMBER ANDERSON: Exactly.

VICE-CHAIR HOKAMA: --succeeding entity of the Board since the Governor E.O.'d it to the Board--

COUNCILMEMBER ANDERSON: Right. Well, the Administration does a lot of things the Council's supposed to be doing. So. . .

COUNCILMEMBER JOHNSON: Just proviso it.

COUNCILMEMBER ANDERSON: The reason for the proviso is just to force the issue, Mr. Hokama.

VICE-CHAIR HOKAMA: That's fine.

COUNCILMEMBER JOHNSON: Proviso it.

CHAIR PONTANILLA: Thank you. I would suggest, though, after this Budget is completed that someone does follow up in regards to the lease agreement, and then we take action in regards to who's going to be in that particular building. Member Medeiros?

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COUNCILMEMBER MEDEIROS: Thank you, Chair. Just to add additionally, we were all given copies by John Blumer-Buell about that executive order and unless that order was superseded, it should still be valid, and I'll, I'll research it for the Committee and, and report back.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Thank you. Thank you, Chair.

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member. . .Mr. Taguchi?

MR. TAGUCHI: Just to, just that I'm clear on the proviso, the proviso's going to read: Provided, that a long-term lease be provided to. . .?

CHAIR PONTANILLA: Hana dialysis--

COUNCILMEMBER JOHNSON: Just. . .no, just say for--

CHAIR PONTANILLA: Long-term lease.

COUNCILMEMBER ANDERSON: Hui Laulima O Hana.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: No, they're not a nonprofit organization.

COUNCILMEMBER ANDERSON: Yeah, but I got an e-mail from Lehua last night and she said they are working on their 501(3)(c) [*sic*] and she'd have it shortly.

CHAIR PONTANILLA: Not even that.

MR. TAGUCHI: Okay. So that proviso will mean that if the Administration's going to use these funds, then they have to have a long-term lease. If they don't use the funds, they don't need to do anything? Is that correct?

COUNCILMEMBER JOHNSON: They still need to resolve.

CHAIR PONTANILLA: They still need to resolve the issue as far as. . .because the Council--

COUNCILMEMBER ANDERSON: Why would they--

CHAIR PONTANILLA: --because the Council has the authorization in regards to the lease agreement or the house itself and the land that it sits on, that this Council needs to act in regards to the

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present agreement. And once we settle that, then the house would then be utilized, if we agree to it as a Council, to the organization that's going to be handling, I guess, dialysis in the Hana area.

COUNCILMEMBER ANDERSON: And, Chair--

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: --if I may? That's, that's the whole point for the proviso, is that if we, if we have a majority vote to put that proviso in, then we made a policy statement, this body, to use that house for the purpose of a dialysis center. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: . . .and then it's up to us to move forward and make sure that happens, that a lease is drawn up and, and brought before the body and executed.

CHAIR PONTANILLA: Thank you. And then the other issue that I have in regards to bus transportation for dialysis from Central Maui to Hana, Hana and back, that somehow we work on that to make sure that once the dialysis center is up and operating in Hana, that the money comes back to the General Fund or whatever fund that the transportation for that particular program is sitting in.

COUNCILMEMBER VICTORINO: That's fine. Okay.

CHAIR PONTANILLA: Whew, that was long. Members, the Chair is going to call a ten-minute recess. . .well, nine-minute recess.

COUNCILMEMBER ANDERSON: . . .(*chuckle*). . .

CHAIR PONTANILLA: We'll be back at 10:35. This meeting is in recess. . .(*gavel*). . .

RECESS: 10:24 p.m.
RECONVENE: 10:38 p.m.

CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting is now back in session. Members, we're on num..., page 6 of 9. We were at the dialysis renovation funds. And, Mr. Taguchi?

MR. TAGUCHI: Thank you, Chair. Currently, what we will be. . .have. . .I guess voting on is the, a line item for Hana physician's house improvements, with a proviso saying: Provided, that a long-term lease for the property be executed for kidney dialysis.

CHAIR PONTANILLA: Thank you. Members, any objections to that proviso?

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VICE-CHAIR HOKAMA: No.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Members, before we move forward the Chair would like to ask for your approval. On page no. 5, Item 33, Grant to Maui Economic Development Board, Inc. for American Ingenuity Alliance. . .

COUNCILMEMBER MEDEIROS: Uh-huh.

CHAIR PONTANILLA: . . .that the grant description to be changed to Grant to Maui Economic Development Board, Inc. for Maui High School Auto, Automotive Program Model, as discussed or as testified by Ms. Wilkins this morning. Any objections?

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Could you explain the purpose of that since the project's always been called the American Ingenuity Alliance?

CHAIR PONTANILLA: This would direct the program to the Maui, Maui High School Automotive Program Model. . .and that was the purposes or purpose that Ms. Wilkins was here this morning to explain the use of the \$100,000 for that specific program model.

COUNCILMEMBER ANDERSON: But would the, the American Ingenuity Alliance still be involved?

CHAIR PONTANILLA: Yes, they will.

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: Okay. No objections.

CHAIR PONTANILLA: Any objections?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair, before we move on--

CHAIR PONTANILLA: Sure.

COUNCILMEMBER ANDERSON: --back on the dialysis. . .

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CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: . . .issue. We have not addressed the 5,000. So that's something that we're going to have to find funds for?

CHAIR PONTANILLA: Exactly. So put it in your backburner.

COUNCILMEMBER ANDERSON: I--

CHAIR PONTANILLA: You got the house. . .(*chuckle*). . .you no got the money. . . .(*chuckle*). . . Thank you. We'll come back. Okay, Members, moving on. Government Facilities - Paia-Haiku Community Plan Area, Haiku Fire Station, half a million dollars.

COUNCILMEMBER ANDERSON: That was mine, Chair. I wanted to add--

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. I wanted to add a proviso that says: Provided, that only 5 acres be rezoned Public/Quasi-Public.

CHAIR PONTANILLA: Thank you. Members, any objection to that?

COUNCILMEMBER MOLINA: Objection.

CHAIR PONTANILLA: Member Molina--

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: --state--

COUNCILMEMBER MOLINA: Mr. Chairman, can I, can I speak--

CHAIR PONTANILLA: Yes, please.

COUNCILMEMBER MOLINA: --to, to the objection?

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: First of all, the land hasn't even been purchased yet. I went out to an early April meeting when the Mayor and the Fire Department were out there. The Mayor has professed that this is not going to be a civic center; she wants to hear input from the community; and as we all know, those of us who were on the Council last year, it was a very contentious issue--it ripped apart my community. Right now the healing process has started, and my belief is

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if we start adding provid..., provisos now, it's going to start fires again. This matter, I believe, let it take its course, okay. When the Administration is ready to purchase this parcel--I believe that was the Vessel property that the, the Department has been interested in--they will have to come to us, we will make that decision. I believe it will have to go through the Policy Committee and then for the release of funds, it will go to your Committee, Mr. Chairman; and then when we're talking about rezoning, then it's going to go to Land Use. So let this thing take its course. We start putting in provisos right now, it's going to start fires. So, I would respectfully ask the Members, *leave it alone*, let it take its course, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Respect my community.

CHAIR PONTANILLA: Thank you. Members--

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: The whole point of the proviso is to alleviate the concerns of the community who don't want anything more than a fire station, and that Mayor Tavares has said the remainder of the property would be used for ag, for an ag park. So that's the only purpose of putting in the proviso is to alleviate the concerns of the community that only 5 acres of this land will be used for the fire station.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: If I may add. At that meeting there were some community members who had asked for consideration of an ambulance service as well. So again I would just ask, let the process take its course, let the community to, continue to give their input to the Administration and the Fire Department, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Thank you. The Chair is going to ask for. . .Member Victorino, support the Chair's recommendation at this time?

COUNCILMEMBER VICTORINO: Without the proviso?

CHAIR PONTANILLA: Yes, the way it reads.

COUNCILMEMBER VICTORINO: The way it is? Support.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Support.

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CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Support, without the proviso.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Support.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Support.

CHAIR PONTANILLA: Member Baisa?

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

COUNCILMEMBER ANDERSON: Support.

CHAIR PONTANILLA: Thank you. Member Anderson? . . .Member Mateo?

COUNCILMEMBER MATEO: Support.

COUNCILMEMBER ANDERSON: . . .(*chuckle*). . .

CHAIR PONTANILLA: Thank you. Moving on, 20, 25-6, Kula Tennis Courts.

COUNCILMEMBER BAISA: Mr. Chair?

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: I have concerns and the community has concerns, several of us have concerns about this appropriation. I was hoping that we could delay making a decision on this and if we could have the Parks Director. . .and talk with her about this. It appears there's concern about the opportunity or, or the ownership or the access to the land, and I think until we settle that it wouldn't be wise to, to go ahead. However, we don't want to give up the funding because it appears there could be an alternative being offered that would fill the need for the tennis courts.

CHAIR PONTANILLA: Thank you. We'll revisit.

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

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CHAIR PONTANILLA: Questions? Nope?

COUNCILMEMBER ANDERSON: Yeah. Yeah. I have, I have a question.

CHAIR PONTANILLA: Okay. Member Anderson?

COUNCILMEMBER ANDERSON: We need the money for the tennis courts. But if the tennis courts don't end up at this site, which the County does not own, then the cost may be significantly reduced because a lot of this money is for site preparation and also for the building of a County standard access road, which will be to the benefit of the mauka property owner...., owner. And, you know, I'm just going to say it 'cause this is the time, the previous Administration signed an agreement with Maui Land & Pineapple Company for the development of a well that would service not only the mauka property but. . .oh, 1, 2, 3, 4, 5, 6, 7, 8, 9. . .another 12 selected properties in the Upcountry area in the neighborhood of 3,000 to 4,000 acres of land. This water source development agreement was signed on November 16th, 2006. This body adopted an ordinance requiring all private water source development agreements that the County enters into to come before this body for approval. The first reading on that ordinance was November 4th, our second and final reading was November 20th, and this agreement was signed November 16th. There's still question as to whether or not the agreement has the full force and effect of law because there's certain things in here that need to be attended to. But I just wanted to bring that up because I think people should realize why there are questions about this site.

CHAIR PONTANILLA: Thank you. So we'll revisit and ensure that we're clear on the land issues, if there's any.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Can we, can we request that the Parks Director come and meet with us?

CHAIR PONTANILLA: Yes--

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: --'cause we have several issues.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Thank you.

MR. PABLO: Mr. Chair.

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CHAIR PONTANILLA: Member. . .I'm sorry, Director.

MR. PABLO: I've asked the Parks Director to come and she will be available tomorrow.

CHAIR PONTANILLA: Thank you. Moving on, 28, 26-12, Wailuku-Kahului Community Plan Area - Government Facilities, Department of Finance Office Renovation/Improvements. Any objections?

COUNCILMEMBER VICTORINO: Yes.

COUNCILMEMBER JOHNSON: Objection.

CHAIR PONTANILLA: Member Victorino, state your objection?

COUNCILMEMBER VICTORINO: Well, this is the objection that we had as far as extending the Department of Finance into the lobby area. Their presentation to some of us was not quite convincing, and I didn't feel like once you had started construction that we would change the, the real ambiance of our County Building, especially our entry area. That's why I would like to see a little more planning done and maybe even an alternate plan be done for that, instead of the one that was presented by the Finance Director. So that was my take on that. Then that's why I objected to it.

CHAIR PONTANILLA: Thank you. Any more comments?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama, followed by Member Johnson.

VICE-CHAIR HOKAMA: I believe one of the alternatives is then that the Finance Department will need to lease or rent additional space, and I believe the Finance Director mentioned that it would be over \$100,000 for the, the leasing and renovation of new space. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: My suggestion is to alleviate Member Victorino's concerns. Put in a proviso that states: That subject to Council approval of final design.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. I, I also have a problem with this. I went down and measured it out how far. . .

COUNCILMEMBER VICTORINO: Uh-huh.

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COUNCILMEMBER ANDERSON: . . .it would be extended, and it would turn the lobby into a hallway--

COUNCILMEMBER VICTORINO: Yeah, exactly.

COUNCILMEMBER ANDERSON: --and for three cubicles, and I find it hard to believe that to get three cubicles it would cost us \$100,000 to renovate [*sic*] some space at One Main Plaza. There is. . .from the site map that they gave us, there appears to be a large office in the corner, the northwest corner of the space that is being used to store files. So, I think that maybe they could, you know, store their files like the Planning Department does. They store them at one of the storage facilities and when they need it, they just call up Maui, whoever, and they pick 'em up and deliver 'em the very next day. So, you know, we're looking at moving this building out around the apron which would provide that office space for them. So I, I just have a hard time making such a drastic change for really a temporary need, because within a year or two we'll be expanding the building out onto the apron where they're going to have room for more than three cubicles. Yeah, it's still uncertain, but, you know, I, I'd be happy if we could do some kind of. . .
--(end of tape 9B - 10:52 p.m.)-- . . .of control. I don't know. I just, I can't support destroying the lobby.

CHAIR PONTANILLA: Thank you. Member Hokama, followed by Member Medeiros.

VICE-CHAIR HOKAMA: Members, I would just recommend to you then that. . .why don't we. . .the easiest way, if, if you folks feel strongly about it and, and I'm assuming there's support for, for that, would be for us to delete this project, but provide the Finance (*inaudible*) some funds to make alternative options, including maybe seeing if there's additional space at the current Finance Department's Office at Maui Mall since we are talking temporary. And, and while I appreciate some of the Member's recommendations on the proviso, I would assume Corp. Counsel would say again that would not stand the test. We are then becoming the Executive Branch, Members.

CHAIR PONTANILLA: Thank you. So, Members, you heard Mr. Hokama's suggestion.

COUNCILMEMBER VICTORINO: So, Mr. Chair, then if you're, if you're gonna do that then, then--

CHAIR PONTANILLA: Wait, wait, wait. We, we need to come to a decision here.

COUNCILMEMBER ANDERSON: Right.

COUNCILMEMBER VICTORINO: Well, I was going to make a recommendation for that, but okay.

CHAIR PONTANILLA: Oh, okay, fine. Go ahead.

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COUNCILMEMBER VICTORINO: So, you know, I, I not worried about making decisions--that's up to everybody--but I was going to make a recommendation 'cause Chair had mentioned, you know, maybe taking this money out. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER VICTORINO: . . .and putting it for a temporary or--so where would I put the money if I wanted to take it out and put it someplace else?

VICE-CHAIR HOKAMA: You, you would put it in, for instance, Department Administration under maybe professional services or, or rentals. . .sub, subaccounts and allow the Director some flexibility since it is a program budget, but you need to provide him with the resources to allow him to. . .have, have some other opportunities, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. That would be in the Operating Budget. Member. . .you had a question, Member Johnson?

COUNCILMEMBER JOHNSON: No, I. . .no.

CHAIR PONTANILLA: Member Anderson, you had a question?

VICE-CHAIR HOKAMA: Why don't you put 80,000, and there's your 5,000 for your dialysis.

COUNCILMEMBER VICTORINO: Okay. I would do that.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: I'll do that. Sounds good.

CHAIR PONTANILLA: Member Anderson, you had a question?

COUNCILMEMBER ANDERSON: Did I? . . .*(chuckle)*. . .

CHAIR PONTANILLA: Yes, I'm asking you.

COUNCILMEMBER ANDERSON: No, I, I. . . you know--

CHAIR PONTANILLA: Thank you. You, you heard the proposal that is being recommended Member Hokama, which is to put \$80,000 into the Operating Budget of the Finance Director's Office--

VICE-CHAIR HOKAMA: Administration.

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CHAIR PONTANILLA: --oh, Administration area so that they can do some rentals or renovations at the Maui Mall complex since this is a temporary office for his employees, and the \$5,000 would go to the dialysis center in Hana.

COUNCILMEMBER ANDERSON: We're only going to give them 80,000 and then take 5,000 away for the dialysis center--

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: --for the dialysis center?

CHAIR PONTANILLA: Because it's in--

COUNCILMEMBER ANDERSON: Oh, you mean for the 5,000 that we need--

CHAIR PONTANILLA: It, it's a . . . yeah, it's a program budget--

COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER ANDERSON: Yeah, yeah. Yeah.

CHAIR PONTANILLA: --that, that he can do.

VICE-CHAIR HOKAMA: So we're balancing, Chairman.

CHAIR PONTANILLA: Yes.

COUNCILMEMBER ANDERSON: Yes.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: That's fine. I just think, you know, give 'em the flexibility to figure out another plan.

CHAIR PONTANILLA: So any objections to--

COUNCILMEMBER JOHNSON: No objections.

CHAIR PONTANILLA: --providing \$80,000 to the Finance Director's Operations Budget in the Administration area, and the \$5,000 goes to the Hana dialysis renovation--

COUNCILMEMBER ANDERSON: No objection.

CHAIR PONTANILLA: --renovation for the building? No objections?

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COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: Kaohu--

COUNCILMEMBER JOHNSON: No, County.

CHAIR PONTANILLA: --County Office, Offices and Parking, CIP 26-16, \$350,000. Any objections to the request being made by both Mayor and the Chair?

COUNCIL MEMBERS: No objections.

COUNCILMEMBER VICTORINO: No, I have an objection.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: Sorry, you guys. I know you guys like go home, but I'm not gonna let this go without putting up the fight. I have been contacted and talked to a number of the people in that area. They're elderly, they feel like this would be a big intrusion on, on their area. They already had to, in, in their terms, live with the HGEA Building, and now we're looking at something major next to their property. And like the. . .well, like that lady came that night and others, others have come, I hate changing what I don't think and may not be the most feasible place to change. Yet, I am looking for more parking, more office space. I agree with everybody. I'm not, I'm not objecting to that. I'd like to see the study, if that money was to be used, to study this very area or the Wailuku--

VICE-CHAIR HOKAMA: Municipal.

COUNCILMEMBER VICTORINO: --Municipal Parking Lot as an alternative. But I prefer not to use that, ladies and gentlemen. I don't think those people and the Baldwin Subdivision deserve something of that nature.

CHAIR PONTANILLA: Thank you. And, Member Victorino, we had removed the Kaohu--

COUNCILMEMBER JOHNSON: It now says County.

CHAIR PONTANILLA: --site and we--

COUNCILMEMBER VICTORINO: Oh, okay. Sorry, yeah.

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COUNCILMEMBER JOHNSON: Hello?

CHAIR PONTANILLA: --had noted County Offices and Parking to give the--

COUNCILMEMBER VICTORINO: Excuse me, Ms. Johnson. . .

COUNCILMEMBER JOHNSON: . . .(*chuckle*). . .

COUNCILMEMBER VICTORINO: . . .do not do that.

CHAIR PONTANILLA: Member Victorino, please.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: Member Johnson. This is give, to give the Administration some flexibility--

COUNCILMEMBER VICTORINO: My apology.

CHAIR PONTANILLA: --in looking for a location. Any objections?

COUNCILMEMBER ____: No objection.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I just want you to know that we have received another letter from the lady who came and testified, and she recognizes that change has to happen. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: . . .and that it, it be done in a sensitive manner. And after all, this is money for planning and study, nothing's gonna be done until a thorough study is, is done, and so I think we're okay.

CHAIR PONTANILLA: Thank you. Parks and Recreation, the last item on that page. Construction/Maintenance Baseyard at Iron Maehara Baseball Stadium. Members, any objections to the proposed amount?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

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VICE-CHAIR HOKAMA: I wanted to try and craft the narrative part of the project so that this might be our test or, or our pilot project. . .*(inaudible)*. . .more Members to see if we, it makes sense for us to expand construction/maintenance to full construction division. So I, I would ask the Committee for its indulgence and support to allow me some time to craft the language in the project description, please.

CHAIR PONTANILLA: Thank you.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Hearing no objections before the Chair made the recommendation, we're moving on.

COUNCILMEMBER VICTORINO: Yeah.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR PONTANILLA: Page 7. It's late. We've got one more hour before midnight. General Fund: Kihei-Makena Community Plan Area. The first item, Kalama Park Improvements. Members, any objections to the proposed amount of \$685,000.

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Oh, man. . . .Kalama Park Improvements. Did you add in the \$150,000 that I requested--

CHAIR PONTANILLA: Yes, for a--

COUNCILMEMBER ANDERSON: --to finish the playground?

CHAIR PONTANILLA: --the playground. Yes.

COUNCILMEMBER ANDERSON: Great. Thank you very much, Chair.

CHAIR PONTANILLA: Okay. Any objections to this number?

COUNCIL MEMBERS: No objections.

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CHAIR PONTANILLA: If not, moving on. Lanai Community Plan Area, Lanai Senior Center, \$90,000. Any objections, Members?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Mr., Mr. Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I would ask the Members to please look at my memo to you and them. This would be in this area. I would, first, ask for the Members' support under fire equipment, Paia fire, deletion of 400,000, deletion, and I would ask that you can refer to an April 17, 2007 letter from the Maui Fire Department stating that this equipment is slated for replacement in Fiscal Year 2010. And my intentions, Members, are for two things on this list. The balance of the 400 would be, 250 of that would go to the balance of the master planning entitlements for the County property on Lanai for the affordable housing project; 125,000 would go for the old Lanai Gym renovation; and then there is a balance of \$25,000. So, I would ask the, the Committee for its support on this consideration, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members. . .well, Member Hokama, just a question.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: In regards to the Lanai Senior Center, that \$90,000--

VICE-CHAIR HOKAMA: Correct.

CHAIR PONTANILLA: --it, it does come out from the \$400,000?

VICE-CHAIR HOKAMA: No, no, no, no. This is already in by, by you and the Mayor.

CHAIR PONTANILLA: Uh-huh.

VICE-CHAIR HOKAMA: The 400,000 deletion would go, again, 250 of that 400. . .

CHAIR PONTANILLA: Uh-huh.

VICE-CHAIR HOKAMA: . . .would go to fully fund the 500,000. We already got the 250 from an earlier reduction from the MCC Sustainable Program.

CHAIR PONTANILLA: Okay.

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VICE-CHAIR HOKAMA: That leaves a 150,000 balance. I'm asking that 125 of that be for the old Lanai Gym project. And therefore, Members, there is a positive balance of \$25,000.

CHAIR PONTANILLA: Thank you. Members, you heard Mr. Hokama's proposal to delete \$400,000 from the appropriation for fire equipment as noted in his April 23, 2007 memo, and that the \$400,000 be utilized. . . \$250,000 to cover the remaining. . . 250,000 for the master plan, planning and entitlements for the 115 acres to satisfy the \$500,000 that he's requesting for appropriation in that area; and the balance of the monies, \$125,000 for the old Lahaina [*sic*] Gym or Lanai Gym renovations; and the remaining \$25,000 to be left open.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Thank you. Yes, I'll, I'll support Chairman Hokama's proposal here, but I just want to make a statement. On the mini-fire, mini-pumper. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER MEDEIROS: . . . it is indicated by the letter that he references that it is, you know, slated for replacement in 2010. Okay. I know this truck personally because it used to be in Hana and I used to operate this truck when it was a volunteer Fire Department. The truck is very old. I don't know if it'll last to 2010, but if there's reassurance that we can look at replacing it in the next Budget year, that would help. The truck is in Paia now because it could no longer service Hana, and at one time the Fire Department, when I was in the Fire Department, every fire station had a mini-fire truck, and the reason for it is it could respond quicker than the big trucks and a lot of times it would resolve the problem of a fire or a rescue before the big truck even got there. And these mini-trucks are designed to go into brushfires and they have sprayers under the truck that cuts a new line and extinguishes fire so the big trucks can come in. So this is an important piece of equipment that I think the Fire Department is going back into again. But I support Chairman Hokama's proposal here and I just want to be sure we can replace or consider replacing that truck in the next Budget year. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Anderson, followed by Member Molina.

COUNCILMEMBER ANDERSON: I appreciate Member Medeiros' knowledge of this because it wasn't clear to me if this was a brand new purchase or a replacement. But I just want to make sure that, that they still have a working mini-fire or pump truck because, you know, a lot of Paia has very narrow streets that a full-size fire truck would not fit down. So as long as there is still a fire truck that can service the area, I'll support it.

CHAIR PONTANILLA: Thank you. Member Molina?

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COUNCILMEMBER MOLINA: Thank you, Mr. Chairman. Good, good to have a fireman on the Council, well, a former fireman. . .*(chuckle)*. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

COUNCILMEMBER MOLINA: . . .but, you know, I'll support the, the need for affordable housing on Lanai, and I, you know, if at a later point we can get some input on the Department. It would've been nice if they could have given the specifics on how old this truck was that's, you know, I guess still considered serviceable. So, I would be open to at least looking at replacing this pumper at a sooner time than 2... , 2010, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Members, any objections to Mr. Hokama's recommendation at this time?

COUNCILMEMBER ____: No.

CHAIR PONTANILLA: No objections? Thank you. Any objections to the proposals, proposal for the Lanai Senior Center as noted on the proposed Budget, the \$90,000? No objections?

VICE-CHAIR HOKAMA: No objections.

CHAIR PONTANILLA: Thank you. Moving on.

VICE-CHAIR HOKAMA: Chairman, one more--

CHAIR PONTANILLA: Mr. Taguchi--

VICE-CHAIR HOKAMA: Chairman, excuse me.

CHAIR PONTANILLA: Sure, Mr. Hokama.

VICE-CHAIR HOKAMA: I have one more request for the Committee and I would--and again, Members, thank you very much for your last consideration. I would like to ask, Chairman, for \$100,000 from the Lanai Park Assessment Fund for the planning and design for a new Lanai Community Center at Dole Park, Lanai.

CHAIR PONTANILLA: Thank you. Any objections, Members, for Park Assessment Fund, from the Lanai Park Assessment Fund?

COUNCILMEMBER MOLINA: No objection.

CHAIR PONTANILLA: No objections? Thank you. Mr. Taguchi, you got all that?

MR. TAGUCHI: . . .Yes, we, we can catch up.

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CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I missed a proviso on the Kalama Park Improvements.

CHAIR PONTANILLA: Your proviso is?

COUNCILMEMBER ANDERSON: And when, when. . .whoever was here. . .*(chuckle)*. . .when we discussed this, it must've been Parks, but somehow I recall it being Mr. Arakawa, Director Arakawa. The proviso was to include in the upgrade. . .they're paving the parking lot, they are upgrading some of the ballpark lights, and the proviso would be--and, yeah, it was Milton Arakawa--I asked if it would be possible to also upgrade the light, upgrade the lighting in the parking lot while they're doing the paving and all of these upgrades, and he said that he felt there was enough money in there to do that. So, I just wanted to--'cause the parking lot is very dimly lit and I think it's a security concern. And so I would like to add a proviso that--because this is not included in the description of the project--provided, that the improvements include an upgrade of the parking lot lighting.

CHAIR PONTANILLA: Thank you. Members, any objections to the proviso? Member Molina?

COUNCILMEMBER MOLINA: No, I can support this proviso from Member Anderson. Many of us who've gone through Kalama Park at night know of the. . .interesting activities that sometimes take place there. So by all means, definitely, lighting improvements, so I think it should be added to the description of the project.

CHAIR PONTANILLA: Thank you. Moving on to Countywide, General Fund, Government Facility - County Buildings Renovation. Members, any objections to the amount as shown?

VICE-CHAIR HOKAMA: No objections.

COUNCILMEMBER MEDEIROS: No, no objections.

CHAIR PONTANILLA: Wailuku Police Station - Consultant for Emergency Radio Communication System, \$500,000. Any objections?

COUNCILMEMBER JOHNSON: No.

COUNCILMEMBER ANDERSON: . . .You know what, Mr. Chair. . .

CHAIR PONTANILLA: Member Anderson?

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COUNCILMEMBER ANDERSON: . . .the question on this was should this not be under. . .should this be CIP? That was the question.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: Uh-huh.

COUNCILMEMBER ANDERSON: Because it's for equipment--

COUNCILMEMBER JOHNSON: A consultant.

COUNCILMEMBER ANDERSON: --a consultant. I think it was Chair Hokama who raised the question.

VICE-CHAIR HOKAMA: Oh, excuse me. I'm sorry, Chairman, I was looking at something.

COUNCILMEMBER ANDERSON: CIP 31-14.

VICE-CHAIR HOKAMA: Oh, that's right, Chairman. My comment--and thank you for the reminder, Ms. Anderson and Members--you know, we've placed and supported the Department's request for consultants and professional service all in the operational side of the Budget document, Chairman. So if this is just for the consultant, why would it be--

CHAIR PONTANILLA: Professional services.

VICE-CHAIR HOKAMA: --in capital improvement? You know, normally it would, the, the project name would be Police Station ERC and then it would be part of planning and design and whatnot, but for just the consultant of a, is a professional services contract. So, I would rather this be placed under operations if this is consultant, and that is the narrative of the, the project, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to that? The recommendation is to move the \$500,000 from CIP to operations.

COUNCILMEMBER MEDEIROS: No objection.

COUNCILMEMBER JOHNSON: No objection.

CHAIR PONTANILLA: Member Hokama, in what division in operations should, should this thing go in?

VICE-CHAIR HOKAMA: I would place it under Police Department Admin., Professional Services. That would be my recommendation, Chairman.

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MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member. . .Mr. Taguchi?

MR. TAGUCHI: Just a clarification. We will establish a line item or will it just go into the B Account?

COUNCILMEMBER JOHNSON: Just a line item.

VICE-CHAIR HOKAMA: And if the Members are concerned about the, the use, then I would say we should line item it in the Police Department's Administration.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Thank you. And, Mr. Taguchi, questions?

MR. TAGUCHI: No, that's fine. Line item.

CHAIR PONTANILLA: Okay. Members, any objection to a line item in the operations area?

COUNCILMEMBER JOHNSON: No objections.

VICE-CHAIR HOKAMA: No objections.

CHAIR PONTANILLA: Thank you. Okay. Other Projects - Crisis Management Call Receiving Center, \$125,000. Members, any objections?

COUNCILMEMBER MATEO: Chairman.

CHAIR PONTANILLA: Member Hok..., Mateo. . . .(Chuckle). . .

COUNCIL MEMBERS: . . .(chuckle). . .

COUNCILMEMBER MATEO: Chairman, thank you very much. I was, I was the one that questioned this particular item, and the, the reason for questioning it is because when the Coordinator was here the, the sites necessary to establish these communication devices was not yet identified. So my question at that point was it may be prema..., is it premature for us to designate monies when they're still trying to assess the, the more appropriate sites for these devices? So at this point I'll leave it to the, the call of the, the majority.

CHAIR PONTANILLA: Thank you. Members, any more comments in regards to this? And I think what the. . .whoever was here--Civil Defense?--

COUNCILMEMBER MATEO: Yes.

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CHAIR PONTANILLA: --had indicated that at the . . .last October when that earthquake, they kind of realized that a lot of calls went to the E911 and it flooded the Police Department in regards to that particular emergency, and that a . . .different sites would alleviate some of the overload on the E911 call center as, as I recall. Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank you, Chairman. I'm with Mr. Mateo on this one. Until they determine their sites, they can always come back to us at a later point in time once they've got their sites established and make a request for the funding. So, I don't think we need to appropriate these monies now until a site is established. Thank you.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Member Victorino?

COUNCILMEMBER VICTORINO: And I'd have to agree on that, that, you know, they were very . . .uncertain of this. So, you know, that I would want to see that removed and I don't know if this is where I would ask that 120 of the 125 be moved to the Kihei, the Kihei Youth Center, if that can be done, Mr. Chair?

CHAIR PONTANILLA: Oh, anything can be done. . . .*(chuckle)*. . .

COUNCILMEMBER VICTORINO: Oh, I just asking 'cause I get, you know, like I don't know, eh, in this whole situation. I'm not really well-versed like others in this body.

CHAIR PONTANILLA: Okay, fine. Thank you. Any more comments? Members, the Chair's recommendation is \$125,000 as proposed also by the Mayor for this Crisis Management Call Receiving Center. Any objections? Member Victorino?

COUNCILMEMBER VICTORINO: Object.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Object.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Object.

CHAIR PONTANILLA: Thank you. Member Medeiros?

COUNCILMEMBER MEDEIROS: Object.

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CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I'll support your request, Mr. Chair, because--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: --I think that it's also the service that's so critical, and I question if this is appropriate in CIP because it was not my understanding that they were gonna construct a building. It's just housing something at another site where other people would be able to, I guess, assist with calls. So to me I think that, you know, this money basically should be coming from. . .I guess it's coming from the General Fund, but I think there was also monies that may be available through Federal funding. And I, I support this because if we go down and we can't communicate. . .this is serious.

CHAIR PONTANILLA: It is.

COUNCILMEMBER JOHNSON: This is about lives, and I'm not putting anybody's life at risk.

CHAIR PONTANILLA: Thank you, Member Johnson. Member Baisa?

COUNCILMEMBER BAISA: Support your request.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: I support your request, Chair.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. Members, I, I think the Civil Defense had stated their case in regards to other sites that need to be activated whenever we have disasters so that we don't overload the E911 to handle the real emergencies. Again, Members, thank you very much for your support, but as I look at the. . .non-support, we do have five Members not, not supporting this particular program. So the Chair is willing to recognize that and delete the \$125,000.

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Yeah. Mr. Chairman, you know, just, just to make a quick comment in that because we, we didn't support the funding doesn't mean we, we. . .you know, we're against saving people's lives. Okay. It's just that right. . .for us it's a procedural thing. If

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somebody comes to you saying they want money, but they haven't finalized all the details and as the--you know, we, we're responsible with the public's money. So want to make sure for, for those of us who voted against this, we want to make sure all the I's are dotted and T's are crossed and, and again a site is established before we release the funds. So I, I'll speak for myself. Once I see, once they are sure they have found a site, then, you know, I'll be more than happy to support it.

CHAIR PONTANILLA: Thank you, Member Molina.

COUNCILMEMBER MOLINA: So, I just wanted to--

CHAIR PONTANILLA: And, and the Chair recognizes that and if the Department finds, you know, should happen to find the location where, you know, these other call centers can be located, they can come in for a budget amendment.

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Just a short comment. You know, when I was on the emergency preparedness committee that was mandated by the State, the Civil Defense room was designated as a crisis management or emergency operation center. . .so. . .and it is equipped and marked for phones for every Department in there, and I think that can serve temporarily until the (*inaudible*) decide on a location. Thank you.

CHAIR PONTANILLA: Thank you. I understand that the Civil Defense is the center for emergency here in Maui County. They do have facilities to handle such a, a crisis. Thank you, Member Medeiros, for that information. Again if, if and when the Department find the locations, then they can come in for a budget amendment. So we're not really shutting it down. Okay. Members, moving on. . . .Paia-Haiku Community Plan Area, Road Improvement, CIP 24-6. . . .Member Johnson?

COUNCILMEMBER JOHNSON: Yes. On this one because we reduced it to 100,000 and then is it still going to be in bond?

CHAIR PONTANILLA: According to this, we zeroed it out and we moved the money back into. . .

COUNCILMEMBER JOHNSON: Well, it says it was moved to Bond Fund, but now we've reduced it to 100,000--

CHAIR PONTANILLA: Move to Bond Fund. Yeah. We need to get to the Bond Fund and then make some adjustments.

COUNCILMEMBER JOHNSON: Yeah, because--

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CHAIR PONTANILLA: So it was in the General Fund area. . .oh, Highway Fund area.

MR. TAGUCHI: Chair.

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: That is correct. We moved this to the Bond Fund so. . .

COUNCILMEMBER JOHNSON: That's only got 100,000.

MR. TAGUCHI: We. . .the, the adjustment would come out of the Bond Fund to reduce it by \$400,000.
So, I would believe that this entry is still okay.

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: Also, can I get a clarification on the last. . .the last vote. The 125, was that also to be moved to, to--

COUNCILMEMBER JOHNSON: It's deleted.

MR. TAGUCHI: --Youth Center?

CHAIR PONTANILLA: The Kihei Youth Center.

MR. TAGUCHI: That is correct?

CHAIR PONTANILLA: That is correct.

MR. TAGUCHI: Okay.

CHAIR PONTANILLA: The recommendation for the Kihei Youth Center was 120,000.

COUNCILMEMBER JOHNSON: Twenty.

CHAIR PONTANILLA: Yeah. Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Thank you, Chair. Where did the 400,000 go from. . .that was reduced out of the Baldwin Avenue Bike Path?

CHAIR PONTANILLA: We'll, we'll get to that when we come to the Bond Fund. We'll show the reduction of the 400. . . --(end of tape 10A - 11:24 p.m.)-- Thank you. So moving on--

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COUNCILMEMBER MOLINA: So, Mr. Chair. I'm sorry--

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: With, with the 100,000 the issue came up about should that be moved to bond. I mean is there another option if we go cash, financed contingency fund? That, I believe that could be one option if the Committee decides to use cash instead of bond. Am, am I correct? I don't know if we can get comment from Staff.

CHAIR PONTANILLA: Yes, we could. Staff, you want to comment?

COUNCILMEMBER JOHNSON: It should stay in the Highway Fund then. It should really stay in the Highway Fund.

MR. TAGUCHI: We would have to take a look at how much cash is available.

COUNCILMEMBER MOLINA: Okay.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Alright, thank you.

CHAIR PONTANILLA: If we do have cash, you know, the possibility is there to move it from bond to cash. Thank you. So, Members, any objections to the Chair's recommendation in regards to the Baldwin Avenue Bike Path?

COUNCILMEMBER JOHNSON: No.

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER MEDEIROS: No objection.

CHAIR PONTANILLA: Thank you. Highway Fund: Makawao-Pukalani-Kula, Downhill Bike Tour Assessment. Any objections to the Chair's recommendation?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I think my comment was similar to the Police Department's 'cause this is an assessment, it's a study. So it would be a professional service contract. . .

COUNCILMEMBER JOHNSON: Uh-huh.

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VICE-CHAIR HOKAMA: . . .and I would ask that, you know, we might want, I would ask the Committee to consider a proviso whereby we would ask the bicycle industry whether you're a tour. . .if, if you're a sale, you know, you're bicycle sales, that we would ask that they, they would participate in this assessment so we get all sectors of the industry to have us provide input on how we should move forward with this bicycle issues that whether we're facing with the Downhill. I heard earlier about the greenways program and whatnot. I would ask that we would consider that we allow the industry to participate with the County's funding.

CHAIR PONTANILLA: Thank you. You had another recommendation in regards to moving the Downhill Bike Tour Assessment to, from the CIP location to. . .I'm assuming it's going to be Public Works' Highways Division--

VICE-CHAIR HOKAMA: Correct, Chairman.

CHAIR PONTANILLA: --thank you--as a line item--

VICE-CHAIR HOKAMA: As a line item.

CHAIR PONTANILLA: --with the proviso.

VICE-CHAIR HOKAMA: That would be my suggestion to the Committee. Thank you.

CHAIR PONTANILLA: Members, any objections to that request?

COUNCILMEMBER MOLINA: No objections.

COUNCILMEMBER ANDERSON: No.

COUNCILMEMBER JOHNSON: Where do you get the money?

CHAIR PONTANILLA: I beg your pardon?

COUNCILMEMBER JOHNSON: Where are you getting the money? Because this is Highway Fund, right, so--

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: --it's going to come from General Fund then?

CHAIR PONTANILLA: We're going to move it to General Fund and see how it all comes up.

COUNCILMEMBER JOHNSON: Okay.

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CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: Chair Pontanilla.

VICE-CHAIR HOKAMA: Chair.

CHAIR PONTANILLA: Mr. Taguchi, Taguchi?

MR. TAGUCHI: The, the location, if I understand it, is Public Works Highways, which is out of Highway Fund. So there would be no interfund transfer.

VICE-CHAIR HOKAMA: That is correct.

COUNCILMEMBER JOHNSON: Oh, okay.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: That is correct.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: I, I believe that there was some question regarding what the legislation, Legislature is currently looking at, and I'm wondering if Chair Hokama has heard anything about that in giving us the authority to regulate.

VICE-CHAIR HOKAMA: My, my last information, Members, and, you know--we can have Mr. Kane re-verify that tomorrow morning, I'll give him a call quickly--is that there was still. . .you know, the, the House had asked, position was that they would like the County to have author..., authority over State highways. The Senate, when we had talked to the Senators, understood our issue about the liability we would assume over the State highway program regarding this issue. And again since Senator Hee, listening, you know, taking comments from the tort lawyers lobbying group had issues with indemnifying and providing liability assurances for the County, and that's why it's. . .there, there's a stalling that's going on because the State, on the Senate side, is reluctant to give us this indemnification. And so, again, it goes back to that same thing with the beaches, Members, and private property for recreational use. It is now with us and State, State Highways. So it's up in the air yet, Members.

CHAIR PONTANILLA: Thank you, Mr. Hokama.

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COUNCILMEMBER ANDERSON: Well, you know, I'm, I am--thank you for that update--but I'm of the same mind as Chair Hokama. This is an assessment of the Downhill Bike Tour industry. They need to participate financially. And maybe even HTA needs to participate because. . .(sigh). . .I don't know why our taxpayers should pay for an assessment of their business and the impact it's have on, having on our roads.

CHAIR PONTANILLA: Thank you. We, we'll be adding that proviso as we move this money from here to operations.

COUNCILMEMBER ANDERSON: Thank you, Chair.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Mr. Chair, wasn't this the one where we had also put a notation that Ms. Woods, Lynne Woods was possibly going to provide information or had in the past--

CHAIR PONTANILLA: Yes. Yes.

COUNCILMEMBER JOHNSON: --and we haven't heard anything yet?

CHAIR PONTANILLA: We haven't heard anything from Ms. Woods.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Any more comments?

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Thank you. And thank you for that reminder, Ms. Johnson, I did receive a call from Ms. Woods, and to be fair, she in general would agree with the proposal that I am asking you to support whereby we would ask the industry to participate with us and allow them to give their points of view. But she, she was also open that maybe we would also incorporate, you know, 'cause we have that issue of the so-called non-guided. And so her thing was anything that goes up the mountain and just drops off people and even if they come down, they should be included in the assessment and ask them to also participate in, in the study. And I had asked her what did, what, if she had any thoughts about those that even sell and provide bicycles, you know, and she, she thought it was, would be a great thing to have a general overall participation of the bicycle industry on Maui. So, I just share that, that she is. . .again, that was her suggestions to us to also--

COUNCILMEMBER ANDERSON: Is that participation including financial participation?

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VICE-CHAIR HOKAMA: I had asked her that, and I told her that I would be proposing that we ask them to participate in, in, in sharing the cost with the County, and she did not seem to be objectionable to that.

CHAIR PONTANILLA: Thank you. Members, any more comments? Thank you. Moving on. Makawao-Pukalani-Kula Community Plan Area. . .um. . .we just completed that.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

CHAIR PONTANILLA: West Maui Community Plan Area, District Road Resurfacing. The recommendation by the Chair is \$600,000, a \$300,000 increase from the Administration's proposal. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, and I have a question. In the Highway Funds, are they dedicated specifically by each community plan area based on what the contributions are or are they just allocated from one General Fund into, I guess, being divided amongst all the communities?

CHAIR PONTANILLA: The addition that you see for road resurfacing is going to come out from the General Fund. As indicated by the Chair. . .when we started our deliberation on Exhibit "1" and what the Chair had done is doubled the recommendation made by the Mayor for each community plan district, except for Hana and Wailuku-Kahului.

COUNCILMEMBER JOHNSON: Okay. So if I understand correctly then, the maximum allocations of what is projected to be in the Highway Fund was distributed amongst all the categories?

CHAIR PONTANILLA: I believe so.

COUNCILMEMBER JOHNSON: Okay. So that there would be no additional Highway Funds available?

CHAIR PONTANILLA: Um. . .

COUNCILMEMBER JOHNSON: So I, I guess my suggestion. . .because I had asked for additional monies and if there's no additional monies in the Highway Fund, then I would ask if a portion. . .because we have so many projects that did not get done last time. . .*(chuckle)*. . . I know we got portions of the lower road repaved, but because of this huge increase in cost and we still don't have the Puukolii Road issue resolved. . .I would like to perhaps suggest that to provide the additional \$400,000, if that can be, I guess, gleaned from the Bond Fund.

CHAIR PONTANILLA: I, I know there are issues in regards to Puukolii Road because of. . .

COUNCILMEMBER JOHNSON: Uh-huh.

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CHAIR PONTANILLA: . . .there's the County involvement, the developer's involvement, and I guess the homeowner's involvement in this particular issue here. And as I recall last year, Milton, Director Arakawa had indicated that he would be working with the community in trying to resolve that issue and repave that road.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: But I don't know if that has happened yet.

COUNCILMEMBER JOHNSON: The item is actually in Member Medeiros and Victorino's Committee, and I cannot participate in that Committee. Therefore, the issue. . .if the Administration and the Council are willing to resolve, it can be resolved because there has been an offer of monetary assistance to, I guess, bring whatever portions of the roadway or what the cost to bring up the portions of the roadway to County standards would be needed. That's going to be offered by the. . .Mr. Howard Hanzawa of Kaanapali Development Corporation and. . .that would resolve the issue, but there is substantial monies that need to be allocated for that roadway and that would eat up probably the entire increase that you're proposing. So that's why I'm asking to put in \$1 million and if we have to, I guess I would propose it from bond then.

CHAIR PONTANILLA: Thank you. Member Anderson [*sic*], I'd--

COUNCILMEMBER JOHNSON: Johnson.

CHAIR PONTANILLA: --just like to add my comments on that. Last year as the Public Works Committee Chair, Director Arakawa and I had a lot of discussion in regards to repaving Puukolii Road and at that time he indicated that there are some funds, I don't know if they are available in the '07 Budget, but the Chair. . .if and when the proposed agreement becomes reality, I'm open to a budget amendment if and when we do satisfy all of the requirements as Milton Arakawa has indicated. Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I know we had, we're one quarter late on, on the CIP report, but the, the most current information we have from the Finance Department is that there is \$100,000 still available for Puukolii Road, Ms. Johnson--

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: --and it hasn't been encumbered. So--

COUNCILMEMBER JOHNSON: Yeah. And, and because of the issue being unresolved, it's going to take some time and the funds will lapse. So that's, that's the issue. I've been working on this since last Budget cycle. So. . .

CHAIR PONTANILLA: Well, hopefully the. . .since it's, it's encumbered I think we get till the end of the year?

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COUNCILMEMBER JOHNSON: It's not encumbered. No.

VICE-CHAIR HOKAMA: Not encumbered, Chair.

CHAIR PONTANILLA: Oh, not encumbered?

COUNCILMEMBER JOHNSON: No, it's not encumbered.

CHAIR PONTANILLA: And, Budget Director, if you can follow up with the Department?

COUNCILMEMBER JOHNSON: I can tell you there's no intention of the Department to encumber it because the Director is waiting for the Committee to complete its work on that particular project. So there is no desire and there is insufficient money. . . basically, the 100,000 will not do anything.

CHAIR PONTANILLA: Thank you. And again, you know, the Chair is open to an amendment should the agreement becomes reality, you know, so that we can provide the type of road that the community needs at Puukolii.

COUNCILMEMBER JOHNSON: Irrespective of whether Puukolii is included in this or not, I would still request \$1 million in the West Maui fund because we. . . we're in need of infrastructure and the, our roadways are one of the keys because we have so many tourist coming.

CHAIR PONTANILLA: Thank you. Again, you know, Director Arakawa had provided the Committee with his priorities as far as road repaving in all of the areas, and it included like three on, on West Maui, three in Wailuku, and none in Kahului that really opened my eyes. You know, so we need to be mindful that, you know, we all share the same pot of money in regards to improving our highways here and, you know, I would leave it up to the Director as far as the priorities because who knows better. Member--

COUNCILMEMBER JOHNSON: May I just make one final comment?

CHAIR PONTANILLA: --Member Johnson and then Member Medeiros.

COUNCILMEMBER JOHNSON: And, and I totally respect that. I look at this as capital reinvestment, protecting the goose that is laying golden eggs all over this County, and I respectfully ask that because there are many other needs that are being taken care of in many other communities, this is a small item as far as I'm concerned with the total revenues that our community is providing for everyone else. So, I think \$1 million out of our contributions is not an unreasonable amount to ask.

CHAIR PONTANILLA: Thank you. Member Medeiros?

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COUNCILMEMBER MEDEIROS: I just wanted to add a comment to Puukolii Road, and I know, Chair, you know the history of that because you were the Public Works Committee Chair and Member Johnson also knows about that because she represents that district. But I know when we maintain that road--and I don't know if this has been resolved--that the County didn't own the whole road, and whether you go and bring it up to standard, I think this. . .you have to settle who owns what first. And if the County's going to buy out the other portion or vice versa and if it's a private road, I think that's going to take a long time to resolve before you can even bring it up to standards. Because when we used to pickup illegal real estate signs on the shoulder, we could only pick it up on one side of the road, the County side; the other side we couldn't because that was private. So that's going to take some, you know, resolution to decide on the ownership of that roadway, Chair. Thank you.

CHAIR PONTANILLA: Thank you. Members, the recommendation by the Chair is to increase the Road Resurfacing in the West Maui Area by \$300,000, bringing it up to \$600,000. Any objections?

COUNCILMEMBER JOHNSON: I still want 1 million.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: I'll, I'll take the 600,000, but you have to *(inaudible due to interruption)*--

COUNCILMEMBER ANDERSON: Could we--

COUNCILMEMBER JOHNSON: --my community.

COUNCILMEMBER ANDERSON: --Chair, could we revisit this since we have a couple other things we're revisiting? And I'd also like to request, Mr. Chair, with all due respect. . .we, we spent 15 hours today on this and. . .we gotta come back tomorrow morning and make some hard decisions. Some of us have a long ways to drive to get home, and we have Staff here. I think that it's time to call it a day and pick this up in the morning.

CHAIR PONTANILLA: Members, the Chair would like to complete, we're almost there. So, I just want to drive on.

COUNCILMEMBER MOLINA: Chair, before--

COUNCILMEMBER ANDERSON: . . .*(sigh)*. . . Does that mean you're going to drive me home? . . .*(laughter)*. . .

COUNCIL MEMBERS: . . .*(chuckle)*. . .

CHAIR PONTANILLA: No, I going call you one taxi. . . .*(chuckle)*. . .

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COUNCILMEMBER ANDERSON: . . .(*chuckle*). . .

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Yeah. Thank, thank you, Chair. I just want to echo Member Anderson's comments because, you know, Member Baisa has to go to Kula, I got Makawao, Member Johnson's got Lahaina, and Member Anderson's got Kihei; Member Mateo, I think he stays in Pukalani. So. . .anyway, it's been a long day. Thank you.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER ANDERSON: And, and, Chair, the reason I'm saying this is I don't just--you know, we've got quite a few things left to go here and I don't see it as being a slam-dunk unless, you know, we're all so exhausted we don't give a rip anymore.

CHAIR PONTANILLA: I, I don't see this as a slam-dunk and I don't see. . .unless Members have really some growing problems in some of this, the ones that we're going to be reviewing--you know, we've heard from the departments in regards to the questions that we asked earlier. I'm hoping that, you know, whatever questions that we asked all of the department heads that were here today would, you know, move us in, in a manner that, you know, quicker in other words. So the Chair would ask for your indulgence to complete this particular issue here because it's. . .we have a long day tomorrow also. Okay. For the West Maui Area, the Chair's recommendation is \$600,000. Member Victorino? Support?

COUNCILMEMBER VICTORINO: Support.

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: Support.

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Revisit.

CHAIR PONTANILLA: Revisit. Member Medeiros?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Thank you. Member Anderson?

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COUNCILMEMBER ANDERSON: Revisit.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: . . .Revisit.

CHAIR PONTANILLA: Okay, we're going to revisit.

COUNCILMEMBER JOHNSON: Revisit.

CHAIR PONTANILLA: . . .*(inaudible)*. . . Okay. Page 8, Road Improvements, CIP 31-20. There's three items: Provided, that 50,000 shall be for West Kuiaha Street and, and tables. Any objections to \$50,000?

COUNCILMEMBER ____: No.

CHAIR PONTANILLA: Thank you. Provided, that \$100,000 shall be for traffic calming measures--

MR. TAGUCHI: Chair Pontanilla.

CHAIR PONTANILLA: Member Taguchi, Mr. Taguchi?

MR. TAGUCHI: The first three items have consensus.

CHAIR PONTANILLA: Okay.

MR. TAGUCHI: We're looking basically at the Maui Meadows and Makawao.

CHAIR PONTANILLA: Okay, thank you. Going down to Maui Meadows, \$60,000 for speed tables.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: No objections? Thank you. Makawao, \$15,000 for speed tables.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. And, Members, the Chair would like to recognize Item No. 2, the recommendation as provided and the estimate that's provided by Public Works is \$50,000. So--

COUNCILMEMBER ANDERSON: For Item 2?

CHAIR PONTANILLA: --we'll remove \$50,000 from that \$100,000 that is proviso'd.

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COUNCILMEMBER ANDERSON: Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: Thank you. I would like to--we've had quite a few speeding accidents on Wel..., Welakahao in Kihei, and so I would like to add that as also, also as a proviso. It's a collector, minor collector road.

CHAIR PONTANILLA: Any objections, Members? And we'll, we'll add the \$50,000 to that.

COUNCILMEMBER ANDERSON: Thank you, Chair.

CHAIR PONTANILLA: Okay. Moving on. Do I have consensus on that?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Thank you. Countywide Speed Hump Program, the recommendation is half a million dollars, 500,000. Any objections?

COUNCILMEMBER MEDEIROS: No objections.

CHAIR PONTANILLA: No objections, fine. Paia-Haiku Community Plan Area, Baldwin Avenue Bike Path. We removed \$400,000. The appropriation at this time is \$100,000. Any objections?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: Member Anderson?

COUNCILMEMBER ANDERSON: We have not parked that \$400,000 anywhere, correct?

CHAIR PONTANILLA: I lost track.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . . I don't think we have.

CHAIR PONTANILLA: The Chair is going to ask the Staff to give us a recalculation on, on the numbers so that we know where we're at tomorrow.

COUNCILMEMBER ANDERSON: My concern with this is still I, I. . .I don't know why we're spending \$100,000 to design something that may never happen because I can't see spending \$10 million of taxpayer money to provide the Downhill Bike Tour industry with their own path,

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and we don't know that they're even going to use it. We don't know that. And I also know that we could extend a shoulder on Baldwin Avenue without disturbing anything, no trees, no nothing, there's right-of-way, and it'd be a very cheap fix to extend one shoulder of the roadway to provide a bike lane. I'd like to see us put some of this money, at least 200,000 of it towards the Paia Bike Path because that's been, you know, designed and planned and approved, we got the SMA permit done, we've got part of it done. They just finished the EA for Phase III. So, you know, and it's on level land, it's a bike path that our residents will use. So if you haven't got a place for the 400,000 and the other Members want to support the 100,000 for the, the design of this bike path, I won't fight that, but I think that our residents and the, and our bicycle enthusiasts--remember, Members, we heard from them over and over again in public testimony. So, I think that we need to put money, taxpayer money to improve--and actually not improve--to construct a bike path that our residents will enjoy, not a bike path for tourists.

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

COUNCILMEMBER MOLINA: Yeah. Mr. Chairman, that's a reasonable consideration. I'll support that 200,000 for the. . .is that the, the North Shore--

CHAIR PONTANILLA: North Shore.

COUNCILMEMBER MOLINA: --Greenway, right?

COUNCILMEMBER ANDERSON: No, I'm talking about the Paia--

COUNCILMEMBER MOLINA: Oh, Paia.

COUNCILMEMBER ANDERSON: --Bike Path. I don't think the North Shore Greenway is ready yet.

CHAIR PONTANILLA: It's not going to be ready probably for another year, two years.

COUNCILMEMBER ANDERSON: At least a year and, you know, it'd be nice to, to do it and say--you know, actually I'd like to take the extra 200,000 and put it towards finishing the Kalama Park Pedestrian Path, which we're coming up to, because the Parks Department met with the KCA after the budget was already drawn up, and, and when we had Parks here they also agreed that if they had the additional money, they could finish the pedestrian path. And that, again, has some, has been something that's taken years and years and years of funding, and they're ready to move on it. So let's give 'em the money to finish it.

CHAIR PONTANILLA: Kalama Park Pedestrian Path, we have \$250,000 as noted on the bottom of the page--

COUNCILMEMBER ANDERSON: Right, Mr. Chair, but they need another--

CHAIR PONTANILLA: --and you say that they need another 200,000 to complete?

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COUNCILMEMBER ANDERSON: They need another 200,000. They met with Director Horcajo regarding this and. . .their estimates are that they need 450 to complete the pedestrian pathway. So when Director Horcajo was here, I asked her if, if we could give you the full funding to complete this pedestrian path, would you be able to do it, and she said yes and they would welcome it. So, you know, let's, let's give Kihei something finished.

CHAIR PONTANILLA: Okay. First of all, we're going to reduce the \$500,000, as we see, to \$100,000. Is there any objections to that?

COUNCILMEMBER BAISA: No.

COUNCILMEMBER MEDEIROS: No objections.

CHAIR PONTANILLA: Thank you. Kihei Police Station. Any objections to transfer part of the funding to the central, to the General Fund?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: The total recommendation at this time for the Police Station is \$3 million for land purchase. Any objections?

COUNCILMEMBER ____: No.

CHAIR PONTANILLA: The next one down, transfer part of the funding to the General Fund, and I think this is to provide appropriation for the South Maui Community Park. Mr. Taguchi?

MR. TAGUCHI: This is to increase the appropriation to. . .I think there's \$700,000 in Park Assessment, so the total appropriation for the South Maui Community Park, Phase I, would be \$5 million.

CHAIR PONTANILLA: Five million dollars? Thank you.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: 4.3 plus 700. . .

VICE-CHAIR HOKAMA: No, Police is 700, Chair.

COUNCILMEMBER VICTORINO: Seven hundred is the Police.

CHAIR PONTANILLA: I'm sorry. Okay, okay. Police is 3,000..., \$3 million. We're going to transfer \$2.3 million to General Fund. That would leave \$700,000 in the Government Facilities for the Kihei Police Station--

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COUNCILMEMBER ANDERSON: Under bond.

CHAIR PONTANILLA: --and the rest in. . .oh, under bond, yeah, under bond. Right. Mr. Taguchi?

MR. TAGUCHI: That is correct. I thought we had consensus on that.

CHAIR PONTANILLA: I thought so, too, but I, I see this dark area here. Consensus again? No--

COUNCILMEMBER ANDERSON: Yeah.

CHAIR PONTANILLA: --any objections?

COUNCIL MEMBERS: No objections.

COUNCILMEMBER ANDERSON: Mr. Chair.

CHAIR PONTANILLA: You had a question?

COUNCILMEMBER ANDERSON: Yeah, you know. . .I requested, and you just kind of skipped over my request, that we allocate 200,000--

CHAIR PONTANILLA: No, we're coming down to that.

COUNCILMEMBER ANDERSON: No, no, no, no, to the Paia Bike Path of the--

COUNCILMEMBER MEDEIROS: Baldwin Avenue.

COUNCILMEMBER ANDERSON: --you know, we took 400,000 out of the Baldwin--

CHAIR PONTANILLA: Oh, okay.

COUNCILMEMBER ANDERSON: --and, and, yeah, I know we're coming down to Kalama, but there's no place for Paia, except right here at the Baldwin Bike Path.

CHAIR PONTANILLA: I've got a question. When you say the Paia Bike Path, is that the North Shore Bike Path?

COUNCILMEMBER ANDERSON: Yes.

COUNCILMEMBER MEDEIROS: No.

COUNCILMEMBER ANDERSON: Yes.

COUNCILMEMBER JOHNSON: No.

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COUNCILMEMBER MEDEIROS: No.

COUNCILMEMBER MOLINA: No, North Shore Greenway.

COUNCILMEMBER MEDEIROS: He's talking about North Shore Greenway. That's not what you were talking about?

COUNCILMEMBER MOLINA: That's not what you wanted, right?

COUNCILMEMBER BAISA: You said no.

CHAIR PONTANILLA: That's the one for Kahului to--

COUNCILMEMBER ANDERSON: No, no, no.

CHAIR PONTANILLA: --oh, Spreckelsville to Paia Town.

COUNCILMEMBER ANDERSON: Did I say no when you said North Shore?

COUNCILMEMBER MOLINA: Yeah, you said Paia.

COUNCILMEMBER ANDERSON: I thought you said Kihei.

COUNCILMEMBER MOLINA: But, yeah, the, the Spreckelsville Bike Path?

COUNCILMEMBER ANDERSON: Yes, it's the bike path--don't matter what it's called--some people call it the North Shore Greenway, some people call it the Paia Bike Path.

COUNCILMEMBER MEDEIROS: Oh, that's the same thing?

COUNCILMEMBER ANDERSON: But it's the section from. . .Stable Road all the way to Paia--

COUNCILMEMBER BAISA: Right.

COUNCILMEMBER ANDERSON: --and they've got it so far. . .they got Phase I done and they've got an SMA done for Phase II, and they've just finished the EA for Phase III. Let's give them the money.

CHAIR PONTANILLA: So \$200,000 to the North Shore Bike Path--

MR. TAGUCHI: Chair.

CHAIR PONTANILLA: Mr. Taguchi?

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MR. TAGUCHI: In 2007, the appropriation out of the Paia-Haiku Community Plan District, I believe the project is called Baldwin Park. . . --(end of tape 10B - 11:54 p.m.)--

CHAIR PONTANILLA: . . .Baldwin Park Bikeway. Thank you. Got it?

COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah, you know, Walter Enomoto who testified a lot on this never referred to it as Baldwin Park Bikeway. He always called it the North Shore Greenway--

CHAIR PONTANILLA: Yeah. Thank you.

COUNCILMEMBER MEDEIROS: --right, and seems like he knew that project fairly well and he had the, you know, the bike study thing and everything.

CHAIR PONTANILLA: So we have half a million dollars appropriated already, Mr. Taguchi?

COUNCILMEMBER ANDERSON: Mr. Taguchi, in, in '07 can you give me a page number? . . .I could get the EA, I just got it in my office last week. And, and. . .yeah, I think, you know, depending on who's discussing it they use whatever. . .some people might think it's the Baldwin Park Bike Path, but it's all the same bike path.

MR. TAGUCHI: On page 16 in the 2007 Budget, under Bond Fund, under Paia-Haiku Community Plan District there is a Baldwin Park Bikeway. I believe there was some confusion in the 2007 Budget process because the Baldwin Park Bikeway was very similar in name to the Baldwin Avenue Bikeway.

COUNCILMEMBER ANDERSON: I, I'm looking at this right now and in '07..I know we certainly. . .the, the request was 2.4 million and I know we didn't give them that. What did you say we gave 'em, half a million?

CHAIR PONTANILLA: Half a million.

COUNCILMEMBER ANDERSON: Yeah. So they need a lot more money, Mr. Chair, and at the time--I, I'm looking at my notes from last year--I, I think that we did put a proviso in that the bike path would not be used for commercial tours. So they can certainly use the extra 200,000, \$200,000.

CHAIR PONTANILLA: Thank you. So the '07 Budget still have half a million dollars for the Baldwin Park Bike, Bikeway. Members, moving forward, Bond Fund, Government Facilities--

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COUNCILMEMBER ANDERSON: So wait a minute. Are we going to do that, Chair?

CHAIR PONTANILLA: Add the 200,000 to the 500,000?

COUNCILMEMBER ANDERSON: Yeah, to the Baldwin--

CHAIR PONTANILLA: Before we--

COUNCILMEMBER ANDERSON: --Paia, North Shore Bikeway.

CHAIR PONTANILLA: Before we do that, Member Anderson, right now they do have half a million dollars for that particular project. We may need the \$200,000 in other areas that we're already increasing.

COUNCILMEMBER ANDERSON: So you want to hold off on that? But could we give it, you know, if there's anything left, could we give it first dibs because last year--

CHAIR PONTANILLA: Oh, yes, we could. But I, I want to make sure that all of the additions that we've been adding, without taking out anything, is satisfied first.

COUNCILMEMBER ANDERSON: Right, I understand. But, you know, they wanted 2.4 million last year and they only got 500,000. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER ANDERSON: . . .so they need the money to move on getting it done.

CHAIR PONTANILLA: Thank you. Okay. South Maui Community Park Phase I, \$4.3 million as the Chair's recommendation. Any objections? No objections? Thank you. Moving on to Molokai Community Plan Area, Molokai Landfill Left-Turn Lane, and I think. . .Mr. Mateo, questions on that?

COUNCILMEMBER MATEO: No, I don't have, but we discussed this earlier.

CHAIR PONTANILLA: Thank you. Any objections to the 1.75 mil.?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MEDEIROS: Let's get going.

COUNCIL MEMBERS: . . .*(chuckle)*. . .

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CHAIR PONTANILLA: Kihei-Makena Community Plan Area, Kalama Park Pedestrian Path, \$250,000. Member Anderson?

COUNCILMEMBER ANDERSON: Yes. Thank you, Mr. Chair. I'd like to request the additional 200,000 to complete this pedestrian pathway--

CHAIR PONTANILLA: Thank you. And the 2--

COUNCILMEMBER ANDERSON: --taken--

CHAIR PONTANILLA: --\$200,000 will be coming out of the Baldwin Avenue Bike Path where we--

COUNCILMEMBER ANDERSON: Correct.

CHAIR PONTANILLA: --removed \$400,000 from the \$500,000, as proposed. So the total appropriation for the Kalama Park Pedestrian Path is now \$450,000. Any objections?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: Thank you, Mr. Chair.

CHAIR PONTANILLA: One more page, one item.

COUNCILMEMBER ANDERSON: . . .*(chuckle)*. . .

CHAIR PONTANILLA: Wailuku-Kahului Wastewater Reclamation Facility, \$500,000. Any objections?

COUNCILMEMBER VICTORINO: No.

VICE-CHAIR HOKAMA: Chairman, I would ask that we revisit this.

CHAIR PONTANILLA: Thank you. Members, that concludes our review. . .in regards to Exhibit "1".

COUNCILMEMBER ANDERSON: Wait a minute, Chair, we've got--

CHAIR PONTANILLA: We already discussed the rest of 'em with--

COUNCILMEMBER MEDEIROS: We got consensus.

CHAIR PONTANILLA: --the Water Department.

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COUNCILMEMBER ANDERSON: No, I wanted to put provisos in on all these Upcountry Water Treatment Plant Improvements, that's why it's still here.

CHAIR PONTANILLA: Okay. The Chair will take it one by one. Any objections to the recommendation made by the Chair on CIP 25-21. Member Anderson?

COUNCILMEMBER ANDERSON: No objection, Chair, except that I would like to add a proviso that says: Provided, that the comprehensive performance evaluation be taken into consideration in the final design. Mind you, Members, none of these water treatment plant improvements have received final design.

CHAIR PONTANILLA: Thank you. Members, any objections to the recommendation? Member Victorino?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Member Hokama? Any objections to the proviso as--

VICE-CHAIR HOKAMA: That's fine.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: No.

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: No objections.

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Thank you. Member Mateo?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. The next one down, CIP 23-18. Any objections to the Chair's recommendation?

COUNCILMEMBER ANDERSON: No objection.

COUNCILMEMBER MEDEIROS: No.

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CHAIR PONTANILLA: Thank you. Member Anderson, you're going to add provisos to each and every single one of these?

COUNCILMEMBER ANDERSON: Not for the Hana Source--

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER ANDERSON: --but for the other two, the remaining two.

COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: Thank you. CIP 25-15, 1.3, \$1.5 million. Any objections? No objections? Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Same proviso, Chair.

CHAIR PONTANILLA: Thank you. Any objections to the proviso?

COUNCILMEMBER MOLINA: No.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Thank you. Moving down, Olinda Water Treatment Plant, \$400,000. Any objections to the total?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Thank you. Member Anderson?

COUNCILMEMBER ANDERSON: Same proviso, Chair.

CHAIR PONTANILLA: Thank you. Any objection to the proviso?

COUNCILMEMBER MEDEIROS: No.

VICE-CHAIR HOKAMA: Chair, Chairman.

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: This is just a re-line, right. . .they're, they're re-lining the reservoir?

CHAIR PONTANILLA: Um. . .

COUNCILMEMBER ANDERSON: Oh, that's true.

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CHAIR PONTANILLA: Re-lining 8.8 [sic] million gallon reservoir.

VICE-CHAIR HOKAMA: So, I would ask that it may not be necessary for the proviso--

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: --on this specific project, Members.

COUNCILMEMBER ANDERSON: Right.

CHAIR PONTANILLA: Okay, thank you. No objections to removing the proviso?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Thank you. So, Members, this is the second pass. So we have, as I count, a revisit on page 2, Ka Lima O Maui; a revisit on Supplemental Transfer to the Golf Fund, that was on page 3; on page 4 we have revisit on Grant to Community Work Day Program; Grant and disbursement for Youth Centers. Wait, wait. . .do we, do we need to come back to the Kihei Youth Center because we already covered the \$120,000?

COUNCILMEMBER ANDERSON: We already covered it.

CHAIR PONTANILLA: Okay, so we don't have to revisit? Any objections?

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Revisit grant for Hana Dialysis, \$50,000--do we need to revisit?

COUNCILMEMBER MEDEIROS: No need.

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Thank you. Remember that, guys.

COUNCIL MEMBERS: . . .(chuckle). . .

CHAIR PONTANILLA: Okay. Revisit on the add 2 equivalent personnel, unfunded EA position. Mr. Hokama is going to come out with some language--

VICE-CHAIR HOKAMA: Correct.

CHAIR PONTANILLA: --as well as some language in regards to the temporary positions that the Members are considering in transferring to the Mayor's Office. We're going to revisit the

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disbursement, the deletion of 3 pool managers. We're going to revisit the--Members, do we need this Grant to Kihei Community Association cultural overlay map since we covered the \$5,000?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER ANDERSON: No.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Okay. The . . .we're going to revi . . . , revisit--

COUNCILMEMBER MEDEIROS: What page?

CHAIR PONTANILLA: --Road, Bridges, and Drainage Maintenance. . .I . . .the operations from the B Account on the Public Works Department.

COUNCILMEMBER ANDERSON: Chair, that's \$50,000 that was reduced--

CHAIR PONTANILLA: That was \$50,000--

COUNCILMEMBER ANDERSON: --and we didn't put it anywhere. . .you know, what I mean, the reduction?

CHAIR PONTANILLA: Yeah. We still have that--well, they, they do have in their professional contracts \$100,000. We're going to remove 50,000.

COUNCILMEMBER ANDERSON: Fifty of it--

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER ANDERSON: --and we didn't put it anywhere is what I'm saying?

CHAIR PONTANILLA: No, it's in the B Account. So . . .

COUNCILMEMBER ANDERSON: Yeah. But I mean for reducing their B Account for this one item from 100,000 to 50,000--

CHAIR PONTANILLA: Yeah. We didn't move any of the monies anywhere.

COUNCILMEMBER ANDERSON: Huh?

CHAIR PONTANILLA: We didn't move the \$50,000 from--

COUNCILMEMBER ANDERSON: That's what I'm saying--

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CHAIR PONTANILLA: Yeah.

COUNCILMEMBER ANDERSON: --there's the \$50,000 that we could use somewhere.

CHAIR PONTANILLA: Okay. Okay, moving on, on page no. 6, we're going to revisit the Grants and disbursements for Public Trans..., Transportation Program, the \$480,000 that we proviso'd to West Maui Area.

VICE-CHAIR HOKAMA: Uh-huh.

CHAIR PONTANILLA: We're going to revisit the Dialysis Reno..., Renovation funds. I, I thought we had \$5,000 for that already.

COUNCILMEMBER ANDERSON: Yes, we do.

COUNCILMEMBER BAISA: We do.

CHAIR PONTANILLA: So we're not going to revisit that.

COUNCILMEMBER MEDEIROS: We're done with that.

COUNCILMEMBER ANDERSON: The only thing we need to revisit on that is if the lease is still, if--

VICE-CHAIR HOKAMA: Valid or not.

COUNCILMEMBER ANDERSON: --if the executive order is still valid.

CHAIR PONTANILLA: Yeah. Thank you. Kula Tennis Courts, we're going to revisit in regards to the land issue. Construction/Maintenance Baseyard at Iron Maehara Baseball Stadium, Mr. Hokama is going to come up with some language. Let's see, on page 7, Road Improvement, we're going to revisit as far as the appropriation for resurfacing in Lahaina or West Maui area. And the last one that the Chair has is the revisit on the Wailuku-Kahului Wastewater Reclamation Facility. Members, any questions, any comments?

COUNCILMEMBER ANDERSON: Yeah. I think it's pretty amazing that you could read all that off, Chair.

CHAIR PONTANILLA: I know.

COUNCILMEMBER ANDERSON: I'm impressed.

CHAIR PONTANILLA: At this later hour, I am impressed myself. . . .(chuckle). . .

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COUNCILMEMBER ANDERSON: . . .(laughter). . .

COUNCIL MEMBERS: . . .(chuckle). . .

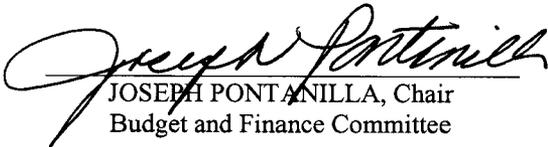
CHAIR PONTANILLA: Members, we'll continue the discussion tomorrow. But first up tomorrow we, we need to take actions on some of the proposed bills that the Staff has prepared, there's three of 'em that we need to consider tomorrow.

So, Members, thank you very much for enduring this *long* evening. And if there's no questions, the Chair--Mr. Taguchi, any questions, comments? Thank you. There's no comments by the Staff member. So this meeting is now adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 12:08 a.m.

APPROVED:


JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:070425

Transcribed by: Tammy M. Frias